Forest Products Commission
Annual Report 2024-2025

The Government of Western Australia

fpc Forest Products Commission

ISSN 1838-5362 (print)
ISSN 1838-5370 (online)

ISBN 978-1-7636952-0-7 (print)
ISBN 978-1-7636952-1-4 (online)

September 2025

Chief Executive Officer
Forest Products Commission
Locked Bag 888
PERTH BUSINESS CENTRE WA 6849 AUSTRALIA

Telephone +61 8 9363 4600
Email info@fpc.wa.gov.au
Web www.fpc.wa.gov.au

This document is available in alternate formats on request.

/fpcwa

Contents

We acknowledge the Aboriginal peoples of Western Australia as the traditional custodians of this land and we pay our respects to their Elders, past and present.

Statement of compliance

Hon Jackie Jarvis MLC
Minister for Forestry

Statement of compliance

For year ended 30 June 2025.

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the annual report of the Forest Products Commission for the reporting period ended 30 June 2025.

The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and any other relevant written law.

The financial statements comply with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board.

Ms Debra Blaskett
Chair
11 September 2025

Mr Stuart West
Chief Executive Officer
11 September 2025

Chair's statement

The past year has marked a period of remarkable innovation and adaptation for FPC, as we continue to evolve in response to structural change in native forestry and the growing demands of a climate-impacted world.

At the heart of this transformation is our commitment to shaping a forestry sector that not only supports the State's economy but contributes meaningfully to its climate resilience. Our work is grounded in innovation – from reimagining how we assist in the management of native forests for health outcomes, to embracing new technologies and practices that improve sustainability across our plantation estate.

With the conclusion of commercial native forest harvesting, our focus has shifted to delivering ecological thinning and other forest health activities under the Forest Management Plan 2024–2033. This work has never been more urgent. After an extended dry season and increasingly variable climate conditions, we are proud to be on the front foot – playing a key role in supporting the long-term resilience of these ecosystems.

At the same time, the State Government's $350 million Softwood Plantation Investment Program is building momentum. The expansion of the softwood estate is a powerful example of climate mitigation in action – enabling carbon sequestration, reducing pressure on natural forests, and ensuring future timber supply for Western Australia's housing and construction industry.

Across all parts of our business – from plantation management and fire preparedness to sandalwood operations that empower Aboriginal enterprises – we are building on our vision for a future-facing organisation. This includes fostering a culture grounded in care, integrity and innovation, with internal programs designed to cultivate a safe, inclusive and high-performing workforce. We continue to prioritise partnerships that deliver lasting regional and environmental benefits.

The achievements of this year would not be possible without the dedication of our people. Their commitment to our evolving mission, and their openness to change, give me great confidence in our ability to lead the way in a rapidly changing sector.

I wish to acknowledge the support of the Minister for Forestry, Hon Jackie Jarvis MLC, as well as my fellow Commissioners, the executive and the entire FPC team for their hard work and passion over the past year.

We are forging a new path for forestry in Western Australia – one that is sustainable, strategic and shaped by purpose.

DEBRA BLASKETT
CHAIR

CEO’s statement

Over the past year, FPC has embarked on a transformative journey, aligning our operations with a bold vision for sustainable forestry in Western Australia. Our commitment to environmental stewardship, regional development and operational excellence has never been stronger.

Central to our strategy is the new investment in Western Australia’s softwood plantation estate. Through the State Government’s $350 million Softwood Plantation Investment Program, we are acquiring new land and establishing plantations to secure future timber supply and support climate resilience.

This initiative not only secures the future supply of sustainable timber for the housing and construction industry but also contributes significantly to carbon sequestration efforts, with an estimated 7.9 to 9.5 million tonnes of CO_2 equivalent expected to be sequestered.

Our efforts have already resulted in the acquisition of new plantation land, including six new properties. These developments are creating jobs, stimulating regional economies and reinforcing our role as a key player in Western Australia’s sustainable future.

In the face of increasing climate variability, our focus on fire protection and risk management has intensified. We have strengthened collaborations with the Department of Biodiversity, Conservation and Attractions (DBCA), the Department of Fire and Emergency Services (DFES) and local volunteer bushfire brigades to enhance our fire mitigation and response strategies.

Our participation in the Forest Industry Federation of Western Australia’s Plantation Managers Fire Agreement exemplifies our commitment to shared responsibility in safeguarding our forests and communities.

FPC continues to align with the State’s environmental goals by implementing the Forest Management Plan 2024–2033, which prioritises ecological thinning, biodiversity protection and climate resilience.

We have embedded safety more deeply into our operations by restructuring reporting lines and supporting the creation of a new Forestry Safety Code aligned with modern WHS legislation.

A new Critical Risk Framework is also enhancing our ability to proactively manage operational hazards and drive continuous improvement across the business.

With a focus on innovation and sustainable growth, FPC remains committed to supporting Western Australia’s economy and environment through strong partnerships and future-focused leadership.

STUART WEST
CHIEF EXECUTIVE OFFICER

Who we are

Our agency

The Forest Products Commission (FPC) works in plantation and native forestry across Western Australia. Our team is committed to positive engagement with communities, industry and government to support a vibrant and sustainable forestry sector.

The Commission delivers timber products and services across three business segments – plantations, native forest and sandalwood – in line with our key priorities of timber production, forest health and adapting to the challenges of climate change.

Our objective is to supply essential timber products for the housing and construction industry in Western Australia as well as for furniture, artisans, firewood and other uses.

The State Government's Softwood Plantation Investment Program is injecting $350 million over ten years to secure our softwood estate. Carbon sequestration from new plantations also plays an important role in the State's action on climate change.

All native forest operations accord with the Forest Management Plan (FMP) of the time. Commercial logging in south west native forests ended in Western Australia from 1 January 2024, with the shift in focus to supporting forest health on behalf of the Department of Biodiversity, Conservation and Attractions (DBCA). Native forest management will evolve over time via ecological thinning, in line with the new FMP 2024-2033, as new equipment and techniques are introduced to achieve positive outcomes.

We focus on care, innovation and industry support to ensure our forests remain a strategic and sustainable resource for the future.

Our vision

To build and maintain a sustainable and commercially viable forest products industry that provides economic and social benefits to the people of Western Australia.

Our mission

To contribute to Western Australia's economic and regional development.

