



Minister for Water; Fisheries; Forestry; Innovation and ICT; Science

Our ref: 75-04860

Hon Matthew Swinbourn MLC
Chairman
Standing Committee on Environment and Public Affairs
Parliament House
PERTH WA 6000

Dear Chairman

PETITION NO. 053 – PROTECT HIGH CONSERVATION FORESTS

I write in response to your letter of 10 May 2018 in relation to Petition No. 053 - Protect high conservation forests. I am pleased to provide the attached advice and comments on the key areas identified as they relate to my portfolio.

I note that a number of the issues raised are the responsibility of the Minister for Environment and he will also be providing a response to the issues raised.

Should you wish to discuss any issues further, I would be happy to organise a detailed briefing for the Committee.

Yours sincerely

A handwritten signature in black ink, appearing to be 'DKelly', written over a large, light-colored circular scribble or stamp.

Hon Dave Kelly MLA
MINISTER FOR FORESTRY

- 8 JUN 2018

Attachment 1

Comments on Terms of the Petition

The petition provides a number of statements and requests. I would like to take this opportunity to provide these comments on the terms of the petition:

- *The petitioners support the pre-election commitments to immediately conserve High Conservation Value forests and move to transition the native forestry industry to sustainably managed plantations and farm forestry.*

The Gallop Labor Government's *Protecting Our Old-Growth Forests Policy* (2001) committed to assessing high conservation value areas of South West native forest to include in the conservation reserve system, and the current *Forest Management Plan 2014-2023* (FMP) continues these policies. The Government is committed to the ongoing sustainable management of our forests under the direction of the FMP. Currently, 62 per cent of native forest within the FMP area is set aside from harvesting in national parks and designated formal and informal conservation areas and is not available to harvest.

The McGowan Government continues to balance the management of our State forests to protect our environment and sustain our vibrant forest industry. Plantations and farm forestry are also key areas within the State's forestry policies.

- *The petitioners oppose the ongoing logging and clearing of south-west forests.*

Timber harvesting, as legally undertaken within Western Australian State forest, occurs under strict conditions in the FMP to ensure the successful regeneration of the forested area.

The Forest Products Commission (FPC) takes its environmental, social and economic responsibilities seriously and undertakes all native forest harvesting in-line with the conditions in the FMP as approved by the Minister for Environment.

Land clearing is a separate matter to the State's timber harvesting activities, and occurs largely because of agriculture, mining and infrastructure developments. The Department of Water and Environmental Regulation (DWER) administers the clearing provisions of the *Environmental Protection Act 1986* (EP Act).

- *The petitioners request that the Legislative Council enquire into the most effective and timely means to protect High Conservation Value forests and transition the timber industry out of native forests.*

While this is the responsibility of the Minister for Environment, in regards to areas for timber harvesting, the FMP ensures that forests with high conservation values are adequately represented in both formal reserves and within areas available for timber harvesting.

Outside of the formal reserve system the FMP also requires other areas to remain undisturbed such as proposed reserves, fauna habitat zones (FHZs), old growth forest, river and stream zones, diverse ecotype zones, less well reserved vegetation complexes and poorly reserved ecosystems.

In addition, the planning and preparation of harvesting coupes also requires consideration of maintaining high conservation values. This is achieved through the implementation of mapping for the presence of dieback disease, flora and fauna assessments and the retention of habitat legacy elements such as habitat trees, ground logs and secondary storey flora species.

The Western Australian Forest Alliance's (WAFA) Forest for Life campaign is the *transition* strategy to which this petition refers. This strategy was launched by WAFA in October 2017. This strategy proposes that investment in farm forestry will enable transition out of native

forestry. This proposal does not comprehensively outline the issues or solutions to enable a transition from native forest to plantation logging. These broader issues include: the impact on forest health through lack of management, investment by the timber industry in managing State forest areas, the loss of State income, the disruption to the timber industry supply chain, processing infrastructure investment required for new products and significantly reduced economic activity in regional communities. The Wafa strategy also does not assess the forest management implications of the transition. The FPC provides \$10 million a year in funding to the DBCA for forest management activities. The forestry industry provides forest knowledge, fire-fighting capability and response, roads, and active forest management which allows for ecologically sustainable forest management and an adaptive response to climate change.

