

BACKGROUND: On 29 March 2019 the Premier, Mark McGowan, and the Prime Minister signed an extension to the Regional Forest Agreementⁱ (RFA). This agreement committed the State to a number of measures including the National Forest Policy Statementⁱⁱ.

The RFA provides the framework for the establishment of an appropriate forest conservation estate and assurance to the users of the forest (including the timber industry) of continued forest access. A number of commitments accepted by the Premier, **have not been honoured** by the government through its statement of 8 September 2021ⁱⁱⁱ and in the recently published draft Forest Management Plan^{iv}. In particular, clauses 71-73, 75, 76, 80, 88 and 95(b) of the RFA which require the State to provide for stability in the timber industry and provide for long term sustained timber yields.

The failure to follow the processes committed in the RFA and the absence of any replacement policy have created considerable alarm within the native timber industry. The normal steps of developing policy would include a compilation of all the relevant science and data, the development of a number of policy alternatives, the assessment of the relevant costs and benefits, and consultation with stakeholders prior to making any decision. In the case of the forest statement announcement, including the election campaign only months prior and during its regular liaison with the timber industry, there was no indication of the government's thinking. **A just and respectful process** for the industry's 1,000 direct employees, and the businesses which directly contribute \$235 million^v annually to the State, would have allowed engagement and contribution to a decision, not a final edict.

FACTUAL BASIS: In its press release and subsequent media and parliamentary debate the Premier and the Ministers made statements to provide their reasons for this decision. These statements indicated the existence of a body of evidence demonstrating that the native forest timber industry was neither commercially nor environmentally sustainable under the future changing climate.

The industry has at times operated in a difficult commercial environment, but since 2019 there had been **substantial investments** in the processing sector at sawmills (for example Parkside Timber, Jarrahwood Australia and Redmond Sawmill) This refitting of old technology to better handle smaller regrowth logs and extract high value products had been sought for many years. Work on other activities such as the use of residue wood for biomass energy and pellets, and the development of veneering opportunities, were close to completion. Even without the assurance of long-term contracts, businesses were willing to take the government at its word that it supported the industry.^{vi}

No scientific evidence informing the government's claims has been located. Two Freedom of Information inquiries demonstrated that no credible information had been provided to Ministers or to Cabinet when making this decision. The FOIs¹ did not reveal a single report or scientific document underpinning the decision at either FPC or DBCA. All available evidence demonstrates the government's claims to not be credible.

The management processes adopted by the government agencies and the forest industries have strictly followed the Regional Forest Agreement and are easily able to demonstrate that the timber industry is not causing environmental harm. Some of the most important are:

- ForestCheck^{vii} – this is a long-term independent study of a number of sites across the forest landscape. It examines how the biota change and recover following disturbance by harvesting and burning. From harvest areas more than 30 years old it has been overwhelmingly demonstrated that **forest biodiversity recovers after timber harvesting.**
- Carbon storage – despite the lack of any work^{viii} being done on carbon storage the government has claimed that ending harvesting will improve the carbon storage capacity of the forest. The previous FMP^{ix} undertook the studies and estimated that the CO_{2-e} stocks in the **forest with timber harvesting would increase by 30 million tonnes** over the 10-year period. The IPCC^x regards forest management involving timber harvesting and the use of timber products as being a valuable method for enhancing carbon sinks. A whole of life cycle assessment of the carbon

¹ The FOI information can be made available

benefits of timber products demonstrates the sustainable use of growing forests and the use of low-embedded energy timber products, in preference to higher energy alternatives, to provide positive contributions to carbon storage.^{xi}

- The C&PC Report indicated that the level of environmental achievement by the management of timber harvesting was in some cases superior to that of the Department and other forest users.
- The timber harvesting operations of the Forest Products Commission have been independently assessed as satisfying two international environmental forest management standards. (FSC and Responsible Wood). The FPC has maintained these certifications for several years.
- Supply capacity of the forests under current climate has been brought into question. This is quickly rebutted by reference to the 2014 FMP which indicated that there was sufficient timber to maintain supply for 70 years even under a scenario of no growth.^{viii}

The environmental sustainability of forests managed to include timber production contrast sharply with those of the other major commercial activity in forests, viz mining. Mining has been present in the forests for tin and other minerals in Greenbushes since the 1890's, for bauxite since the 1960's and gold since the 1980's. More recent discoveries of lithium and other minerals will see a significant expansion of these activities and consequentially greater forest destruction. Despite operating in forests for this extensive period no area of forest rehabilitated after mining satisfies the completion criteria. Some mining operations which have been continuous for 60 years have not yet restored the biodiversity to a mined area.