Our values

'Each of us being our best and treating each other well. This is what we strive for at FPC.'

At FPC, our values are the foundation of the culture we are building together. We are committed to creating an environment where every individual feels respected, empowered and accountable.

We believe that how we work is just as important as what we achieve. Whether in the field, in the office, or engaging with our partners and communities.

Our values shape how we collaborate, how we lead and how we continue to grow a safe, inclusive and high-performing organisation. They guide our behaviours, help build trust and enable us to meet the challenges of a changing forestry sector with confidence and integrity.

Together, we strive for a culture where everyone can be their best and where we treat each other well, always.

Minister for Forestry
Hon Jackie Jarvis MLC

Board Chair
Debra Blaskett

CEO
Stuart West

Chief Financial Officer
Natalie Johannes

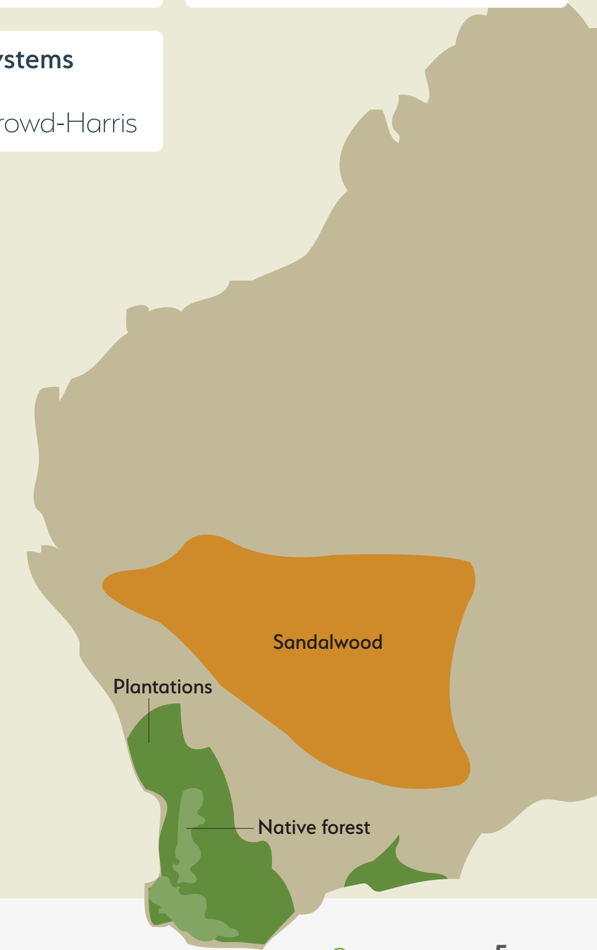
Chief People Officer
Suzanne McCavanagh

Director People and Culture
Tibia Harniess

Deputy Chief Executive Operations
John Tredinnick

Director Technical Forestry and Innovation
Andrew Lyon

Director Systems and Risk
Julian Munrowd-Harris



Our Commission

DEBRA BLASKETT

CHAIR

Appointed June 2021. Appointed Chair November 2021.

Debra Blaskett was previously an executive at Perth Airport where she was responsible for corporate services including risk, governance, safety, environment, people and culture, and corporate affairs. Prior to joining Perth Airport, Debra held several senior positions in the Commonwealth public service across the portfolios of Australian External Territories Administration and aviation, maritime and offshore oil and gas security regulation. Debra has also previously been the Deputy President of the Board of the Tourism Council of Western Australia. Debra is currently a Non-Executive Director at Fremantle Ports and holds a Bachelor of Jurisprudence, Bachelor of Laws and Bachelor of Arts (Hons) degrees. She is a Graduate of the Australian Institute of Company Directors (GAICD) and a Fellow of the Governance Institute of Australia.

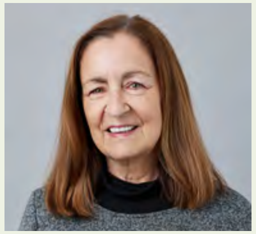
SIMON BYRNE

COMMISSIONER AND DEPUTY CHAIR

CHAIR PEOPLE, SAFETY, ENVIRONMENT AND COMMUNITY COMMITTEE

Appointed June 2022

Simon Byrne is an executive manager with more than 10 years' executive director board experience, a 35-year career in legal services and more than 25 years' experience in utility businesses and environmental regulation. He has more than 10 years' experience in company secretarial, procurement, risk and compliance and corporate services. Simon is currently General Counsel and Company Secretary for ATCO Australia Pty Ltd and ATCO Gas Australia.



STEPHANIE BLACK

COMMISSIONER

CHAIR AUDIT AND RISK COMMITTEE

Appointed June 2022

Stephanie Black is an experienced leader and has held executive positions in government and the private sector. Stephanie retired from her most recent role as Deputy Director General, Infrastructure and the Regions in the Department of Premier and Cabinet in July 2022. She has previously held senior positions in the departments of finance, health and State development. She has led large and small teams to achieve transformational change, excellent commercial outcomes and complex business objectives. Stephanie has extensive governance, risk and financial management knowledge and is a member of the board of the Art Gallery of Western Australia.

SHAYANNA DUNCAN

COMMISSIONER

Appointed June 2024

Ms Duncan has worked in the natural resource management industry for ten years, managing and delivering projects in horticulture, sustainable land management and natural capital accounting. She has a Bachelor of Science (Hons) in Conservation Biology and Land Management.

GRAEME HARRIS

COMMISSIONER

Appointed June 2024

Mr Harris is a chartered accountant with more than 40 years' experience as a senior executive responsible for financial and general management of business activities as diverse as elite sport, integrated offshore services to energy producers and premium wine production. He is also involved with several community organisations.

JOANNE HILL

COMMISSIONER

Appointed June 2024

Ms Hill holds a Bachelor of Business and has qualifications in Aboriginal and Torres Strait Islander health, telecommunications, sports development, and indigenous mentoring. She is a highly capable business manager, reinforced by her experiences as a key member in several community forums and governance committees.