Attachment 2

Comments on submissions from the principal petitioner and tabling member

You have requested comments on the submissions from the principal petitioner(s) and tabling member. Forestry activities in Western Australia (WA) are highly regulated and monitored and are some of the best in the world. This strong regulatory framework protects old growth forest and balances the complex values of our forest including biodiversity and healthy ecosystems, soil and water resources, and social, cultural and economic benefits.

The independent *Review of the Implementation of the Regional Forest Agreement for the South-West Region of Western Australia for the Period 2009 – 2014* found that Western Australia has a very comprehensive system in place to monitor forestry operations (refer to p6 of report). The Forest Products Commission's (FPC) environmental certification is subject to external auditing and includes its ISO 14001 compliant Environmental Management System, as well as external forest certification requirements.

The petition and submissions from the principal petitioner and tabling member contain a number of misunderstandings and errors of fact. The following information is provided to address the additional issues raised in their submissions.

- *Protection of high conservation forests*

The principal petitioner and tabling member express concerns that timber harvesting, as well as land clearing, is degrading or destroying high conservation value (HCV) forest. Timber harvesting occurs within a robust regulatory framework which provides for the identification and protection of HCV forests. The objective of forest management in WA is Ecologically Sustainable Forest Management (ESFM), consistent with the *Conservation and Land Management Act 1984* and the criteria developed under the Montréal Process. The basis of the approach is that the economic and social values derived from the use of the natural forested areas should be provided through a management system that is based on consideration of its impacts on biodiversity and is precautionary in nature.

Forest management in WA is implemented using a comprehensive system comprising an overarching legislative and policy framework, associated planning and operational systems and complemented by a continual improvement process involving research, stakeholder engagement, approval, monitoring, reporting and review mechanisms.

The Forest Management Plan 2014-23

The approach adopted to protect threatened and priority species and communities and measures necessary to protect them is identified in the *Forest Management Plan 2014-23* (FMP). The FMP also details specific additional protection measures that have been included in undertaking disturbance activities to improve the overall management of the threat to threatened species. The FMP provides for nature conservation values on the vested lands by setting aside lands on which biodiversity conservation is a priority or dominant use and setting the conditions of access to other lands to ensure that the biodiversity values are maintained.

Where harvesting is permitted, strict procedures and policies apply in-line with the FMP. A detailed review of all forest values is undertaken by the FPC as required by the Department of Biodiversity, Conservation and Attractions (DBCA). This review is also endorsed by the DBCA prior to operations commencing. One of the values considered in the review and planning checklist is the identification of the likelihood of threatened species being present in the coupe, and where appropriate, measures taken to protect these values.

Harvesting is managed to preserve important habitat elements including mature trees with hollows (habitat trees and potential habitat trees), hollow logs, and secondary storey flora species.

The statistics on HCV forests referred to by the tabling member are taken from a 2002 report that was produced to support the development of the previous FMP 2004-2013. Protective provisions remain in place under the current FMP.

In addition to the FMP, the FPC has a commitment to continuous improvement integral to everyday operations and activities. The FPC's continual improvement of its sustainable forest management system is recognised through certification by internally recognised standards for sustainable forest management.

To achieve this, the FPC has a Forest Management Policy that is integrated into all operations and commits, in conjunction with other agencies, to providing the resources required to fulfil policy commitments. The Policy objectives include:

- Maintain a forest management system that is externally certified to ISO 14001 and the Australian Forestry Standard (AS4708).
- Maintain planning, implementation, monitoring and audit systems, supported by regular reviews and an effective reporting system.
- Set objectives and targets to ensure a continuous improvement approach to both management performance and managing environmental, economic, social and cultural impacts and outcomes including the prevention of pollution.
- Operate in accordance with relevant Commonwealth and State Government legislation, as well as applicable codes, standards and other requirements that apply to the FPC's operations.
- Ensure there are no planted genetically modified trees within forests managed by the FPC.
- Sustain the contribution to the global carbon cycle.
- Clearly define forest management responsibilities.
- Train staff and contractors in good forest management practices.
- Liaise with internal and external stakeholders on forest management issues and performance.
- Provide resources appropriate to the nature, scale and impact of the forest activities.

Australian Forestry Standard (AS4708) – Responsible Wood Certification Scheme

The Australian Standard® for Sustainable Forest Management (AS 4708) provides forest managers with economic, social, environmental and cultural criteria and requirements that support management of forests for products and services. The Responsible Wood Certification Scheme is endorsed by the Programme for the Endorsement of Forest Certification (PEFC). PEFC is the world's leading forest certification system and an internationally recognised brand devoted to ensuring that forests are managed according to environmental, social and economic criteria.

