

*Loading timber at the Pemberton Mill site.*



## R e g i o n a l   D e v e l o p m e n t



*The Commission is committed to providing leadership in the restructure of the native forest products industry, and increasing the level of value added production and downstream manufacturing. A key challenge for the Commission has been to work within the changing nature of the resource base as a result of the Government's policy to protect the State's old growth forests. It is working with communities and industry to create employment opportunities in the timber industry.*

### Greenbushes Sawmill

Sale contract arrangements put into place for Greenbushes in 2000 continued to prove successful, with on-site value adding and manufacturing conditions in 2001-02 exceeding the target set as part of the contracts agreed with the Commission.

During the year an outdoor furniture manufacturer, Stallwood Furniture, was established on-site at Greenbushes, co-existing with its wood supplier, Whittakers Timber Products. Stallwood can now control and reduce large timber inventories because of its relationship with the mill and is able to practise 'just-in-time' manufacturing. This means they do not have to hold unnecessary levels of materials. Whittakers is also able to better plan to meet customers' processing and stock requirements.

Following Stallwood's relocation from Perth, a stable workforce of 16 has been established with another 19 full-time jobs available during peak months. Up to 87 contractors are employed in related areas such as transport, security and maintenance.

Timber and furniture from Greenbushes is selling locally, nationally and internationally and Whittakers Timber Products has become recognised in the sawmilling and value adding community as a fully integrated sawmill and processing site, working with the Commission to achieve the greatest value from local timbers.

### Nannup Sawmill

The Nannup Sawmill, which changed ownership in May 2001, has exceeded its agreed employment numbers with a high of 63 people employed during the year. The employment number is expected to remain steady at 55 - still higher than the agreed minimum level of 43.

This was despite the mill's timber supply being reduced by almost half in response to the new reserve levels under the Regional Forest Agreement.

During the year the new owners, Nannup Timber Processing, relocated significant timber processing equipment and operations to create a more fully integrated site at Nannup and have invested more than \$1 million in kiln drying and processing operations.

### Pemberton Sawmill

The workforce at the Pemberton Sawmill was reduced by nearly half to 55 late in 2001. The Commission is continuing to work with other Government agencies (including the Department of Industry and Technology) and the South-West community to achieve a sustainable working wood resource for the karri sawmill. The sawmill is currently owned by Sotico, which is negotiating to sell the mill.

The sale is expected to take place in the new financial year and the Commission will manage the supply of karri sawlogs to the new owner as part of the contract arrangement.



*The Commission fosters the timber industry by participating in events such as the Manjimup Expo (far left) and Perth Wood Show (right).*

The contract would require the new owner to commit to value adding, downstream processing and manufacturing on the site, creating local employment opportunities and support to the community.

As part of the negotiations, the potential buyer has submitted a business plan to Government, which includes a commitment to significant capital injections, market research and marketing programs, and the employment of a large local workforce - creating a mill which demonstrates best practice in the use of karri and other resources.

The longer-term aim is to position the use of karri in a structural application, establishing it as a market leader in flooring, indoor and outdoor furniture manufacturing, and architectural and commercial applications.

### Promoting the industry

The Commission has adopted a more integrated approach to promoting the manufacturing, downstream processing and value adding industries that use the State's timber resources and nursery.

Staff from all branches has taken part in informative and vibrant exhibitions, expos and shows across the State. This included both the annual timber and woodworking shows held at the Claremont showgrounds in August 2001 and March 2002. Large crowds attended and enormous interest was shown in the timber samples and furniture displayed by the Commission from both WA native forests and plantations.

Rural shows covering an area from Dowerin in the North to Esperance in the South-East and to Manjimup in the South-West, promoted the benefits of plantations, sharefarming and value adding, and explained and the Commission's role.

Other information sessions, workshops and displays have also been staged for woodturning and woodcraft groups of all sizes.

### Specialty timber auction

The Commission's first specialty timber auction was held in Kalgoorlie in March 2002. About 15 tonnes of sawn specialty Goldfields timbers (including gimlet, native currant and beefwood, and specialty timbers from the South-West including curly jarrah, sheoak, peppermint and jarrah burl) were auctioned.

The auction was part of the Commission's commitment to provide access to the State's unique forest products to as many people as possible.

Information and tips on how to work with and care for the timbers were also provided. Most of the timber was sold and similar events are planned for other regional areas.

### The Year Ahead

*In the year ahead the Commission expects to:*

- *Develop further plans based on new plantation/tree farming developments across the broad agricultural region.*
- *Continue to restructure the indigenous forest products industry under the Government's forest policy with a view to maximising regional benefits.*
- *Hold more specialty timber auctions in regional areas to improve access to Western Australia's valuable timber resources.*