VANESSA MARTIN

COMMISSIONER

Appointed November 2021

Ms Martin has over 30 years' experience in working in the public, private and not-for-profit sectors in senior leadership roles. She is currently on the board of Marr Mooditj Training Aboriginal Corporation, the Perth Zoological Parks Authority, Chair of the Noongar Boodjar Language Cultural Aboriginal Corporation and Chair of the Noongar Advisory Company, which supports and provides advice to the trustee on the Noongar Boodjar Trust for the Noongar Native Title Settlement. Ms Martin began her career as a qualified Secondary Teacher, and in 2000 Vanessa completed a master's degree in management and leadership, Curtin University, Graduate School of Business. In 2018, she completed and graduated from the Australian Institute of Company Directors Course. This GAICD professional qualification complements her Board governance and senior executive experience.

Our Executive team

STUART WEST

BSc For, Fellow Gottstein Trust (2001) Fellow Governor's Leadership Foundation (2003)

CEO

Stuart has worked in the Australian forest industry since graduating with a Bachelor of Science (Forestry) in 1990 and has held executive responsibilities for 25 years. Stuart has detailed experience working in government-owned forestry businesses and working with Australia's major forestry companies leading transformational structural reform in a number of states. He has led initiatives to attract new manufacturing and generating new demand for products in a variety of sectors including food and agriculture, forestry and manufacturing.

JOHN TREDINNICK

BSc For MSc

DEPUTY CHIEF EXECUTIVE OPERATIONS

John has more than 35 years' experience working in senior management positions both in Australia's forest industry and internationally. His experience includes forest management, timber processing and timber trading. John leads a range of transformation and business development projects aimed at expanding the State's plantation estate and introducing efficiencies and innovation throughout FPC's operations. He also has responsibility for the forest operations directorate.

SUZANNE MCCAVANAGH

BA Industrial Relations, GradDip Public Sector Management

CHIEF PEOPLE OFFICER

Suzanne has 30 years' experience in leading an organisation wide workforce function. She has held executive roles in six public sector agencies including WA Health, Transport and Infrastructure, and the TAFE sector. She brings extensive expertise in leading transformational and cultural change programs, human resources strategy, workforce planning, organisational re-design, organisational development and cultural change. Her early career was in industrial relations.

NATALIE JOHANNES

BBus, CA

CHIEF FINANCIAL OFFICER

Natalie is a chartered accountant with more than 25 years domestic and international experience in commerce, not-for-profit, education and media industries in addition to finance and operations across forestry. During this time, she has led the delivery of organisational goals and strategic objectives in both financial and non-financial senior management and executive positions. Natalie is passionate about empowering teams, embracing and optimising workplace diversity, and valuing opportunities for continuous business improvement.

JULIAN MUNROWD-HARRIS

BBus Marketing

DIRECTOR SYSTEMS AND RISK

Julian has extensive experience in government, spending many years with the Department of Communities in project management, and in senior roles including sitting as a Board member on joint venture land development projects with private sector partners. More recently he has worked at FPC in a project management capacity, focusing on the Softwood Plantation Investment Program and enhancing his forestry knowledge as Manager of the Forest Management division. Julian is currently Director of Systems and Risk with a portfolio including Systems and Technology, Operational Services, Legal and Audit, Corporate Support and Policy, and Board Secretariat functions. He is committed to working with FPC teams to deliver positive outcomes for the agency.

Our team

Staff snapshot

We employ 175 people across our work sites with 62 per cent of our staff located in regional towns. This includes permanent full time and permanent part time employees, fixed term contract staff and casual employees.

Staff category	FTE	Headcount
Permanent full time employees	122	122
Permanent part time employees	12.48	19
Fixed Term full time employees	11	11
Fixed Term part time employees	1.60	2
Casuals	17.27	20
Seconded in FPC	1	1
Totals	165.35	175

Engaging our people across a regional footprint

FPC operates offices across Western Australia, requiring adaptable communication methods to reach all staff effectively.

Virtual channels are used to promote Executive Conversations presentations, share organisational updates, and support events such as International Day of Forests and Brunch & Learn sessions.

To complement online engagement, the CEO provides regular video updates for all staff and the executive team regularly attends regional offices.

Year in review

Our people

Keeping our people and contractors safe

FPC remains committed to fostering a safe and healthy working environment across all areas of our operations. Throughout the year, we continued to engage closely with contractors, the Forest Industries Federation of WA (FIFWA), the Australian Forest Products Association, and the Community and Public Sector Union/Civil Service Association to collectively strengthen work health and safety standards in the forestry industry.

A key milestone in 2024 was the launch of FIFWA's updated Forestry Safety Code - a significant step forward for industry safety. The revised Code ensures alignment with national legislation, adopts the structure of modern codes of practice, and reflects current practices and technologies. FPC played an active role in the development process, alongside industry partners and public consultation, and proudly contributed 50 per cent of the funding to bring the project to fruition.

In addition, FPC continues to issue safety alerts throughout the year to both staff and contractors, helping to maintain high awareness and proactive responses to emerging safety risks.

"FPC is delighted to see the increasing focus on safety within our industry. Our people work hard to achieve good outcomes, but never at the expense of their welfare. We embrace the view that safety is everyone's responsibility and we are committed to continuing to build a robust health and safety culture for staff, contractors and the wider forest industry."

Justine
Manager Environment and Safety

OSHtober road safety

The theme for the 2024 OSHtober staff safety campaign was Better Late than Never. During October, staff were reminded that nothing is worth risking your life over, or the lives of others on the road.

Driving is an integral part of our business activities, but it also poses a significant risk to the health and safety of our people. As part of our ongoing commitment to road safety we have invested in driver training. During the past three years, 141 staff members have successfully completed Defensive Driving training.

Wellbeing and inclusion

FPC launched its 2025 Growing Together: A Year of Wellbeing and Inclusion calendar to support staff engagement with key cultural and wellbeing events throughout the year.

The calendar includes significant dates such as Harmony Day and the International Day of People with Disability, reinforcing FPC's commitment to building an inclusive workplace culture where all individuals are valued and respected.

In June, FPC celebrated Men's Health Week to promote awareness of men's physical and mental wellbeing across the organisation.

Staff were invited to engage through guest speaker sessions, daily webinars hosted by the Australian Men's Health Forum, and morning teas held across all regional locations. These activities encouraged open conversations and strengthened wellbeing awareness among colleagues.

Women in leadership

Through the diversity and inclusion focus area of our People Plan 2024-2026, FPC actively supports gender equality and leadership development for women.

