

Our Ref: DEP 5/6
Your Ref:
Enquiries: Jeremy Hubble

10 September 2013

Regional Forest Agreement for the South West Forest Region of WA
Project Officer
Office of the Director Sustainable Forest Management
Department of Parks and Wildlife
Locked Bag 104
BENTLY DELIVERY CENTRE WA 6983

Dear Sir/Madam,

Submission on the “Report on Progress with the Implementation of the Regional Forest Agreement for the South-West Forest Region of Western Australia”

The Regional Forest Agreement for the South-West Forest Region of Western Australia (“RFA”) signed in May 1999 resulted in dramatic and unexpected social and economic impacts for the Shire of Manjimup and adjoining districts. This submission takes issue with some of the claims made in the review concerning delivery of commitments made under the RFA and seeks to highlight key points of failure. In essence, there was overzealous delivery of harvesting reductions and underwhelming delivery of social and economic commitments.

More than a decade on from the RFA, the economic pain and social impact continues to be felt from a sharply reduced native timber industry and the absence of promised tradeoffs which largely failed to eventuate. Manjimup’s population is now lower than a decade ago despite record population growth being experienced in nearby South West coastal districts over the same period. Our social disadvantage index has climbed alarmingly which is having an adverse impact on our schools and social support providers.

Lack of binding commitment

At the time the RFA was introduced, the timber industry was a significant pillar of the Shire of Manjimup’s economy. After an extensive and somewhat bruising public process, the RFA was signed, introduced and then subsequently abandoned by the then Court Liberal Government of WA. This back flip illustrated a lack of mechanism truly binding the parties to the agreement with the only obvious consequence being the subsequent partial withdrawal \$20m Federal funding.

It was felt locally at the time that the Federal Government had simply abandoned the interests of the affected communities in response to the political back flip by the State Government. This view largely continues today.

Reservation of land

The harvesting of native forests continues to be an emotive subject that tends to polarise views within local and broader communities. The RFA sought to reserve significant formal and informal reserves based on the CAR reserve system. The Gallop Labor Government's "Old Growth Forest Policy" departed from the CAR reserve system resulting in further reductions in timber harvest volumes and the creation of 30 new National Parks and 2 Conservation Parks. This resulted in massive reductions in native timber harvest volumes (73% reduction in Jarrah and 87% reduction in Karri first and second grades) representing the largest structural adjustment the native timber industry (or just about any other industry) has ever experienced in Western Australia.

The reality is that the actual reductions in harvesting volumes and increases in protected reserves far exceeded those originally proposed under the RFA.

Forest Employment and Industry Development Strategy

The Manjimup Shire Council has consistently supported a sustainable native timber industry.

AEC were commissioned by the Shire of Manjimup to report on the "*Future Development of the Timber Industry in the Shire of Manjimup*". The following excerpt highlighted the importance of greater resource security:

Available Resources

The availability of appropriate volumes of timber resources over a reasonable time frame and within given specifications are critical considerations for investors. Although the absolute volume of inputs required, species characteristics and size tolerances vary significantly between the identified opportunities, the importance of resource security is consistent across all opportunities.

The relatively short life of RFA/FMP's continues to impede investment in the native timber industry, resulting in lost opportunities and efficiencies. The AEC report also assessed the viability of six timber opportunities (being sawn wood, pallets, EWP's, biofuels, biochar and carbon) concluding none of these opportunities as being viable under the current industry settings. These findings are largely inconsistent with the objectives of the RFA.

It is now obvious that whilst industry restructuring (and the associated pain) was rigorously enacted, the same level of enthusiasm was not evident supporting affected community. Many of the RFA/FMP mitigation strategies were either misguided or simply failed to be delivered. The local community bore the pain without the gain.

The RFA's "Forest Employment and Industries Development Strategy" [Attachment 14 to the RFA document] can politely be described as a failure as evidenced below:

(a) Wood and Wood Products Industry

- No evidence of specific sub-regional assistance measures for sawmilling or manufacturing redevelopments. Touted relocation of timber industry processing and manufacturing never eventuated and most of those businesses are no longer operating today in Western Australia;

- Business exit assistance and labour adjustment assistance was delivered however the way this was structured resulted in substantial loss of capital and skill from the district;
- No evidence of a “Strategic Plan for the Further Development of the Timber Industry”;
- Little evidence of any additional promotion of sustainable WA wood products;
- No evidence of an internationally recognised certification program for WA forest products;
- No evidence of alternate uses “such as activated carbon” for lower grade residue jarrah;
- No evidence of manufacturing networks between emerging forest industry participants;
- No evidence of support measures for small industry operators such as “community infrastructure for small sawmillers”;
- No evidence of research or development into value adding for karri and marri;
- No evidence of feasibility studies for forest based industry projects of strategic significance to the state or the nation;
- No evidence of increased levels of reforestation to improve productive capacity of the state. FMP data suggests the opposite with a contraction in the level of state owned production areas. Certainly no evidence of increased employment levels in this area.
- No evidence of promotion of the Wood and Paper Industry Strategy programs;
- No evidence of additional support to implement the Plantations Australia: The 2020 Vision in WA such as:
 - high grade veneer;
 - Plywood;
 - LVL;
 - Multiple layered flooring;
 - Particle board;
 - MDF;
 - Furniture;
 - Solid flooring;
 - Glulam;
 - Panelling.
- Questionable performance regarding industry wide data collection, research and market development.

(b) Tourism and Regional Development

- No evidence of increased nature based tourism or tourism related employment in affected areas. Shire of Manjimup tourism statistics indicate tourist visitation remains significantly below 2004 levels and shows little prospect of rapid improvement.
- No evidence of any commercial investment in sites such as Warren Valley, Donnelly Valley, Mt Frankland or Big Brook Dam.
- No evidence of implementation of State Nature Based Tourism Strategy in the South West “zone of opportunity”. In particular no up market eco camping facilities created. Funding of a forest tourism icon did not eventuate – the State claimed the Federal Government had withdrawn half the \$2m funding resulting in insufficient funding to finance such an icon with funds being subsequently redirected to advance the Munda Biddi Trail.

- No evidence of Aboriginal people undertaking forest related tourism ventures.
- Little evidence of support for a cooperative approach to developing and marketing tourism products.

(c) Minerals industry

- No evidence of any additional mineral extraction or exploration. It is understood that during the FMP process, the Department of Mines and Petroleum expressed concern that inadequate geoscientific research had been undertaken on areas proposed to be designated as National Park.

(d) Other Forest Based Industries

- No evidence of other forest based industries being created.

Please do not hesitate to contact me should you have any queries or require any additional information.

Yours sincerely,

Jeremy Hubble
Chief Executive Officer
Shire of Manjimup