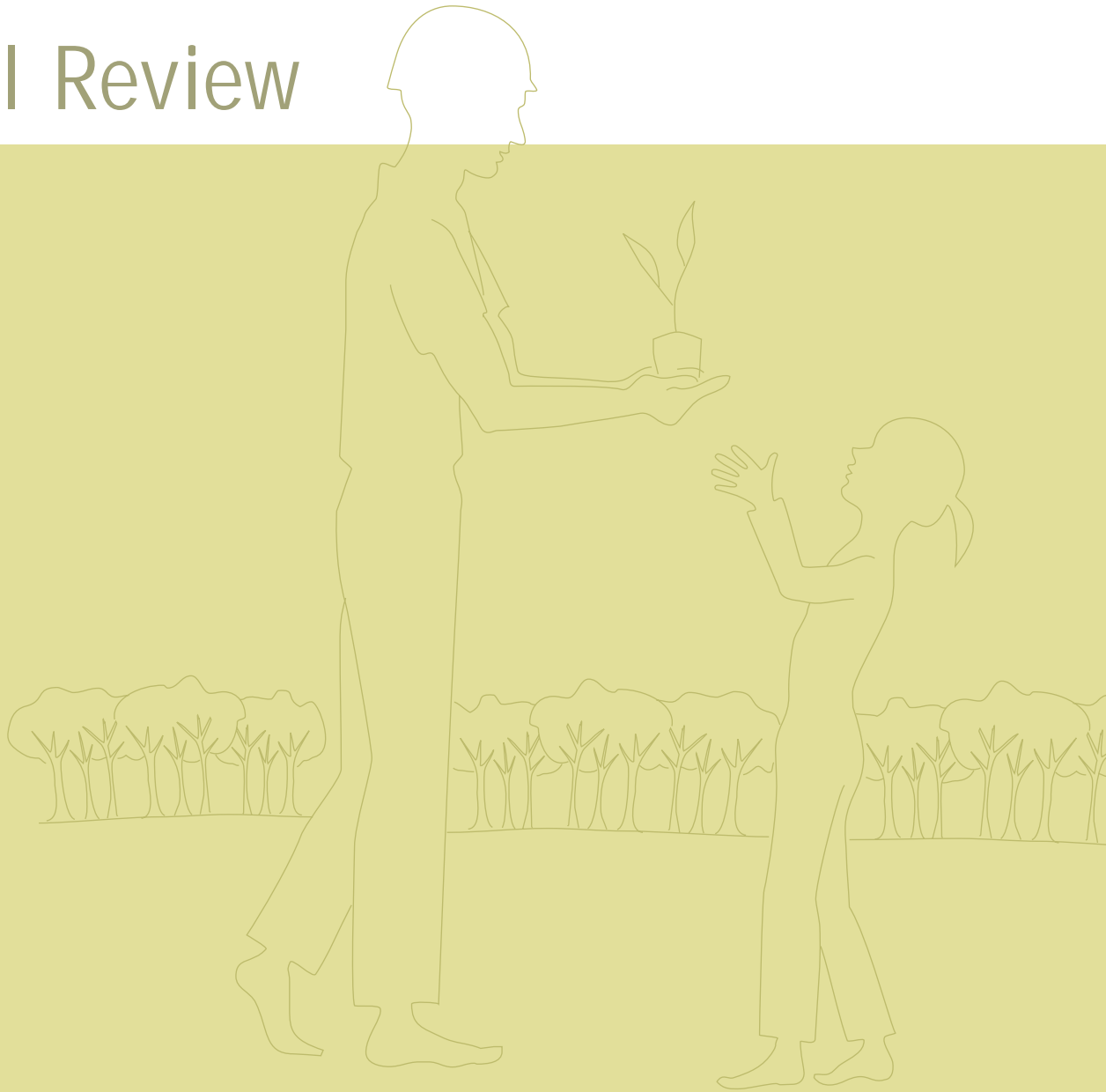


Social Review



25 REGIONAL DEVELOPMENT AND EMPLOYMENT

27 PROMOTION AND CONSULTATION

29 COMMUNITY EDUCATION

30 OUR PEOPLE

Social Review *cont'd*

The Commission's suite of programs and products provide social outcomes as well as financial returns.