Building on FPC's inaugural Women in Leadership program in 2023, a further 11 women undertook this program this year. This program equips women with practical skills to support them in stepping up into leadership roles.

This significant investment to grow women leaders from our existing talent pool has seen 50 women, representing 70 per cent of our female staff, complete the program over the past three years.

By focusing on progressing our women leaders in historically male-dominated industries like forestry, we can continue to drive positive change.

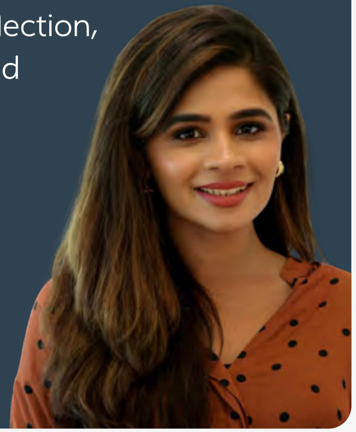
"It's OK to not be OK; it's not OK to always be not OK. Reach out or check in - just start the conversation".

Michael
Manager Industry Development

"The Women in Leadership program provided a valuable opportunity for self-reflection, both personally and professionally. It encouraged me to examine my routines and habits and begin incorporating meaningful changes that align with my goals.

The different concepts I was taught challenged me to think critically about managing my time and resources. These tools have helped me identify ways to enhance my overall quality of life by increasing satisfaction and purpose".

Mashaal
Community Engagement Lead



"I really enjoyed the conference as it was a great opportunity to meet and network with people from various agencies within the public sector.

One key takeaway for me was the analogy about balancing responsibilities: some tasks are like rubber balls that bounce back, while others are like glass and don't. Sometimes, it's more important to prioritise the glass tasks, as they are more critical".

Isa
People and Culture Officer

Emerging talent

FPC sponsored seven early-career employees to attend the IPAA WA Young Professionals' Conference. The event convened representatives from community organisations and public sector agencies for a full day of learning, professional development, and networking. This initiative is in line with our Diversity and Inclusion focus of our People Plan 2024–2026.

LIFTing leadership capability across FPC

Supporting and strengthening our people leaders is a cornerstone of the People Plan 2024–2026. In 2024–25, we launched the LIFT for Managers program – an eight-month development journey designed to build capability, foster confidence and align leadership practice with FPC's strategic direction.

The program was built around contemporary leadership theory and practical tools, with a strong focus on coaching, culture, and performance. Managers explored how to lead with clarity and accountability, engage their teams more effectively, and play a stronger role in shaping an inclusive, values-driven culture.

LIFT reflects our commitment to continuous learning and leadership excellence at all levels, and is helping to build a stronger, more connected FPC where managers are empowered to lead with purpose.

LIFT for Managers program attendees by location

Albany	2
Bunbury	14
Harvey	2
Kalgoorlie	1
Manjimup	6
Nannup	3
Perth	17
Total	45

Brunch & Learns unlock knowledge for staff

Our Brunch & Learn sessions are a great opportunity for staff from different teams to meet and share their knowledge in a sociable and collaborative environment.

The monthly sessions foster a culture of continuous learning, as well as shining the spotlight on topical subjects.

This year has included talks on The Key to Unlocking Project Success, Silviculture – the Science of Forestry, and the Recovery of High-value Timber Across the Goldfields. This initiative supports our performance and skills development focus of our People Plan 2024-2026.

Our business

Plantations

FPC is securing the future supply of timber for Western Australian homes, while also contributing to the State's response to climate change.

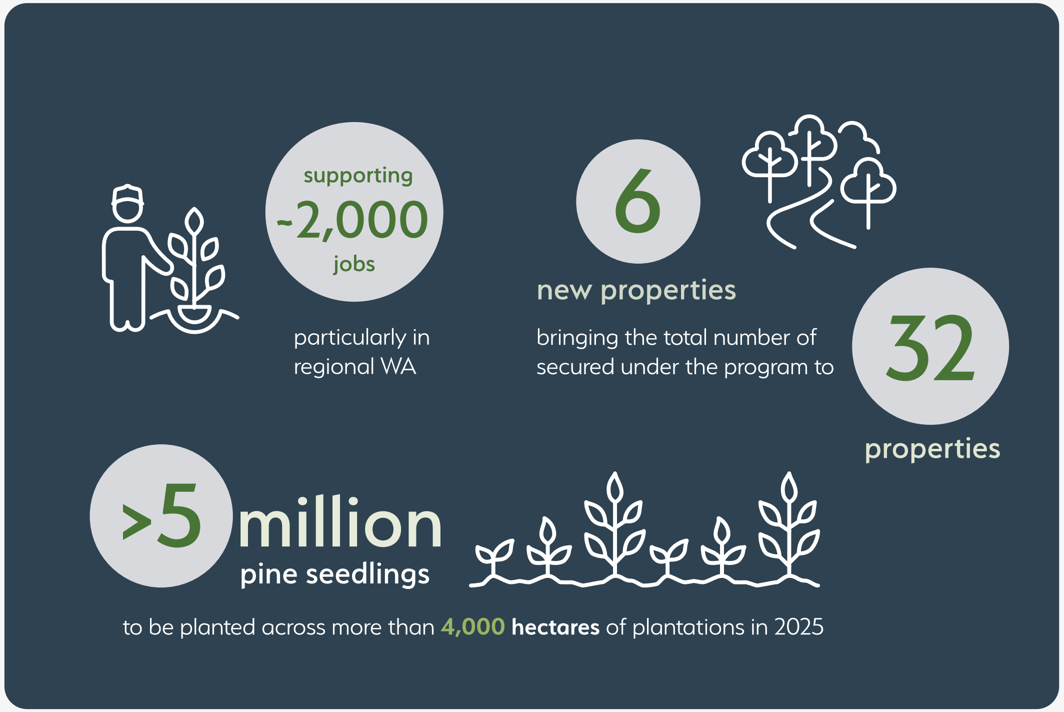
The Softwood Plantation Investment Program (SPIP) continued to progress during 2024-2025 with six new properties now secured under the program, bringing the total number of properties secured under the program to 32.

Over five million pine seedlings are expected to be planted across more than 4,000 hectares of plantations in 2025.

