

Corporate Governance

A stylized line-art illustration of three trees of varying heights and widths, positioned in the background against a light green gradient. The trees have simple trunks and branches with small, pointed leaves.

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Corporate Governance

This statement outlines the main Corporate Governance practises that were in place throughout the financial year.



Forest Products Commissioners. Pictured from left to right (back row) John Castrilli, Sandy Breeze, Ray Curo, Dr Per Christensen (Deputy Chairman), Nick Oaks, and (front) Murray Jorgensen (Chairman) and Dr Marilyn Clark-Murphy.

COMMISSIONERS AND COMMITTEES

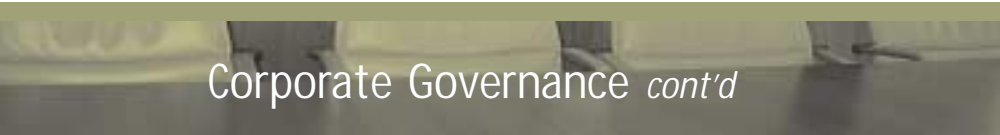
The seven Commissioners are the governing body of the Forest Products Commission and are responsible to the Minister for Agriculture, Forestry and Fisheries. Under the *Forest Products Act 2002* the Commissioners, in the name of the Commission, are to perform the functions, determine the policies and control the affairs of the Commission.

The Commissioners are appointed by the Governor on the nomination of the Minister as having expertise relevant to the functions of the Commission

During the year, the Commission has reviewed the roles, structures, competencies and performance of both its Executive group and the Commission. Following the first of these reviews, the Commission has revised its management structure as outlined earlier in this annual report. The second review provides Commissioners with a foundation on which to plan for professional development and succession planning in the coming years - with the aim of maximising the effectiveness of the Commission with complementary skills aligned with the role of a governing body. During the preparation of this report John Castrilli resigned and a new Commissioner will be appointed by the Minister for Agriculture, Forestry and Fisheries.

Murray Jorgensen OAM, Cent. Medal, JP - Chairman

Mr Jorgensen is the principal of a management and business consultancy for a wide range of commercial, State and Local Government agencies. He has extensive experience in Local Government, including five years as the Shire Clerk at the Shire of Manjimup and 10 years as the Chief Executive Officer of the Town of Albany. He was a Commissioner at the City of Cockburn between April 1999 and December 2000. He has been in a number of small businesses and consulted to many publicly listed companies. Mr Jorgensen is also Chairman of the Plantation Industry Ministerial Advisory Committee (PIMAC). He has been a member of the Forest Management Plan Steering Committee and the Fisheries Statutory Management Authority Advisory Committee.



Corporate Governance *cont'd*

Per Christensen PhD- Deputy Chairman

Dr Christensen is a forester and a consultant ecologist with broad and authoritative experience in forestry and fauna ecology in Western Australia. He has extensive experience at senior management level within State Government and currently sits on a number of committees, including the Shark Bay World Heritage Property Scientific Advisory Committee. Dr Christensen is the scientific adviser and member of the management committee of Project Eden, which aims to rid Shark Bay's Peron Peninsula of feral cats and foxes.

Sandy Breeze

Ms Breeze has been a business proprietor and manager in the furnishing industry since 1982. National Director of the Furnishing Industry Association of Australia (FIAA), she has been a councillor of the FIAA (WA) since 1990 and Vice President since 1999. She has also been Chairperson of the Australian Furniture of the Year Awards since 1995.

John Castrilli

Mr Castrilli has been Mayor of the City of Bunbury since May 1997. He has experience in accounting, financial management and commerce and is a board member on various organisations.

Marilyn Clark-Murphy BA, MBus, PhD.

Dr Clark-Murphy is Associate Dean, Research and Higher Degrees in the Faculty of Business and Public Management at Edith Cowan University and also lectures in finance. Prior to joining ECU she had a long career in industry and has broad experience in financial management and stockbroking. Dr Clark-Murphy has served as a board member of several government instrumentalities/agencies. She was a Commissioner to the City of Joondalup and City of Wanneroo from November 1997 to December 1999, overseeing the creation of two separate Local Government authorities, and member of the Metropolitan Cemeteries Board from 1994 to 2002.

