

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

ANSWERS TO ADDITIONAL QUESTIONS POST HEARING

Forest Products Commission

Hon Steve Martin MLC asked:

1. I refer to Budget Paper 2, Vol. 1, page 296, paragraph 2:

- (a) How many share farms are impacted by the Commission's failure to complete thinnings on schedule;
- (b) For those in (a) will the Commission please table the length of the delays; and
- (c) For those in (a), how many plantations have been due to be thinned, but have not yet been thinned at all?

Answer (a) – (c)

The timing of any harvest activity is based on many factors not just age. There is no contract requirement to undertake a thinning operation at a certain age. The FPC use their best professional judgement as to when a thinning should take place.

2. I refer to Budget Paper 2, Vol. 1, page 294, paragraph 1:

- (a) How many jobs are expected to be created as a result of the \$350 million investment into softwood plantations;

Answer:

The softwood industry currently supports approximately 2,000 direct and indirect jobs. Without new investments in the softwood plantation estate, there will be a steady decline in employment as the available resource declines. It is expected that the planned investment in softwood plantations will create 230 new direct and indirect jobs.

- (b) Of those in (a), how many of these jobs are expected to be in the South West;

Answer:

Most of the new jobs are expected to be in the South West region.

- (c) When will these jobs be available, noting it will take more than two decades for the trees to grow;

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Answer:

The jobs will initially be associated with the site preparation and plantation establishment program. Employment generation will be sustained in ongoing forest management and timber processing as the total softwood plantation area under management increases.

- (d) How many direct and in-direct jobs are expected to be lost within the next two years due to the Government's ban on native hardwood harvesting; and

Answer:

The native timber industry supports approximately 500 direct jobs, mainly in the South West. A number of these jobs will not be lost and will be retained due to the continuation of forest management and mining activities. The McGowan government is investing \$50 million in the Just Transition Plan to support affected workers, businesses and the communities of the South West as they transition away from large scale commercial forestry.

- (e) Of those jobs lost in (d), how many of these are expected to be in the South West?

Answer: See above answer (d)

3. I refer to Budget Paper 2, Vol. 1, page 294, paragraph 3 states that "the predicted volume of sawlog under the current Forest Management Plan (FMP) 2014-23 has not matched actual yield."

- (a) What is the evidence to support the statement that the predicted volume of sawlog under the current FMP has not matched actual yield;

Answer:

The actual volume of jarrah sawlog removed from a coupe has been less than the volume predicted for that coupe.

- (b) Will the Commission table the report(s), briefing notes and/or other scientific evidence relied on by the Minister and/or the FPC in forming this view; and

Answer:

Since the last Forest Management Plan there has been a significant reduction (25% decrease) in predicted tonnes per hectare for jarrah sawlog. Subsequent analysis shows that this decline in yield per hectare is even more dramatic than first predicted and is now showing an on average decline of between 40% - 60% of previous yield per hectare. This reduction is predicted to continue with some future coupes as low as 5t/ha.

For example the below table shows the predicted sawlog volume for the 2018 published Harvest Plan and the actual sawlog removed. This shows that actual removals were only 60% of the predicted volume.

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		Published 2018 Plan	Actual Jarrah sawlog removals m3
Number of Forest Blocks	Compartment	Jarrah Sawlog Volume m3	
20	50	83900	50003

(c) If not, why not?

Answer: Not applicable

4. I refer to Budget Paper 2, Vol. 1, page 296, paragraph 2.

(a) Why is the plantation thinning schedule dependent on contracts for thinning products;

Answer:

Thinning plantations without markets for the products generated is economically unviable.

(b) How does the failure to meet the thinning schedule impact the health and ultimate yield of plantations;

Answer:

The timing of any harvest activity is based on many factors. There is no contract requirement to undertake a thinning operation at a certain age. The FPC use their best professional judgement as to when a thinning should take place.

(c) Is 'the inability to access suitable markets' an ongoing problem;

Answer:

No. There are well established thinning markets in the South West region but accessing reliable and financially viable markets in other regions has been challenging without sufficient scale to develop markets and infrastructure. The outlook for the sale of products from thinning in regions other than the South West is now more promising and the FPC is currently finalising sale contracts that will facilitate a large proportion of the overdue thinning.

(d) Will the inability to access suitable markets for thinning products impact the Government's ability to meet its budget commitment to spend \$350 million over 10 years to expand softwood plantations;

Answer:

No. The softwood expansion project will be focussed in regions that have good access to markets and infrastructure.