Growing more than timber

Well-managed plantations deliver economic, environmental and social benefits to Western Australian communities such as:

- Supporting around 2,000 jobs, particularly in regional WA.
- Indirectly supporting many thousands of jobs in the building industry that depend on the reliable supply of timber.
- Providing mixed-use recreation and tourism opportunities including support of the Seven Gravel cycling event through our plantation estate.
- Reduction of greenhouse gases, helping to fight climate change.



Population growth and housing

New home building activity is also poised for expansion as housing demand rises to meet the needs of a growing population.

FPC is committed to securing the future supply of local timber products for the WA housing and construction industry.

Stakeholder and community engagement

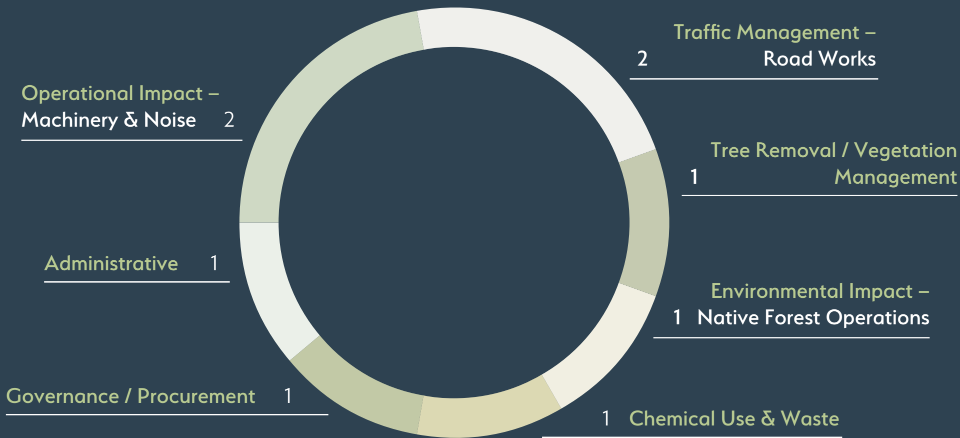
FPC continues to engage with the communities in which we operate, guided by our commitment to openness, respect and shared responsibility. During 2024–2025 we maintained meaningful relationships with our stakeholders and supported several grassroots initiatives aligned with our community values.

Our approach is underpinned by the following principles:

- Respect and transparency - being clear and open about our operations and impacts.
- Listening and responding - seeking community input where relevant and responding to concerns in a timely manner.
- Building local partnerships - strengthening ties with local government, emergency services and community groups.

Complaints

July 2024 to June 2025



Community fire grants

FPC's Community Fire Protection Grants program continued in 2024–2025, offering grants of up to $10,000 to local governments, fire brigades and community groups. The program helps boost community preparedness in plantation areas through investment in fire suppression equipment, training and education initiatives.

Support for local events and recreational access

FPC provided in-kind and logistical support for a range of community and sporting events that took place within or near plantation land, including:

- Recreational cycling and endurance events in the South West.
- Community open days and field days.
- Local sporting and fundraising initiatives hosted on or adjacent to FPC land.

Supporting regeneration and opportunity: the future of sandalwood

Sandalwood has long held cultural, ecological and commercial significance in Western Australia, but its regeneration in the wild has been challenged by changing land uses and climatic pressures across the Rangelands.

FPC's wild sandalwood harvesting and marketing operations support a stable, value-driven industry that provides funding for a regeneration program and creates opportunities for Traditional Owners.

FPC's sandalwood plantations remain an asset for the future. While the resource is not currently being harvested, the value of plantation-grown sandalwood increases with time. By allowing the trees to further mature, FPC is ensuring that any future production will be of the highest quality and commercial value. In the meantime, small volumes from thinning operations may be sold where this can be done responsibly, without affecting markets, and with the potential to offset management costs.

Good rainfall results in a very successful regeneration program

FPC has been operating Operation Woylie since 2011, which has led to the establishment of more than 700,000 seedlings germinating from seed, a phenomenal effort.

Good winter rainfall in 2024 resulted in more than 187,000 seedlings estimated to have been established during the 2025 annual regeneration survey. FPC undertakes an annual monitoring survey of the previous year's establishment program to estimate survival

The mechanised "Operation Woylie" seeding program sows between 14 – 20 tonnes of seed annually, supplemented by a smaller hand program undertaken by each contractor during harvesting operations with additional quantities sown by Aboriginal contractors on country.

This annual recruitment of young sandalwood is funded from harvest operations and will be critical in supporting healthy sandalwood populations in the future.

The Sandalwood Dreaming program opens the door for Aboriginal businesses to become directly involved in the harvesting and management of sandalwood. This model not only promotes cultural connection to country but also drives regional economic participation.

Research funding for underutilised Goldfields specialty timbers

Recovery of high-value eucalypt timbers from approved clearing activities across the Goldfields has taken a big step forward with funding from Forest and Wood Products Australia (FWPA) to investigate these underutilised species.

A joint research project between the University of Tasmania, Dundas Shire and FPC is investigating potential product, market and production strategies to support processing at the Norseman site.

Options range from supporting online auctioning of green slabbed timber to drying and secondary processing to produce furniture grade products.

Goldfields species such as salmon gum (Eucalyptus salmonophloia) and gimlet (Eucalyptus salubris) are beautiful timbers used for high-grade furniture, decorative veneers and musical instruments.

Native forest

Following changes in WA Government policy for native forestry, commercial logging in WA's native forests ended on 31 December 2023. FPC is now supporting DBCA to implement Government's efforts to manage the impacts to forest health from climate change through its delivery of ecological thinning operations as prescribed by DBCA under the Forest Management Plan 2024-2033. FPC also markets and sells timber from approved mine site operations.

Fire training

FPC continues to support DBCA and DFES by helping train personnel to ensure both volunteers and career firefighters have the skills needed to respond to fires affecting plantations.

FPC is also engaging several contractors to expand machine capability for fire suppression across its estate. This is especially important as plantations extend beyond DBCA-managed land into smaller shires with limited equipment.

This approach aligns with the Ferguson Report into the 2016 Waroona bushfire, which recommended leveraging WA's timber industry machinery to help suppress large fires in the South West.

Interagency collaboration strengthens coordination and effectiveness. Joint training has also allowed FPC and DFES staff to connect and share plantation-specific firefighting experience.

