



ANNUAL REPORT

1 July 1990 - 30 June 1991

ALL CORRESPONDENCE TO BE ADDRESSED TO
The Secretary, Forest Production Council, Department of Conservation and Land Management, PO Box 104, Como 6152, Western Australia.

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**HON MINISTER
FOR THE ENVIRONMENT**

In accordance with Section 62 of the Financial Administration and Audit Act 1985, I submit for your information and presentation to Parliament, the Annual Report of the Forest Production Council for the year ending 30 June 1991.



Syd Shea
CHAIRMAN

CHAIRMAN'S REPORT

Proposed changes to the structure and membership of the Forest Production Council that were mooted in 1988 have again had to be deferred until amendments to the CALM Act have been passed by Parliament. The CALM Amendment Act received the Governor's assent on 25 June 1991, and is to be proclaimed early in the 1991/92 financial year. The CALM Act amendments provide for a restructuring of the membership of the Council so that it can be represented by representatives of Government, the Timber Industry and Unions.

Establishment Of Council

The Forest Production Council was established under Section 24 of the Conservation and Land Management Act, 1984.

Functions of Council

Functions of the Council are determined by Section 25 of the CALM Act, 1984. The functions are to advise the Minister:

- (a) generally on matters pertaining to production from State forest and timber reserves;
- (b) on the improvement of -
 - (i) such production in ways consistent with the maintenance of other forest values; and
 - (ii) the use, processing and marketing of forest produce;
- (c) on the need for, and form of, research to achieve or promote the objectives described in section 56(1)(a) and (b);
- (d) on the contents of proposed management plans for State forest and timber reserves.

Membership of Council

Membership of the Council is determined by Section 26 of the CALM Act, 1984 and comprises:

- (a) Two *ex officio* members being -
 - (i) Dr S Shea, Executive Director (Chairman of the Council);
 - (ii) Mr D Keene, Director of Forests (Deputy Chairman of the Council); and
- (b) 12 persons appointed by the Governor on the nomination of the Minister of whom -
 - (i) one shall be a person who is a member of the Water Resources Council established by the Western Australian Water Resources Council Act 1982. This position is currently vacant, with the resignation of Mr S Shelton in December 1990;
 - (ii) seven shall be representative of timber industries or industries which are significant users of timber or timber products (Messrs A Gosatti, R Bunning, G Shepherd, A Wheatley, M Bajada). Mr R Gillman, representing small sawmillers, resigned on 18 April 1988. Mr B Ray resigned in August 1990. Mr R McInnes resigned in

February 1991. Replacements will be subject to proposed changes to the CALM Act.

- (iii) one shall be representative of primary producers, not coming within sub-paragraph (ii), associated with forests (Mr R Pollard, apiarist);
- (iv) one shall be representative of bodies of persons the objects of which, or the members of which by reason of their profession, are concerned in the management of forests (Mr D Spriggins);
- (v) one shall be representative of country interests and be a person with special skill or experience relevant to the functions of the Council. This position is currently vacant pending proposed changes to the CALM Act;
- (vi) one shall be a person having special experience in commercial forestry production (Mr P McNamara).

Funding of Council

All Council financial expenditure and administrative support is met by the Department of Conservation and Land Management.

Meetings of Council

During the reporting year Council met on three occasions. Meetings were conducted at the Executive Office, Department of CALM, in Crawley. Meetings were held on:

6 November 1990 (joint meeting with Lands and Forest Commission)
22 March 1991 (joint meeting with Lands and Forest Commission)
17 May 1991

The Council met jointly with the Lands and Forest Commission on two occasions to discuss matters of mutual interest.

Business of Council

State of the Timber Industry

At each of the three meetings of the Council during the reporting year, each of the timber industry representatives and union representative provided status reports on the economic state of the timber industry and likely future outlook.

The reports confirmed that the timber industry was in an extremely depressed state and that the outlook continued to be grim until well into the 1991/92 financial year.

The Council provided advice to the Minister on proposed measures to provide suitable economic relief to the timber industry. These included the deferment of the annual indexation of hardwood and softwood royalties and stumpages due on 1 January 1991; moratorium on the surcharge on overdue royalty accounts; the extension of terms of credit from 30 to 60 days.

Review of Forest Management Practices

The Council was advised of progress on the review of forest management practices which commenced in January 1991. Discussions were held on each of the various components of review which included:

- reallocation of the road, river and stream zone protection system in the southern forests;
- silvicultural procedures required to protect stream water quality in the salt risk zones;
- implications of the results coming out of the jarrah forest inventory project;
- the identification and management of places of National Estate significance;
- the development of improved environmental and aesthetically sensitive forest management practices through the integration of timber production with flora, fauna, landscape and water protection.

The Council was informed that these issues were being dealt with within the framework of the already successful Timber Strategy and a nature conservation strategy for forests.

Members of Council participated in several seminars, workshops and field inspections that were conducted on forest management issues.

National Forest Enquiry Groups

The Council was informed on information being provided to several national forest enquiry groups instigated by the Federal Government. The groups which visited Western Australia to inspect forest management practices included:

- Resources Assessment Commission
- The Ecologically Sustainable Development Working Group on Forestry
- The National Plantations Advisory Committee
- The Australian Heritage Commission.

Assessment of National Estate Values

The Council was informed on the development of an agreement between CALM and the Australian Heritage Commission in November 1990 to conduct a 'Whole-of-forest' assessment of National Estate values in the southern forests of Western Australia. The joint study was aimed at identifying places of National Estate significance, and developing an agreement on appropriate management practices with minimum impacts on these values.

Pricing of Log Resource

Council had wide ranging discussions on the pricing of the log resource in relation to market factors; competition from timber imports; costs of growing the forests; provision of a return to Government on capital invested in the forest; and annual indexation to cover inflation costs. Council was informed of the establishment of a Royalty Review Working Party to examine these issues, comprising of representatives from the timber industry and CALM.

Marketing of WA Timber

Council discussed several ideas on means of realising the large potential for the export of high quality value-added timber products to Europe and South-east Asia. Suggestions discussed included the establishment of a cooperative marketing organisation, centralised warehousing facilities, and the labelling of jarrah products.

Forest Education Fund

Council was informed on the establishment of a Forest Education Fund which would be used to develop a school's education program aimed at integrating forest management and timber industry issues into the normal school curriculum.