Regional WA in particular will benefit from a range of initiatives including establishing a plantation resource sufficient to attract industry development, infrastructure and provide employment opportunities.

Consultation and communication with stakeholders is central to Commission activities, as is promotion of value adding opportunities and the long term sustainable management of our timbers.

In keeping with our responsibility to our people and the broader community, the Commission regularly reviews and improves mechanisms and opportunities for the development of our staff in areas such as occupational safety and health and leadership and development.

REGIONAL DEVELOPMENT AND EMPLOYMENT

Investment confidence in plantation processing industries was given a boost with the introduction in 2004 of extended terms of production contracts for plantation timber up to 25 years.

The introduction of a new Forest Management Plan and new sawlog contracts will create more long-term employment and has brought stability to the industry and regional WA.

In October 2003, industry, research and State and Commonwealth Government leaders attended a Regional Forest Investment workshop in Katanning hosted by the Commission. It highlighted the types of industry development that can contribute to our salinity action as well as generating economic and employment benefits.

The Commission has continued to work with community catchment groups to develop regional strategic plans for the delivery of NRM outcomes. The inclusion of tree cropping as a significant component of the regional groups activities has been encouraging.

The feasibility of biomass energy plants using plantation harvesting residue is being trialled by two companies following a Commission Request for Proposal.

Pinetec is relocating to Collie which will see its annual intake increase from 60 to 100,000 m³ of plantations resource.



Social Review *cont'd*



THE AREA OF PLANTATIONS ESTABLISHED

Areas established can achieve a range of benefits. This will be to supply the existing industry, to develop resources in new areas for future regional economic benefits and for multiple landcare protection purposes.

Plantation establishment straddles the financial year, therefore areas of establishment reported in this Annual Report are those established during the winter of 2003.

MEASURE:

The areas established against targets .

	Second Rotation pine species (ha)	First Rotation pine species (ha)	Eucalypt species (ha)	Sandalwood (ha)
Target	1309	2300	2650	50
Total Area established	1013	1907	1404	96
Note:	(1)	(2)	(3)	(4)
Sustain existing industry	1013	816	-	96
Regional development	-	1091	1404	-
Salinity, water quality and landcare*	-	-	-	-

* Note: The salinity, water quality and landcare purpose is delivered concurrently with timber production.

(1) Second rotation pines

Target: 1,309 hectares

- (i) Re-establish all areas clearfelled and ready for replanting (1,013 hectares).

(2) First rotation pines

Target: 2,300 hectares

This is part of a long-term goal to establish a viable plantation estate to deliver economic, social and environmental benefits in target regions.

- (i) In order to sustain softwood resource in the Perth and Mid-West region, plantations are being established on farmland to replace areas to be clearfelled at Gnangara (approx. 23,000 hectares). Since 1995 a total of approximately 9,511 hectares have been established; and
- (ii) Final goal for various regional cells (Katanning, Esperance, Albany) are yet to be determined as part of detailed planning for coordinated approach to tree farming in Western Australia. Gaining access to land by sharefarming has proven increasingly difficult. Alternative measures may be necessary to sustain planting programs.

Audited key performance indicator

Social Review *cont'd*

(3) Eucalypt species

Target: 2,650 hectares

- (i) *Eucalyptus globulus*- establish plantations to meet requirements of Commission arrangements. The demand for new planting in bluegums has curtailed and most plantations are being directly managed by the investors.
- (ii) Eucalypt sawlog - The project has been continued by the Commission that was initiated originally with the Water and Rivers Commission. The target area is currently being re-evaluated as part of the Commission cell planning process.