Fire prevention and protection

As the softwood plantation estate continues to expand across the South West and Great Southern, FPC continues to develop key partnerships with local brigades to protect the investment from the ongoing threat of bush fire.

Supporting local Shire volunteer bushfire brigades and DFES regions is vital to protecting new plantations. At the same time, FPC resources continue to support DBCA in managing and responding to fire threats across the broader softwood estate on DBCA-managed lands. FPC continues to develop its internal capacity to respond to bushfires and conduct FPC prescribed burns across all tenures, with 44 operational staff registered under FPC's Fire and Emergency Service unit in 2024-2025.

The Forest Industry Federation Western Australia (FIFWA) Plantation Managers Fire Agreement remains important for protecting plantations in regional communities. Under the agreement, forest managers including FPC share suppression resources, collaborate on mitigation measures and promote plantation values in fire situations.

Cooperation to prepare for bushfires

FPC staff work with emergency service agencies and local governments to ensure fire preparation and response activities are well coordinated for the protection of both assets and communities.

Prescribed burning activities help to reduce the fire risk in our plantations leading into the hot summer months. FPC's autumn burning program commenced in May and staff worked alongside DBCA to complete these critical plantation protection burns.

"It's been great to go back and help DBCA, refresh my fire line management skills, and get to know the local crews we rely so heavily upon to respond to softwood estate bushfires.

Maintaining these relationships with DBCA districts and assisting in protection burning is critical for our business and future fire response for our plantations in DBCA managed areas."

Stefanie
Forester

Future fire water sources

Reliable water sources for fire suppression around FPC's expanding softwood estate continues to be a challenge as existing water sources become less reliable during the summer months.

Liaison with local Fire Control officers, neighbours, adjacent plantation managers, DBCA staff and Emergency Service Coordinators is ongoing to ensure existing water sources are maintained adequately and new tanks are installed to meet an efficient and effective response to fires around the traditional and new softwood plantation estate.

Innovating our business

FPC is embracing digital innovation and technological advancement to improve forest management and business operations.

Tree breeding program

FPC's Pinus radiata genetic improvement program is continuing in association with Tree Breeding Australia. Research incorporating extensive trial plantings of selected families continues to aid the selection of the best genetics specifically for the Western Australian environment, with subsequently identified superior genetic material used to create seed orchards located at FPC's Manjimup Nursery and Seed Centre.

Mechanical planting

To enhance planting productivity in the future, FPC has also begun a trial investigating the application of a new mechanical planting system.

We have engaged Form Forests and Environment to complete more than 800 hectares of mechanical planting in 2025 using a Plantma X machine.

The Plantma X is being deployed across both second rotation and SPIP properties to boost productivity during the short planting season. Capable of operating day and night, the machine can plant up to 25 hectares in a 24-hour period, significantly increasing daily output compared to traditional methods.

Automating seedling dispatching

A new machine at our nursery utilises a conveyor belt to move seedling trays through the system. The machine includes a mechanism that gently ejects the seedling from the tray by using a pneumatic pop-up system. Mechanical grippers pick up the seedlings and place them on a conveyer belt headed to the packing station.

Presence detectors ensure that the machine automatically shuts down if anything enters the working area, providing an important safeguard for operator safety.

Sandalwood plantation health

FPC conducted some non-commercial thinning of young sandalwood trees growing in plantations, primarily to improve the health of the trees. As part of this program, a small amount of commercial wood from a 15-year-old plantation was also extracted and processed, as part of a research trial to examine its quality and value.

The results showed that the young sandalwood trees were beginning to produce fragrant oil with a reasonable quality. However, the trial also indicated that it appears to be more economically beneficial to wait until the trees are aged 25 years, when they are more likely to have good quality oil.

Remote sensing

This technology continues to reduce the requirement for physical assessment and validation when mapping vast areas. Trials using remote sensing technology are also testing how we can advance our activity and performance by combining new approaches with existing needs and methods.

After a successful drone-based trial aimed at identifying live radiata seedlings, we are now focusing on getting the system fully operational in our newly established plantations.

FPC has also trialled LiDAR – light detection and ranging – drone-based 3D capture of established pine plantations to assess the feasibility of automating measurements made during our current inventory processes.

These types of drone capture are an important step forward in digital forestry, improving the efficiency and effectiveness of plantation management activities and the ability to produce a digital twin of the plantation resource.

Digital forestry operations planning

Manual spreadsheets are giving way to live, cloud-based planning systems to improve long-term forest operations. The Remsoft Operations platform, adopted by FPC in 2023, enhances efficiency by centralising data from multiple internal systems, providing an integrated, real-time view of harvest planning through to execution. This reduces the risk of manual errors and improves coordination across operational teams.

In 2024, the next phase saw the implementation of Remsoft Optimization (Opti) Studio, which added strategic planning capabilities. Opti enables users to generate optimised, multi-year harvest schedules that consider complex variables such as log orders, seasonal priorities, cost constraints, and resource availability.

Embracing digital forestry through tools like Remsoft is critical for enabling data-driven decisions, optimising operational outcomes, and ensuring the sustainable and efficient use of forestry assets.

Rollout of digital fire maps

Sharing critical information with our fire protection stakeholders and first responders is essential to the future protection of FPC's plantation estate.

As a requisite of the DFES Plantation Fire Protection Guidelines, plantation managers are required to install a Plantation ID sign and provide a map of the plantation with key details for first responders at the entry point to each plantation.

As fire managers and bushfire volunteers move towards digital mapping tools the opportunity to share these operational fire maps using a digital platform will improve stakeholder accessibility to key features around FPC's plantation assets.

These features, strategic roads, firebreaks, species type, water sources, communication points and muster points provide the first responder with information to make strategic decisions when responding to a bushfire in or adjacent to an FPC asset.