Ray Curo

Mr Curo is self-employed as a cabinetmaker. He has extensive knowledge of the Western Australian hardwood timber industry through 25 years of bush work, roading, contract management, training and management of harvesting operations. He has extensive experience in land use conflict resolution. Mr Curo was Chairman of the Forest Industries Training Services between 1995 and 1997 and has been a Manjimup Shire Councillor since 1997.

Nick Oaks

Mr Oaks is currently employed as a Workers Employment Adviser supporting the implementation of the Government's *'Protecting Our Old Growth Forests'* policy. He is a Board Member of the South West Development Commission and the Dwellingup Forest Heritage Centre. Nick is the Chairman of Trees South West, a Private Forestry Development Committee, Chair of Timber Training Group and Vice Chair of the WA Primary Industry Training Council.

Corporate Governance *cont'd*

The Commissioners met 12 times during the year with all Commissioners attending 10 or more meetings.

Murray Jorgensen	12
Dr Per Christensen	12
Sandy Breeze	10
John Castrilli	10
Dr Marilyn Clark-Murphy	11
Ray Curo	10
Nick Oaks	11

Committees

The Commissioners sit on a number of committees to evaluate and make recommendations on specific aspects of the business.

Risk Management and Audit Committee

Dr Marilyn Clark-Murphy - Chairperson
Mr John Castrilli
Mr Ray Curo

An annual program covering financial and operation audit provides internal scrutiny of systems and management process.

In addition a range of external audits review the organisations management against national standards. For example, the EMS system undergoes two external surveillance audits each year and in July 2004 will be assessed for recertification under ISO 14001 standard. The Office of the Auditor General also conducted two audits in this fiscal year.

A severe wildfire in December 2003 caused significant damage to almost 800ha of Commission managed plantation adjoining the Blackwood river. The management plan developed to minimise the environmental impacts arising from the salvage harvesting and associated operations has been audited regularly since the following January.

Summary of audits applied.

Type of audit	Internal	External
Financial	7	2
Management	2	1
Environmental	5	2

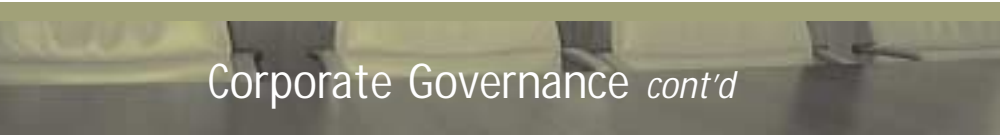
Resource Utilisation Committee

Mr Ray Curo - Chairperson
Mr Nick Oaks
Dr Per Christensen

The Resource Utilisation Committee undertakes a performance review of procedures and specifications for log utilisation from the Commission controlled harvesting operations.

Communications Committee

Ms Sandy Breeze - Chairperson
Mr Murray Jorgensen
Dr Per Christensen



Corporate Governance *cont'd*

The communications committee was formed to advise and make recommendations to the Commissioners on strategies requiring major budgetary expense or major change in emphasis or image for its approval before going ahead. The committee was disbanded on 5 March 2004 as the strategic communications plan had been set.

THE EXECUTIVE

Paul Biggs BScFor (Hons), PhD, MIFA MAICD, General Manager

Paul Biggs has a strong technical background in forest measurement and has been recognised for scientific writing with awards from the American Society of Photogrammetry and the Institute of Foresters of Australia. He worked in a range of senior positions with CALM and has been a Policy Adviser to previous ministers for the Environment and Forest Products. He holds a Bachelor of Science (Hons) in Forestry, a PhD in Forestry and is a member of the Institute of Foresters of Australia and the Australian Institute of Company Directors.

Gavin Butcher BScFor, Executive Manager Operations

Gavin Butcher has a career spanning more than 20 years in plantation and native forest management and has particular strengths in the strategic, analytical and financial fields of forestry management. He holds a Bachelor of Science in Forestry and has also lectured part-time at Edith Cowan University. His previous position was Executive Manager Plantation Operations and prior to this was Plantations Group Manager with CALM.