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(e) What action has the FPC taken to access suitable markets for plantation thinning; and

Answer:

New domestic markets have been developed for the production of bioenergy products and for the processing of small sawlogs. These markets are supported by the export of logs and woodchips that cannot be processed domestically.

(f) What action has the FPC taken to attract investment and grow local markets for the use of plantation thinning?

Answer: See above answer (e)

5. I refer to Budget Paper 2, Vol. 1, page 296, paragraph 4.

(a) How will the FPC meet the target of 2,714 in 2021-22 when it fell short of this target by 537 hectares in 2020-21;

Answer:

The FPC is progressing a number of pathways to achieve the target for new plantation establishment including land purchase, sharefarming agreements and support for farm forestry.

(b) Will meeting this target in 2021-22 be dependent on the FPC purchasing or leasing additional land;

Answer: As per answer (a)

(c) If FPC is successful in purchasing or leasing additional land in 2021-22, how likely is it that the FPC will be able to put plants into the purchased or leased land in 2021-22;

Answer:

The year of planting of seedlings on newly acquired land is subject to site preparation requirements, the timeframe of acquisition and seedling availability. The FPC endeavours to establish new plantation land at the earliest possible opportunity.

(d) Since 2020-21, has the FPC purchased or leased additional land for softwood plantations; and

Answer:

The FPC has not acquired any new plantation land since June 2021.

(e) If yes to (d), how much land has been purchased or leased?

Answer: Not applicable

6. I refer to Budget Paper 2, Vol. 1, page 294, paragraph 2.

(a) How much native hardwood product is currently used by each of the following industries/businesses:

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- (i) Housing and construction businesses (including, but not limited to, the use of hardwood for flooring and staircases);
- (ii) Local furniture manufacturers;
- (iii) Local firewood suppliers; and
- (iv) Local native playground suppliers?

Answers:

(i), (ii) and (iv) The Commission provides timber for processing to sawmills and does not have specific figures for these industries. In 2020, the Commission delivered approximately 80,000 tonnes of sawlog to the whole timber industry.

(iii) Approximately 80,000m³

(b) With the ban on harvesting of native hardwood effective by the end of 2023, where will the hardwood used by those listed in (a) be sourced in the future?

Answer:

There will still be an opportunity for some manufacturing of jarrah products from ecological forest health management and approved mining activity. There has been a steady reduction over the past 20 years of jarrah timber – not only of the use of native forest timber but the availability. It is not used as a structural timber in any great way anymore and it has been facing competition in its traditional markets of flooring and decking by imports and substitute engineered products. The introduction of the Bushfire Attack Level (BAL) rating for construction in bushfire prone areas has also limited its use in recent years in WA.

Many of the products from WA native forests either end up for sale in other states or are exported overseas.

7. I refer to Budget Paper 2, Vol. 1, page 297 paragraph 3. How does the Government propose to meet the increased demand for softwood products when it is currently struggling to meet its softwood contractual obligations?

Answer:

The Forest Products Commission has exceeded the requested contractual volume requested for softwood this year. In regard to future demand, the McGowan government is investing \$350 million over ten years in expanding the softwood estate.

8. I refer to my Question Prior to Hearing referring to deferred clear-felling operations.
- (a) Are these clear-felling operations softwood plantations;

Answer: Yes

(b) What will this deferral mean for the owners of the land; and

Answer: The landowner's rights and obligations under the terms of their individual share farming contracts will remain unchanged.

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- (c) What will this deferral mean for FPC's ability to meet its contract obligations in 2021-22 and 2022-23?

Answer: The deferral of clearfall of a small number of softwood share farms will not impact on the FPC's ability to meet its contractual obligations in 2021-22 and 2022-23.

9. I refer to Budget Paper No. 2, Vol. 1, page 294, paragraph 2.

- (a) Has the Department investigated the viability of establishing tuart plantations in WA to ensure hardwood supply in the long-term future;

Answer: No

- (b) If yes to (a), what is the outcome of these considerations; and

Answer: Not applicable

- (c) If no to (a), will the Department commit to investigating the viability of tuart plantations in WA?

Answer:

No. The growth performance and product out-turn from Tuart plantations do not make them commercially viable.

10. I refer to Budget Paper No.2, Vol. 1, page 295, desired outcome 3, 'Deliver healthy forests for future generations.' On page 13 of the Commission's 20-21 Annual Report, the Commission notes that WA's native forest is regenerative, with over 60% of the available forest area protected from harvest, and less than 1 % of the available forest area harvested each year which is always regenerated. Can the Commission explain the reasoning behind the decision to announce the end of sustainable, regenerative native hardwood harvesting in WA?