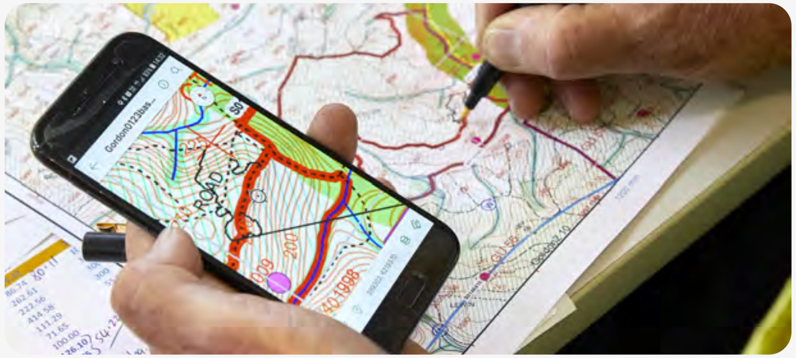
FPC has developed QR codes for the shires where future softwood estate is being established. This will enable Local Government fire control officers and FPC's neighbours and contractors to access the most up-to-date information when hard copies disappear or are updated internally.

Remote bushfire detection

FPC along with other plantation managers and fire agencies are exploring the benefits of advancing technology with remote fire detection cameras across the South West of WA.

The National Emergency Management Authority and FPC will be supporting a trial with DBCA to have cameras installed to existing fire/communication towers across the Blackwood and Donnelly River valleys where FPC has significant softwood estate.

This two-year trial will add value to the DBCA's Fire Spotter aircraft system and will be able to provide 24-hour surveillance and onsite weather data.



Cutting-edge safety systems

An example is the DSS Guardian, a camera system mounted to the dash of a haulage vehicle which uses advanced sensors to track eyelid closures and head movements. This identifies the early onset of fatigue or distraction and is monitored 24/7 in real time by real people at the SafeGuard Centre.

Footage recorded during an event is immediately viewed by a SafeGuard Centre representative to determine the cause and severity and then a notification is sent to the contractor supervisory team. The Guardian system also includes an in-cab alarm and seat vibration mode to immediately alert the vehicle driver of potential fatigue or distraction event.

Aboriginal engagement

FPC is committed to developing and strengthening relationships with Aboriginal people and engaging staff and stakeholders in reconciliation through our business activities.

FPC is a signatory to the Noongar Standard Heritage Agreement, and Aboriginal heritage and cultural assessments are embedded in FPC operations across the South West and Goldfields.

Initiatives that enable Aboriginal businesses to become commercially sustainable are a priority, particularly in regional areas of Western Australia. These include:

- Ongoing success in the implementation and management of the Sandalwood Dreaming program, which supports Aboriginal businesses to work on country harvesting sandalwood and collecting or planting sandalwood seeds.
- Continuing support for training and financial management, particularly as new Aboriginal contractors commence work.
- Focusing on awarding contracts to Aboriginal businesses.

On country visits foster collaboration

FPC staff work closely with Aboriginal Sandalwood Dreaming contractors to support the development of commercial business opportunities. Visiting them on country is a positive way to foster collaboration and shared understanding to achieve best outcomes.

Our environment

Climate and sustainability

FPC is committed to supporting the State Government's response to climate change and its growing impact on forest health.

As conditions shift – bringing less rainfall, more frequent drought, higher fire risk and declining productivity – we know we must act now to adapt and build resilience.

Our Climate Change Action Policy sets out clear targets and practical steps to protect our plantations and future-proof our operations. By continually reviewing and refining our approach, climate action continues to be embedded into how we do business every day.

Sustainable forest management

FPC's operations are certified to the Responsible Wood Standard for sustainable forest management, internationally recognised by the Program for the Endorsement of Forest Certification (PEFC). Activities on public land are directed by the Forest Management Plan 2024–2033. Together, these frameworks support the protection and responsible management of Western Australia's forests, helping to conserve biodiversity, safeguard water catchments, and provide opportunities for recreation, tourism, and other forest uses.

Our sandalwood operations are also certified to PEFC Chain of Custody 2002:2020.

FPC also contributes to the State Government's plan for a prosperous and resilient low-carbon future through:

- Measuring and monitoring greenhouse gas emissions produced by the agency's business activities and planning for reducing those emissions by adjusting operational procedures;
- Working to understand the potential impacts of a warmer and drier climate on plantations, staff and contractors;
- Removing carbon dioxide from the atmosphere by establishing plantations and supplying the housing industry with timber for roof trusses and housing frames which continue to store the carbon dioxide for decades; and
- Generating carbon credits through the Softwood Plantation Investment Program, which will be needed in the transition to a decarbonised economy.

Sandalwood regeneration

The natural regeneration of sandalwood relies on animals such as woylies to disperse and bury seeds. Due to feral predators, the marsupials are now rare, which has put the natural regeneration of sandalwood at risk.

FPC and researchers at Murdoch University conducted a detailed investigation into the role of woylies in the regeneration of sandalwood. In 2005, they confirmed that the animals were collecting and hoarding seeds in shallow diggings, a behaviour known as scatter-hoarding.

Based on this knowledge, FPC designed a mechanical process to mimic the role of the woylie in seed dispersal. This process evolved into an annual regeneration program named Operation Woylie.

Each year, we plant more than five million seeds in more than 1,500 kilometres of mechanical rip-lines. Additionally, we engage Aboriginal contractors to plant sandalwood seeds in a range of environments and land systems in the Rangelands.

2024-2025 snapshot

2,099 hectares

of land acquired to bolster WA's softwood plantation estate

1,600 hectares

ecologically thinned in native forest areas

14 tonnes

of sandalwood seed planted in the rangelands

67,221 hectares

total softwood plantation estate in WA

1,000 kilometres

of seeding rows in the rangelands

59,400

sandalwood seeds planted by Aboriginal people

$114 million

total sales income from forest products

Financial Statements

Auditor General's report

INDEPENDENT AUDITOR'S REPORT 2025

FOREST PRODUCTS COMMISSION

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Forest Products Commission (Commission) which comprise:

- the Statement of Financial Position at 30 June 2025, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Commission for the year ended 30 June 2025 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Commissioners for the financial statements

The Board of Commissioners is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Commissioners is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at **https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf**.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Forest Products Commission. The controls exercised by the Commissioners are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Commission are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2025, and the controls were implemented as designed as at 30 June 2025.

The Board of Commissioners' responsibilities

The Board of Commissioners is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagement *ASAE 3150 Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Commission for the year ended 30 June 2025 reported in accordance with the Financial Management Act 2006 and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators report of the Commission for the year ended 30 June 2025 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2025.