KEY ISSUES The government decision on forestry and the failure to document its position has had a significant adverse effect on the forest industry. The key problems are:

1. The decision lacks credibility as it failed to use the existing scientific evidence and results of forest monitoring, and it did not consult with stakeholders, most particularly those affected.
2. The lack of a clearly articulated and documented forest policy to take the industry forward. The National approach recently re-affirmed through the RFA has been abandoned.
3. The government (as a monopoly supplier) fails to publish data on future hardwood or pine timber supplies, denying the opportunity for industry to plan and invest with any confidence in its future. It does not have a clear vision about the future role of the timber industry in providing products.
4. No resource security for customers, suppliers and wood users.
5. The government came to a decision without assessment or informed consideration of the consequences of its actions, environmentally, socially or economically.

ACTION REQUESTED TO BE TAKEN

It is requested that the Committee inquire into the following:

- a. The evidence used to end timber harvesting in native forests and the concerns regarding the sustainability of native forestry.
- b. The policy options that could achieve the government's desired outcome of protecting the forest under the threat of climate change while maintaining a viable, if reduced, native forest industry. These could include a longer phase out period to allow alternative sources to be developed and simpler regulation for private forest harvesting, and the establishment of long rotation hardwood plantations.
- c. The major costs, benefits, opportunities and consequences arising from each of the policy options, including the government's current pathway of \$50 million in compensation, plus potential major litigation for contractual breaches, job losses, business closures and general social disruption.
- d. The local demand for timber products and the opportunities for alternative sources of timber resources to substitute for current production, in particular privately-owned forests, and the regulatory settings that currently restrict their contribution to timber supply.
- e. The differences in environmental performance expectations between the timber industry and mining and consider whether all forest users should be required to operate to the same standard.

ⁱ The RFA Extension Agreement 2019 - [Western Australian Regional Forest Agreement - DAFF \(agriculture.gov.au\)](#)

ⁱⁱ The National Forest Policy Statement- [National Forest Policy Statement - DAFF \(agriculture.gov.au\)](#)

ⁱⁱⁱ Government media statement
[Media Statements - McGowan Government's historic move to protect native forests](#)

^v Draft Forest Management Plan 2024 – 2033 [Draft Forest Management Plan 2024-2033 open for public comment | Conservation Commission](#)

^v Study of the employment and economic value of the WA timber Industry - [Estimating the economic contribution of the forestry industry to Western Australia – Forest & Wood Products Australia \(fwpa.com.au\)](#)

^{vi} Minister Kelly's support for Parkside - [Parkside Timber buys WA's Nannup Timber Processing amid malpractice investigation - ABC News](#)

^{vii} [FORESTCHECK - Parks and Wildlife Service \(dpaw.wa.gov.au\)](#)

Pinder,A., McCaw,L., McGrath,G., Miller,M., Miller, B., Ruthrof,K., Wayne,A., Whitford,K., Wills,A., Byrne, M. (2021)
Impact of Silvicultural Practices on Biodiversity in Forests Used for Timber Production. DBCA

^{viii} Conservation and Parks Commission End-of-term review of the 2014 – 23 FMP - [End-of-term review of performance of the Forest Management Plan 2014-2023 | Conservation Commission](#)

^{ix} 2014 FMP - [Forest Management Plan 2014-2023 | Conservation Commission](#)

^x IPCC report - [Special Report on Climate Change and Land — IPCC site](#)

^{xi} DPI NSW publications on forest carbon - [Publications \(nsw.gov.au\)](#)