Gary Downes BBus, FCPA, MAICD, Executive Manager Business Development

Gary Downes has occupied Executive positions for the past 16 years and has extensive experience working with Boards of Management in both the private and public sectors. Business development and strategic positioning of organisations have been a primary focus. He holds a Bachelor of Business degree, is a Fellow of CPA Australia and a member of the Australian Institute of Company Directors.

Jon Murch BScFor (Hons), Assistant General Manager

Jon Murch has been involved in the management of forest resources in Western Australia for nearly 30 years and has specialist experience in managing native forest and plantation contracts and the selling of timber products. Before being appointed to his current position, he was the Commission's Executive Manager Native Forest Operations and previously Manager for Forest Resources with CALM. He holds a Bachelor of Science (Hons) in Forestry, specialising in harvest management and the selection of harvesting systems.

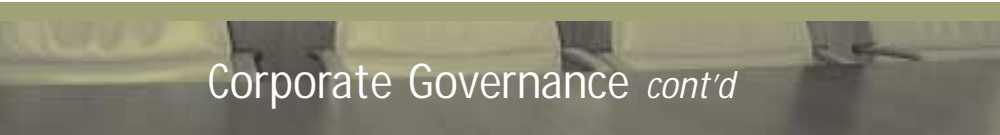
Executive Manager Finance and Administration

This position is currently vacant. In the meantime Derek Oelofse BCom., BAcc., MBA, CA, is acting Chief Finance Officer and Gary Downs is responsible for ongoing management of the non financial functions of the Division.

LEGISLATIVE REQUIREMENTS

Statement of Corporate Intent

The Statement of Corporate Intent (SCI) sets out the Commission's scope of activities, objectives and performance targets for the financial year ahead and is consistent with the Strategic Development Plan (SDP). The SCI is tabled in Parliament after agreement with the Minister and the treasurer's concurrence. 2003/04 SCI performance indicators are marked with the symbol \diamond are reported in the Annual Report.



Corporate Governance *cont'd*

Strategic Development Plan

The Strategic Development Plan sets out the Commission's five-year economic and financial objectives and is a confidential document.

Freedom of Information Act

The Commission complies with the requirements of the *Freedom of Information Act* and has its own Information Statement available on request from the public, via its Rivervale office. Documents and publications are available on request through the Corporate Affairs area.

Publications

The following publications are available on request from the Commission. Those marked with an asterisk* can be downloaded from the web site at www.fpc.wa.gov.au

Action Plan for Tree Farming in Western Australia *

Adding Value to Forest Products in WA *

Annual Report*

Code of Practice for Timber Harvesting in Western Australia

Commercial Tree Farming Packages for Farmers*

Farming Maritime Pine*

Farming Western Australian Sandalwood*

Forest Industry Statement*

Forest Management Plan 2003-2014*

Forest Products Commission: Our Objectives

Growing WA Sandalwood from Seed

Indicative Harvest Plan -2004*

Infinittree - Growing a Sustainable Future*

Introducing the Forest Products Commission *

Manual of Management Guidelines for Timber Harvesting in Western Australia

New Eucalypt Sawlog Industry (NESI)*

Plant Propagation Centre Manjimup Nursery

Radiata Pine - making money and making a difference*

Sandalwood Information Sheets

Seed Centre catalogue*

Specialty Timber in the Goldfields

The Tree Grower's Information Kit

Timber Technology Newsletter

Trees to Fight Salinity on Farms

WA Forest Products

WA Forest Today

WA Plantations

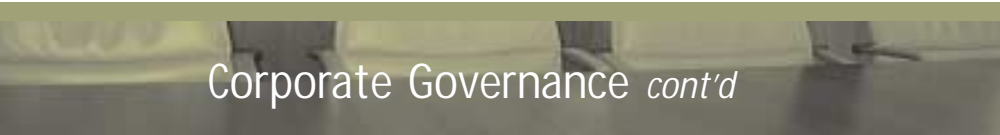
WA Timber Designed by Nature

Information Management

During 2003/04 preparations began for the upgrading of the corporate records management system, aimed at meeting our business needs as well as legislative requirements and best practice.

