

13 January 2017

WA Regional Forest Agreement
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The *Regional Forest Agreement for the South-West Forest Region of Western Australia* (WA RFA) progress report for the period 2009-14.

The Australian Forest Products Association (AFPA) welcomes the opportunity to comment on the '*Report on progress with the implementation of the Regional Forest Agreement for the South West Region of Western Australia*' for the period 2009- 2014 (the Report).

AFPA is the peak national body for Australia's forest, wood and paper products industry. We represent the industry's interests to governments, the general public and other stakeholders on the sustainable development and use of Australia's forest, wood and paper products. We also work co-operatively with forest industry State Associations whom are all members of AFPA.

The forest, wood and paper products industry is one of Australia's largest manufacturing industries with an annual turnover of approximately \$20 billion. Around 120,000 people are directly employed along the industry value chain with a further 180,000 jobs supported through flow-on economic activity.

Each year our industry produces around 12.5 million m³ of logs, 4.8 million m³ of sawn timber, 1.5 million m³ of wood-based panels, and more than 3 million tonnes of paper and paperboard products.

General comments

The forest industry welcomes the WA and Federal Governments' commitment to establish a 20-year rolling extension to the RFA for the South West Region of WA.

AFPA emphasises that it is critically important that an extended RFA delivers on economic, social and environmental outcomes, particularly the maintenance of investment and resource supply certainty for our internationally competitive forest-based industries.

Recognising that the RFA expires in 2019, we encourage the Parties to finalise this review without delay and put in place the mechanism for a 20-year rolling renewal of the RFA. This will provide the certainty of resource supply necessary to support new investment, enable the existing industry to remain competitive, and encourage innovation and further value-adding.

AFPA submits that, in an extended RFA, future reviews should focus not just on environmental outcomes inside the forest area managed for wood production, but should assess the performance across all associated and relevant land tenures, and the Parties should give equal consideration to industry development clauses alongside the environmental objectives.

Impacts on resource availability

It needs to be remembered that in achieving the balance provided by the RFAs there was a considerable initial reduction nationally in the area of multiple-use forest available for wood production, which at the time had an adverse flow-on effect to the native forest industry communities across Australia.

As a direct result of the RFAs and public land use decisions since the early 1990s, over 13.6 million hectares have been added to Australia's forest conservation reserve system. The area of native forests in conservation reserves has almost trebled since 1990, from 6 per cent to 16 per cent of all native forests. In WA, 62 per cent of the forest is now in permanent reserve and unavailable for harvest, up from the 44 per cent commitment under the Agreement.

Changes to State legislation even after the RFA was established increased forest reservation considerably since 1999, exceeding the commitments contained in the RFA and significantly reducing the level of sustained timber yield available to industry.

As the Report finds, Clauses 75 and 76 which commits to annual log volumes to be made available to industry throughout the duration of the RFA, have not been achieved. Furthermore, without the WA Government's support of market opportunities for non-sawlog lower grade materials (such as markets for biomass or engineered wood products), industry is unable to optimise the full volumes available under the WA RFA through the Forest Management Plan.

Parties should give equal weight to objectives aimed at supporting industry growth

The 20-year RFA agreements have been assessed as exceeding the environmental requirements of the Commonwealth Environment Protection and Biodiversity Conservation Act 1999, while providing a level of resource security for industry.

AFPA supports the original intent of the RFA. However, commitments in the RFA aimed at providing industry with the level of continuity and confidence in long-term resource supply to sustain activity and to drive investment and growth have been undermined, and these shortcomings must be given serious consideration during the renewal process.

As the Report summarises that the *"purpose of the WA RFA was to:*

- *Identify a comprehensive, adequate and representative (CAR) reserve system and provide for conserving those areas*
- *Provide for ecologically sustainable forest management and use of forests*
- *Provide long-term stability of forests and forest-based industries."*

AFPA contends that the Parties to the RFA should give equal weighting to these objectives, yet over the life of the RFA the long-term stability of the industry has been neglected in favour of the conservation objectives. This is despite the environmental protection and biodiversity conservation outcomes having been assessed independently as not only meeting but greatly exceeding the identified requirements.

The combined review of the first and second (1999-2009) five-yearly periods recognised this critical point:

“Due to policy changes by the State of Western Australia in the first half of Period 1 that increased the area of reserved forest and reduced the allowable wood harvest, the forest employment and industry development outcomes sought in the RFA have generally not been achieved ...and are unlikely to be met in future periods under the current policy settings. (Kile 2013, p 4).

Clause 19 of the RFA states, *“Neither Party will seek to use existing or future legislation or a Government agreement to undermine or impede this Agreement”*. AFPA does not agree with the Report’s conclusion that this clause was achieved in Period 1, Period 2 and Period 3 of the RFA.

The introduction by the WA Government of the *Protecting Our Old-Growth Forests Policy* in 2001 greatly undermined the security the RFA was intended to provide industry, reducing the area of jarrah forest available for timber production by 32 per cent and the area of karri forest available for harvesting by 36 per cent¹. This policy effectively overrode the RFA, expanding the CAR reserves system, with a consequent decrease in sustained yield and wood supply to industry.

If the Parties want to achieve a sustainable native forest industry in WA, then a renewed RFA must be based on binding commitments to deliver certainty and security of resource supply to industry.

Future RFA reviews should examine social and economic impact

The economic and social health of the forest industry and dependent communities are equally important in a framework that purports to operate on a triple bottom line approach to forest management.

The RFA aims to provide investment certainty needed for internationally competitive timber and forest based industry. Future RFA reviews should give equal weight to economic and social objectives, such as annual investment in upgrading existing and developing new processing capacity, forest industry employment, innovation and R&D, and the economic health of communities dependent on forest industries.

Conclusion

AFPA looks forward to working with the Australian and WA Governments and other key stakeholders in improving RFA policy outcomes, and urges rapid progress on the 20-year renewal process, which will help deliver the industry certainty needed for an internationally competitive and sustainable forest industry.

Should you have any questions regarding these matters, please do not hesitate to contact Mr Victor Violante, Senior Policy Manager, on (02) 6285 3833.

Yours sincerely,



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Australian Forest Products Association

¹ Houghton, D.S. (2011). Protecting Western Australia’s old-growth forests: the impact of 2001 policy changes. *Australian Forestry* Vol. 75 No. 2 pp135-142.