This certification ensures that HCVs are being adequately managed by evaluating criteria and indicators that:

- maintain or enhance biodiversity;
- maintain forest ecosystem health and vitality;
- protect soil and water resources;

- enhance the forests' contribution to the carbon cycle; and
- protect and maintain, for Indigenous and non-Indigenous people, their natural, cultural, social, recreational, religious and spiritual heritage values.

Forest Stewardship Council Controlled Wood

The term high conservation values (HCV) is referred to by the Forest Stewardship Council® (FSC®), as multiple FSC certification standards require that forest management practices ensure the protection of HCVs.

For areas of pure and mixed karri forest that the FPC harvests, the FPC is certified under the FSC Controlled Wood Standard (FSC-STD-30-010; FSC-C120630). Under this certification, the FPC is required to undertake an assessment of the HCVs. Further information about this assessment is available here: <http://www.fpc.wa.gov.au/karriforestmanagementplan>.

The FPC has publicly released a karri forest HCV assessment. It details how all HCVs within the pure and mixed karri forest area under assessment are protected. The assessment is updated annually considering stakeholder feedback and new information such as updated threatened species listings and any other changes to HCVs.

- *Sustainable timber harvesting in native forests*

The DBCA is the lead agency responsible for the protection and conservation of the State's forests. In accordance with the FMP, the agency is involved in the monitoring of disturbance activities and the review of silvicultural guidelines to allow for the adaptive management and maintenance of forest health, compositional diversity and ecosystem resilience. The DBCA undertakes research to ensure that the forests are sustainably managed.

The FMP determines the volume of timber that can be removed from our State forests based on sustained yield calculations. The sustained yield modelling undertaken by the DBCA for the current FMP was reviewed by a panel of independent experts and has incorporated the latest climate projections (*CSIRO (2007) Climate Change in Australia – Technical Report 2007, CSIRO, Australia*). In addition, a 'safety margin' has been applied to account for various risks, to determine the allowable levels of timber harvesting.

The FMP states "*species assemblages in harvested forest return to those typical of unharvested forest as the structure of the forest, and species habitats, re-establish. The length of time required for this process may vary from a few years to several decades, depending on the intensity of disturbance and the requirements of particular species.*" The FMP further states, as quoted from Abbott and Williams, "*the imprint of harvesting 40 or more years earlier on species composition had become indistinguishable from that on grids never harvested*".¹ The FPC regenerates all areas harvested to ensure that these valuable State resources are available for future generations.

Simply put, sustainably managed forests recover from disturbance and continue to provide the full range of environmental, economic and recreational benefits to the community.

The FPC is responsible for the harvesting and regenerating of native forests and plantations in State forests and timber reserves and the sale of timber products. Our native forests provide a sustainable source of high-value products, hardwood sawlogs and a range of other sustainably sourced timber products that are used for a variety of purposes that would otherwise use non-renewable and carbon-intensive resources. The FPC undertakes

¹ Abbott, I. and Williams, M.R., (2011). *Silvicultural impacts in jarrah forest of Western Australia: synthesis, evaluation and policy implications of the FORESTCHECK monitoring project of 2001 – 2006*. Australian Forestry 2011, Vol 74 (4), pp 350-360.

integrated harvesting operations to ensure that the remaining timber and wood fibre that is unsuitable for sawlog production is fully utilised to produce other products such as feature logs for the craft industry, firewood, fencing, carbon for silicon production and energy.

Sustainably managed forests are one of the only truly renewable resources. As we continue to experience a drying climate, managing our forests to ensure they remain healthy and resilient is the best way to protect them for future generations. Sustainably managed forests and the timber products they produce is one of the best tools we have to mitigating the effects of climate change. When trees are harvested, carbon is stored in the product for the life of the product, as well as storing more carbon in the trees that regrow.

- *Sustainability of the timber industry*

The forest and wood products industry is a sustainable industry and strong regional employer. Our forest industry contributed \$649 million to the WA economy last financial year in direct sales alone, and a total of \$1.405 billion once flow-on effects in other industries are included. This included \$220 million generated directly by the native forest sector.

WA's forest industries play a valuable role in sustaining economic, social and environmental benefits, particularly in the South West. The industry as a whole supports the employment of around 6,000 people. The forestry industry is not the sole or largest provider of jobs in any community however it does contribute to a community's economic diversity. The production and sale of timber from WA's State forests generates economic activity that is spread throughout the south-west region.