(4) Sandalwood

Target: 50 hectares.

- (i) The area planted was 96 hectares.

PROMOTION AND CONSULTATION

Part of the Commission's role is to assist industry with the promotion of finished timber products.

A proud supporter of numerous industry events and activities, the Commission is committed to educating the wider community about the uniqueness and value adding opportunities available with Western Australia's native forest and plantation timbers and finished products.

Furniture Industry Association

Ongoing assistance was provided to the Furnishing Industry Association of Australia, Western Australian branch (FIAA (WA)), and its furniture manufacturers to enable them to become more progressive in design, manufacturing and exporting.

The Commission was involved in a regional tour to South-West sawmills for manufacturers to secure timber supply arrangements for their businesses. Following the awarding of native hardwood log sale agreements to sawmills now that the Forest Management Plan 2004/2013 has been approved, manufacturers and sawmillers need to ensure long term future viability by securing resource. The tours were arranged by the South West Development Commission, the Small Business Development Corporation, the FIAA (WA) and the Commission.

The Commission was again the 'Platinum' sponsor of the FIAA West Australian and Australian Furniture of the Year Awards, in October 2003. Two Western Australian manufacturers, Just Jarrah and Quedos Billiard Tables, took out joint honours in the Western Australian Best of the Best award with their timeless pieces using WA's unique jarrah as well as national winners in the respective categories of bedroom furniture and using native Australian timber.



Social Review *cont'd*

Australian School of Fine Wood

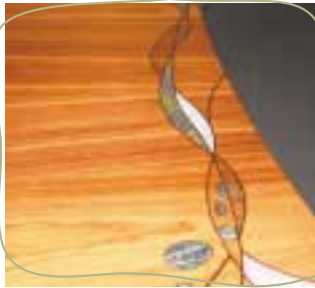
The Commission continued its contribution to the Forest Heritage Centre (FHC) and the Australian School of Fine Wood in Dwellingup.

The school conducts a two-year full time Diploma of Art - Furniture Design, introductory woodcraft course and creative workshop program

The centre has recently restructured its board and is developing plans for new additions to the centre to enhance its capabilities and attractiveness to wood workers and the tourism industry.

The Commission contributes to the salary and vehicle running expenses of the Centre's General Manager.

Mandurah Performing Arts Centre



The Commission contributed to the re-fit of the Serpentine Room at the Mandurah Performing Arts Centre. Within this project the FHC was commissioned by the Centre to design the boardroom furniture reflecting the culture and history of the 'Peel Region'.

The FHC also employed an aboriginal youth to provide design background on the embellishing and inlays reflecting aboriginal culture and assisted in the finishing of the furniture.

The Serpentine Room was officially opened by the Minister for Agriculture, Forestry and Fisheries.

Timber Advisory Centre

Ongoing weekly marketing of Western Australia's timber products takes place in the Timber Advisory Centre, in the Home Base Building Expo, in Subiaco.

The Commission contributes \$20 000 a year towards its management, promotion and upkeep. It is also represented on the Centre's council.

Mid-year, the Forest Industries Federation of Western Australia (FIFWA) handed over control of the display space for the Timber Advisory Centre to the management of Home Base Expo. The House of Ideas, however, remains under management by FIFWA, with participation with the Commission.

In addition to educating the broader public, the Centre is used as a timber specifier's point for architects, builders, designers and tradespeople.

Furniture Manufacturing and Exports

The Commission's Timber Technology and Industry Development branches continued to provide technical information on the characteristics and qualities of our timbers for application in newly designed and manufactured timber furniture for the Australian and international markets.

Export marketing

Assistance for the furniture industry in its export and marketing efforts continue to be ongoing. The furniture show at High Point, North Carolina in October 2003 was attended by representatives of FIAA WA with positive results achieved for WA manufacturers.