As required by the *State Records Act 2000*, Commission prepared and submitted its Recordkeeping Plan to the State Records Commission, which was approved in March 2004.

An Information Management Induction Program has been introduced for all new employees and an interactive online Recordkeeping Awareness Training package was also adopted by the Commission.



Corporate Governance *cont'd*

STATEMENT OF COMPLIANCE WITH PUBLIC SECTOR STANDARDS

In the Administration of the Forest Products Commission, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and the Code of Conduct.

The Commission has adopted guidelines and processes supporting the public sector standards in human resource management. There were no reported breaches against any standard for the reporting period 2003/2004.

The Commission has a series of outsourced service provider arrangements in place for the provision of human resource management services. Within this service provider environment, individual managers are responsible for ensuring compliance with the relevant policies and the Code of Conduct, while the service provider has responsibility to undertake a monitoring and advisory role. This includes monitoring all transactions for recruitment, selection and appointment, secondment, transfer, temporary deployment, performance management and grievance resolution to ensure current policy is adhered to. Commission staff are responsible for termination and disciplinary cases.

Policies and supporting procedures are accessible to all staff on-line via the Commission's intranet, as is the Code of Conduct.

The Commission has in place a system which ensures that a complete compliance audit on three of the standards is undertaken annually. The audit for this reporting period identified that

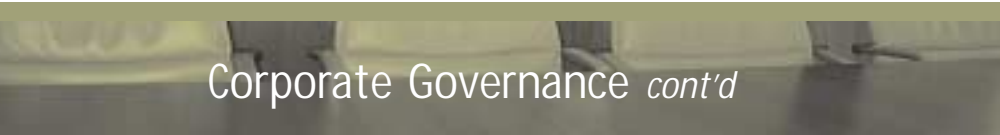
- the policies and procedures being followed by Commission identify with and reflect the standards requirements;
- compliance with the standards was satisfactory; and
- there was no evidence of non-compliance with any standards.

The Commission's Code of Conduct is subject to ongoing review and this process will continue in 2004/2005.



Dr Paul Biggs
GENERAL MANAGER

6 August 2004



Corporate Governance *cont'd*

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators of the Forest Products Commission (marked with the following symbol "☑"), are based on proper records, are relevant and appropriate for assisting users to assess the Commission's performance and fairly represent the performance of the Commission for the financial year ended 30 June 2004.



Murray Jorgensen
CHAIRMAN

6 August 2004



Dr Marilyn Clark-Murphy
COMMISSIONER

Corporate Governance *cont'd*

AUDITOR GENERAL

INDEPENDENT AUDIT OPINION**To the Parliament of Western Australia****FOREST PRODUCTS COMMISSION
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2004****Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Forest Products Commission (identified with the following symbol "☑") are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2004.

Scope***The Commission's Role***

The Commission is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

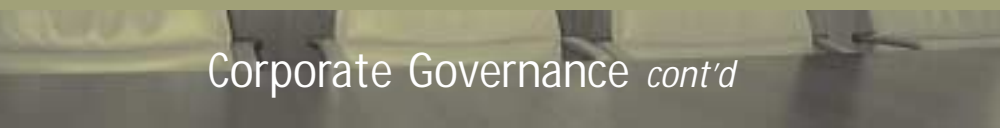
Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
 September 24, 2004



Corporate Governance *cont'd*

STATEMENT OF COMPLIANCE WITH WRITTEN LAW 2003-2004

The Commission has attempted to comply with the requirement of the relevant written law, as originally enacted and as variously amended. Action has been taken to rectify minor errors and omissions detected during 2003 - 2004. The relevant Acts and amendments to regulators are noted in this section of the annual report.



Murray Jorgensen
CHAIRMAN

6 August 2004



Dr Paul Biggs
GENERAL MANAGER