The forest industry provides direct employment in the management of the forests, the harvesting and the delivery of logs, the processing of logs into timber, the processing of timber into products for use, the processing of residues into firewood and charcoal, and the use of wood in housing. Each of these phases of the production chain has indirect demands for other resources and services.

The products of the timber industry are widely used as part of the tourist industry in the furniture and artisan galleries throughout the region. Some of the finest artisans in the State manufacture and display their work based in part on local timber supplies.

The *Forest Products Act 2000* ensures that all harvesting operations are undertaken in accordance with ESFM principles.

- *State forests are managed to meet the needs of the community*

The timber industry provides for employment in a sustainable industry. The timber industry remains an important employer in the South West region. Well managed timber harvesting is compatible with tourism and recreational uses of the forest and is not mutually exclusive.

Tourism and recreational activities continue to occur in managed forests around the world. State forest is an appropriate land tenure for many recreational and tourism activities, including mountain biking, hiking, horse riding etc. The FPC is working with local and State wide recreational groups to ensure State-operated forestry practices can occur alongside other important users of WA's State forests.

The FPC further supports the community use of our public forest areas by investing in community grants and regional trail running and mountain biking events. Recently, the FPC sponsored the Karri Cup and Pemby Trail Fest to inform the community of the FPC's karri regeneration program following the loss of more than 5,000 hectares of young regrowth in the 2015 Northcliffe fires.

Community perception of forestry is varied. The assessment by the tabling member of the Schirmer Report (Socio-economic impacts of the forest industry Western Australia Schirmer et al., 2017) is selective, and through selecting information out of context, does not provide a comprehensive picture. This report was commissioned by Forest and Wood Products Australia (FWPA) to evaluate a full spectrum of socioeconomic impacts of the timber industry on communities. In WA, the FPC and the Forest Industries Federation WA (FIFWA) requested the FWPA project to be extended to include downstream processing.

The Schirmer Report shows that that WA forestry is a rich and diverse industry with native forest and plantations sectors supporting the employment of more than 6,000 people and generating more than \$1.4 billion for the economy, including \$220 million generated by the native forest sector. It found that forestry is not the sole or largest provider of jobs in any community. Instead, forestry is able to co-exist with other industries like tourism and contributes to economic diversity in many communities, supporting regional areas when other industries are experiencing challenges.

- *Supporting plantations and farm forestry*

Plantation timber and farm forestry do not currently have the species mix or sufficient scale to meet Western Australia's timber requirements. The Government is committed to expanding the softwood plantation estate under the Softwood Industry Strategy. This is a long-term measure designed to improve agricultural landscapes, provide for a sustainable resource for the local construction industry and provide confidence for new investment opportunities. Western Australia's plantations are not a viable substitute for all the unique products available from our native forests or the volume required to supply the demand of existing processors.

In 2017 the FPC commissioned public consultation and the preparation of a report to identify mechanisms required for farm forestry to contribute to an expansion of the softwood estate in Western Australia. This independent report found that there have not been substantive plantings over the past decade despite the wide range of different models supporting farm forestry and plantations across Australia. This suggests that there are other factors beyond the models, notably the imbalance between expected return and investment risk that impact on landowner land use decisions.

One of the recommendations of the report was an afforestation grant for farm forestry. In response, the FPC has released a pilot grant, Farm Forestry Assist, to provide a one off financial incentive to landowners and access to high quality seedlings.

This grant was well received by industry, who see it, in addition to the \$21 million dollars committed by the State government to plantation expansion over five years, as an indication of Government support for our Western Australian softwood industry.

Support for plantation development and farm forestry is also being examined by the independent reference panel in the development of the Djarlma Plan.

- *The Forests for Life campaign and the impacts of transitioning out of native forest harvesting*

Western Australian Forest Alliance's (WAFA) Forests for Life Plan was launched in the lead up to the 2017 State election. The campaign does not provide a comprehensive approach to the future management of our valuable State forests.

Any plan for the native forest industry must at least include three components; (1) the resource base, (2) the market and supply chain infrastructure requirements and (3) the funding of the continued sustainable management of the native forest estate.

The Wafa document attempts to address the resourcing component of the proposed industry transition, however does not address the other significant components.

The FPC is continuing to work with industry and community groups to increase the plantation area within the farming landscape to support a vibrant native and plantation based industry into the future.