Social Review *cont'd*

COMMUNITY EDUCATION

The Commission has participated in the following events in an effort to further educate the broader community about its objectives, the State's timbers and the many value adding uses of our timber products:

- Dowerin Field Days
- South West Horticultural and Forestry Expo
- WA Farmers Federation annual conference
- Wagin Woolarama
- Working with Wood Show
- School of Wood end of year student exhibition
- numerous field days

Community consultation

The Commission consulted a range of stakeholders in regard to its native and plantation harvesting plans.

Stakeholder groups included the public, property owners, indigenous representatives, shires, parliamentary members, corporations, conservation groups, students and government agencies.

The Commission ensured prior notification was provided via media notices and direct mail when required. Detailed coupe maps, educational tours and follow up contact was also provided by Commission staff upon request.

Committee communication

The Plantation Industry Ministerial Advisory Committee (PIMAC) formed to improve communication between the government and the private plantation sector meets bi-monthly. The Committee's membership includes growers, harvesters, processors, users and key stakeholders from the community. The Commission participated in Regional Plantation Committees in the South-West (Trees Southwest) and Great Southern (Timber 2020) as well as the TIRES (transport planning) group. Senior Commission staff also gave presentations at various strategic planning forums and were regular contributors to the local branch of Australian Forest Growers (the national private forestry body) and the WA Agroforestry Working Group.