Answer:

Climate change has resulted in declining yields of timber in the state's native forest, slower than expected regrowth of native timbers and the loss of habitats and biodiversity.

Declining yields of sawlog from jarrah harvesting means that 'business as usual' under the next Forest Management Plan was not possible.

11. I refer to Budget Paper No. 2, Vol. 1, page 294, body paragraph 4.

- (a) When was the Commission informed of the Government's decision to ban native hardwood harvesting in the next Forest Management Plan;

Answer:

The Chair of the Forest Products Commission was informed of the State Government policy change on 8 September 2021 prior to the announcement.

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(b) Did the Commission communicate information relating to this decision with stakeholders in the forestry industry, including - but not limited to:

- (i) The forestry industry body;
- (ii) Contractors;
- (iii) Suppliers;
- (iv) Local construction businesses;
- (v) Local furniture manufacturers;
- (vi) Firewood supplies; and
- (vii) Native playground suppliers?

Answer:

(i) – (vii) Following the announcement the Commission has had a range of communications with a wide variety of stakeholders.

(c) If yes to (b), who was communicated with and on what dates; and

Answer:

The Commission has had a wide range of communications that have taken a variety of forms.

(d) If no to (b), why were forestry stakeholders not informed of the decision prior?

Answer:

The FPC is consulting with a wide range of stakeholders prior to the change in forest management practices coming into effect in 2024.

12. I refer to Budget Paper No. 2, Vol. 1, page 295, 'The achievement of thinning schedules for softwood plantations'.

(a) Why have only 75% of the thinning schedules been met; and

Answer:

Achievement of thinning schedules has been restricted in recent years due to lack of available markets for the timber products produced.

(b) According to page 86 of the Commission's 2020-21 Annual Report, over the past 4 years the achievement of thinning schedules has only increased by 1 % per year. Is there any way that the Commission can ensure that the 90% target is reached faster?

Answer:

The Commission continues to actively seek additional markets for products arising from thinning operations which inherently are less likely to produce the higher value preferred products.

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13. I refer to Budget Paper No. 2, Vol. 1, page 294, body paragraph number 8. In paragraph 8 the Commission recognises that to mitigate the risk of fire, fuel loads must be reduced. On page 23 of the Commission's 2020-21 Annual Report, the target for managing native forest fuel loads adjacent to priority pine plantations is 60%.

(a) Why did the Commission only meet 47% of the management target;

Answer:

The FPC is working constructively with the Department of Biodiversity, Conservation and Attractions (DBCA) to manage native forest fuel loads on their tenure which adjoin the FPC's priority plantations. Between April 2018 and June 2021, the FPC and DBCA have improved the percentage of native forest adjacent to priority plantations having a fuel age less than 6 years old from 7 per cent to 47 per cent. While the opportunity for prescribed burning can be restricted by weather and other factors excellent progress continues to be made toward the 60 per cent target.

(b) What measures will the Commission be undertaking to ensure that the fire risk of native forests and priority pine plantations are managed over the upcoming summer period; and

Answer:

The DBCA is responsible for fire management in native forests on their tenure including State Forest, National Park and Nature Reserves. The FPC works with the DBCA on a range of fire mitigation and response measures for State owned plantations. These include prescribed burning as per (a), the construction and maintenance of fire breaks and water supply facilities, oversight from intensive fire detection network and availability of a well trained and well equipped fire fighting team.

(c) What measures will the Commission be undertaking to ensure that the targets are met in coming years?

Answer:

The FPC meets regularly with the DBCA to prioritise burns which will assist in maximising progress towards the target of 60 per cent of native forest fuels adjoining FPC plantations being less than 6 years old.

14. I refer to Budget Paper No. 2, Vol. 1, page 294, paragraphs 5-7 regarding WA sandalwood.

(a) Is the Commission harvesting sandalwood that is older than 100 years old;

Answer: Yes

(b) What is the Commission's definition of 'old-growth sandalwood';

Answer:

As far as the Commission is aware, sandalwood is not referred to as 'old growth' and no definition exists.

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(c) Is the Commission harvesting 'old growth sandalwood'; and

Answer: Not applicable

(d) Is the Commission aware of recent research that recommends that sandalwood be added to WA and national threatened species listings due to declining numbers and the threat of extinction?

Answer:

Yes, noting that the referenced article is a review paper.

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