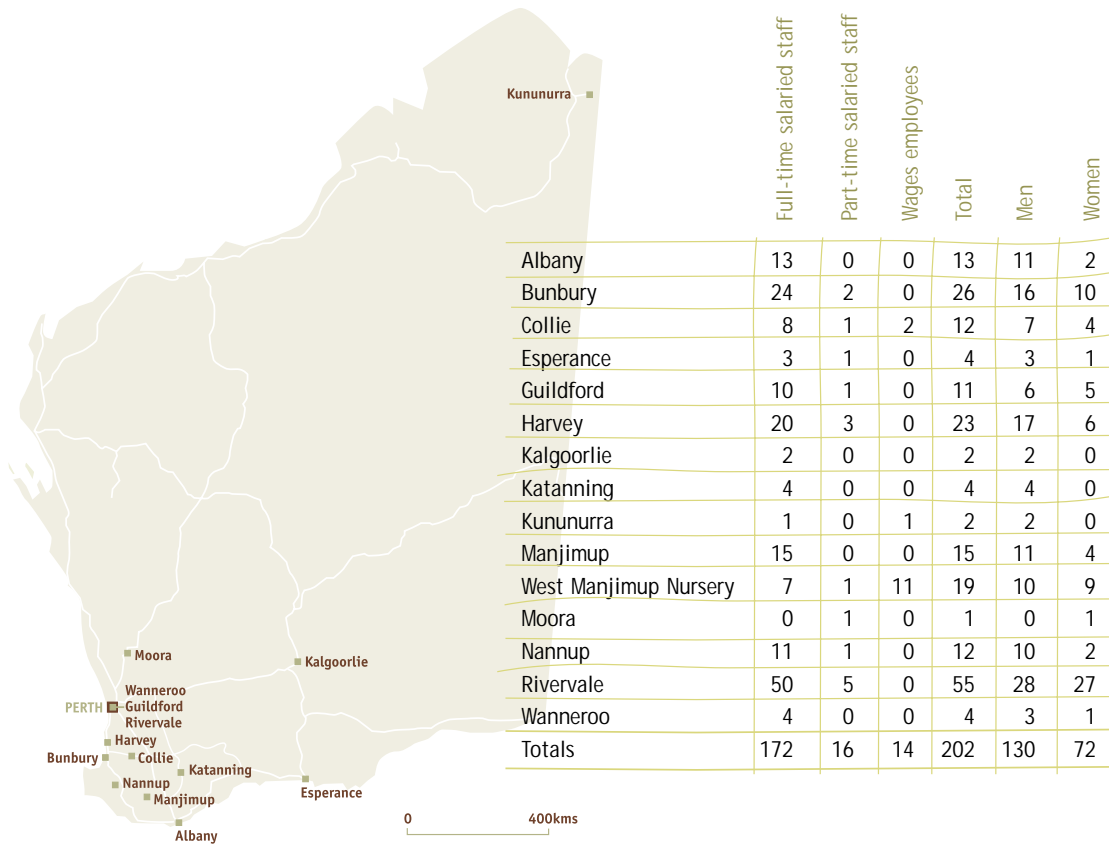
Social Review *cont'd*

OUR PEOPLE

The Commission has 55 employees working from the corporate headquarters in metropolitan Rivervale and 147 in 14 regional offices around the State. This represents an increase of 18 staff on the previous year and is mainly due to the transfer of the Technical Services Branch from the Department of Conservation and Land Management (CALM) and recruitment drive for entry level field staff.

The Commission's employees are committed to working closely with industry in a dynamic environment that holds enormous potential for the entire Western Australian community.

As at 30 June 2004, staff numbers and their locations were:




All employees are committed to the Commission's values and act with integrity, professionalism and understanding.

The Commission management seeks to develop the skills of its employees and build on the personal commitment of each member of the team with a targeted program of professional development.

The Forest Products Commission was established on the premise that it will rely upon outsourced service provision for Human Resource Management functions. During 2003/04 the Commission's principal service provider was the People Services Branch of CALM. These arrangements are reviewed annually.

Areas of Human Resource Management in which the Commission has progressed matters on its own behalf are highlighted hereunder.



Social Review *cont'd*

Structural Review

The Commission initiated a review of its senior management structure during 2003/04. This, in turn, has resulted in an overall review of the organisation's structure with regard to ensuring that the structure facilitates the delivery of strategic goals. Although the senior managerial structure is settled, the process of implementing further outcomes of this review is ongoing as at 30 June 2004.

Recruitment of entry level field staff

Since inception the Commission has relied upon the annual recruitment process undertaken by CALM to provide sufficient access to entry level field staff.

During 2003/04 the Commission identified the need to ensure access to a pool of entry level field staff with career aspirations in the forestry sector. A large scale recruitment process was undertaken with the intent of attracting enough staff to provide a pool of readily available forest officers for immediate deployment, should the need arise as a result of successful investment strategies or other strategic outcomes.

Training

While normal practices regarding the provision of training to staff have continued, the Commission has initiated the development of a training program for entry level field staff. This program is intended to deliver courses designed to address the particular requirements of the Commission and its employees. In accordance with this, those Commission courses identified as having relevance are currently being reviewed in order to ensure that they meet the requirements for delivery by a Registered Training Organisation (RTO). While the Commission is not an RTO, it has an affiliation with CALM which has attained RTO status.

Growth Development Leadership Program

During 2003/04 the Commission implemented its inaugural Growth Development Leadership programme, designed to provide staff and the organisation with an ongoing development and leadership program. The program, with an initial group of twenty participants, commenced in December 2003.

Participants, nominated from across the Commission, have been involved in the development of a number of projects selected for their input to the Commission's strategic objectives. These projects are due for completion in the latter half of the 2004 calendar year.

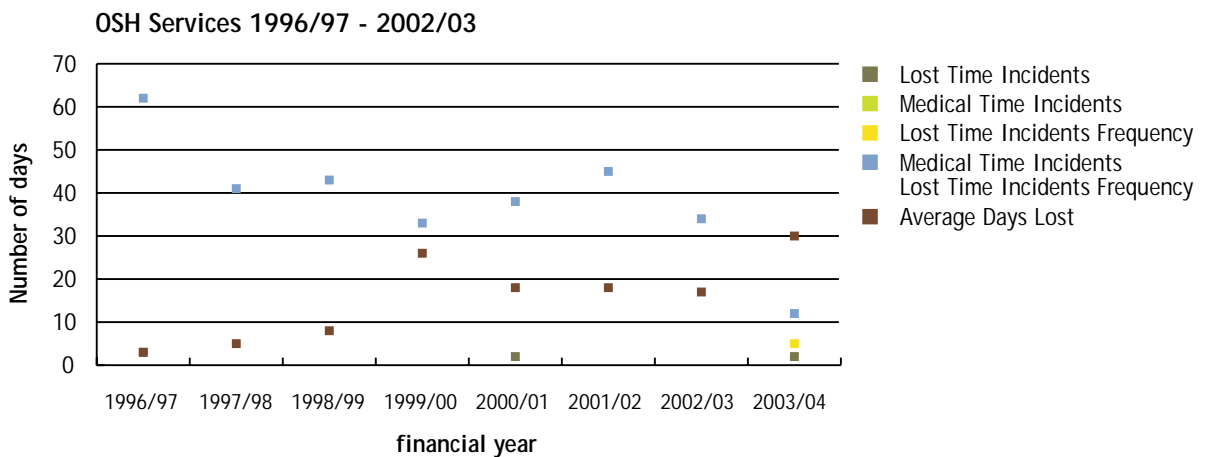
Occupational Safety and Health (OSH)

During 2003/04 the Commission took steps to internalise the management of the delivery of OSH services. Primarily this was achieved through recognition that the Commission responsibility to ensure that industry safety and training standards were managed and complied with could be strategically partnered with the need for more general OSH requirements. This outcome not only reflects changes to the industry, but anticipates changes to OSH legislation, including the Dangerous Goods Safety Bill 2002(WA) which was assented to on 10 June 2004.

During the year the Commission has ensured that operational staff have had the benefit of a one-day training and information session on OSH and particularly contractor safety practices. This training will be extended to all other staff during the 2004/05 year. Commission has also reinvigorated its OSH team leaders' network and ensured that all team leaders underwent at least two days of dedicated OSH training during the year. A Commission specific course is being developed for implementation during the coming year.

Social Review *cont'd*

There were five claims (two lost time incidents (LTI)) for workers' compensation during the year 2003/04. All five claims have been finalised. This represents an improvement on the previous year during which 13 claims were lodged (three LTIs). Unfortunately the average number of days lost was disproportionately high due to one of the two LTIs requiring extensive post operative treatment to a broken finger resulting in just over 50 days lost time.



Disability Service Plan outcomes

The Commission continued to operate in accordance with its existing Disability Services Plan. Significant activities undertaken during 2003/04 reflecting this plan include the further modification of corporate headquarters accommodation. This plan will be renewed in 2004/05.

Equal employment opportunities


The Commissions yearly Equal Employment Opportunity Management Plan for the period ending 30 June 2004 reflected the following outcomes:

The representation of women within the workforce has decreased from 41.2 per cent to 34.6 per cent;

The number of employees who are from indigenous backgrounds (0.4 per cent), have disabilities (0.9 per cent) or culturally diverse backgrounds (7.5 per cent) remains unchanged;

During 2003/04 the Commission instituted a carers' room facility at its corporate headquarters, for those staff with family responsibilities and has sought to create part-time and regionally based employment opportunities wherever possible; and

No breaches of EEO policy or legislation were reported.



Social Review *cont'd*

Code of Conduct

The Commission complies with the Public Sector Code of Ethics and has its own Code of Conduct for employees, which has been in place since July 2001.

The Code of Conduct addresses issues including conflicts of interest, corruption, discipline, confidentiality, freedom of information, security of records, equal employment opportunities and diversity, disability services and grievance resolution.

Feedback opportunities are available through internal and external mechanisms and staff are regularly surveyed. During 2003/04 the Office of the Public Sector Standards conducted a survey of human resources, standards, ethics and equal employment opportunity which returned quite positive results for the Commission.

One incident involving an alleged breach of this code was inquired into, with no further action being required.

There were no reported breaches of the Public Sector Standards lodged against the Commission.