The Board of Commissioners' responsibilities for the key performance indicators

The Board of Commissioners are responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Commissioners determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board of Commissioners is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 3 Financial Sustainability - Requirement 5: Key Performance Indicators.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 3 - Requirement 5 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the Auditor General Act 2006 and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Commission is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Forest Products Commission for the year ended 30 June 2025 included in the annual report on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.

Grant Robinson

GRANT ROBINSON
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
DELEGATE OF THE AUDITOR GENERAL FOR WESTERN AUSTRALIA

Perth, Western Australia
11 September 2025

Certification of financial statements

Certification of the financial statements

For the year ended 30 June 2025

The accompanying financial statements of FPC have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2025 and the financial position as at 30 June 2025.

At the date of signing, we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.

Ms Debra Blaskett
Chair

11 September 2025

Ms Stephanie Black
Commissioner
Chair Audit and Risk Committee

11 September 2025

Ms Natalie Johannes
Chief Financial Officer

11 September 2025

Statement of Comprehensive Income

For the year ended 30 June 2025

	Notes	2025 $000	2024 $000
Continuing operations			
Income and revenue			
Revenue from sale of forest products	3.2	113,851	108,969
Commonwealth grants and contributions	3.4	1	1,509
Interest income	3.5	1,266	631
Grants and subsidies from State Government	3.3	32,735	11,393
Other income	3.6	1,133	964
Gain on disposal of non-current assets	3.7	8	-
Gains from foreign exchange	3.7	170	75
Total income		**149,164**	**123,541**
Expenses			
Production expenses	4.2	98,999	76,213
Net movement in biological assets	5.4.1	36,537	8,278
Employee benefits expense	4.3.1	22,417	21,574
Supplies and services	4.6.1.(a)	11,613	14,275
Depreciation and amortisation expense	5.1.1; 5.2.1; 5.3.1	281	4,526
Finance costs	7.2	147	296
Accommodation expenses	4.6.1.(b)	832	875
Grants and subsidies	4.4	29	115
Loss on disposal of non-current assets	4.5	-	200
Other expenses	4.6.1.(c)	8,820	2,830
Onerous contracts expense	4.6.2	51	151
Total expenses		**179,726**	**129,333**
Net result from continuing operations before income tax		**(30,562)**	**(5,792)**
Income tax benefit	4.7.1	3,369	1,891
Net result from continuing operations after income tax		**(27,193)**	**(3,901)**

	Notes	2025 $000	2024 $000
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability	4.3.2(c)	(1)	(1)
Changes in asset revaluation surplus	9.6.1	9,374	6,304
Deferred tax on items of other comprehensive income	9.6.1	(3,369)	(1,891)
Other comprehensive income net of income tax		**6,004**	**4,412**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(21,189)**	**511**

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Financial Position

For the year ended 30 June 2025

	Notes	2025 $000	2024 $000
ASSETS			
Current assets			
Cash and cash equivalents	7.3.1	29,601	30,243
Inventories	6.1	9,437	10,490
Receivables	6.2	12,343	8,370
Biological assets	5.4	16,564	16,194
Other current assets	6.3	9,594	5,717
Total current assets		**77,539**	**71,014**
Non-current assets			
Infrastructure, property, plant and equipment	5.1	183,404	146,240
Inventories	6.1	1,394	1,394
Deferred tax assets	4.7.3	-	-
Biological assets	5.4	184,225	208,291
Right of use assets	5.2	2,168	2,178
Intangible assets	5.3	-	1,266
Total non-current assets		**371,191**	**359,369**
Total assets		**448,730**	**430,383**
LIABILITIES			
Current liabilities			
Payables	6.4.(a)	25,154	16,855
Lease liabilities	7.1	734	734
Employee related provisions	4.3.2.(a)	4,102	3,950
Other provisions	6.5.(a)	2,426	2,932
Deferred revenue	6.6.(a)	144	2,077
Total current liabilities		**32,560**	**26,548**

	Notes	2025 $000	2024 $000
Non-current liabilities			
Payables	6.4.(b)	2,125	2,621
Lease liabilities	7.1	1,585	1,566
Employee related provisions	4.3.2.(b)	811	915
Other provisions	6.5.(b)	1,066	1,641
Deferred revenue	6.6.(b)	4,502	4,572
Total non-current liabilities		**10,089**	**11,315**
Total liabilities		**42,649**	**37,863**
Net assets		**406,081**	**392,520**
Equity			
Contributed equity	9.6	439,691	404,941
Reserves	9.6.1	33,794	27,789
Accumulated deficit	9.6.2	(67,404)	(40,210)
Total equity		**406,081**	**392,520**

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2025

	Notes	Contributed equity $000	Reserves $000	Accumulated deficit $000	Total equity $000
CONTRIBUTED EQUITY					
Balance at 1 July 2023		**323,993**	**23,376**	**(36,308)**	**311,061**
Net result after income tax for the year		-	-	(3,901)	(3,901)
Other comprehensive income for the year, net of income tax		-	4,413	(1)	4,412
Total comprehensive income/(loss) for the year		-	4,413	(3,902)	511
Transactions with owners in their capacity as owners:					
State contribution (equity injection)		80,948	-	-	80,948
Balance at 30 June 2024	9.6	**404,941**	**27,789**	**(40,210)**	**392,520**
Balance at 1 July 2024		**404,941**	**27,789**	**(40,210)**	**392,520**
Net result after income tax for the year		-	-	(27,193)	(27,193)
Other comprehensive income for the year, net of income tax		-	6,005	(1)	6,004
Total comprehensive income/(loss) for the year		-	6,005	(27,194)	(21,189)
Transactions with owners in their capacity as owners:					
State contribution (equity injection)		34,750	-	-	34,750
Balance at 30 June 2025	9.6	**439,691**	**33,794**	**(67,404)**	**406,081**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2025

	Notes	2025 $000	2024 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from external customers		118,716	122,626
Interest received		1,251	517
Other receipts		1,045	916
Total receipts		**121,012**	**124,059**
Payments			
Payments for employee benefits		(22,362)	(21,607)
Payments to suppliers		(26,195)	(28,319)
Forest management expenditure		(90,113)	(75,896)
Total payments		**(138,670)**	**(125,822)**
Net cash used in operating activities	7.3.2	**(17,658)**	**(1,763)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of non-current physical assets		706	1,223
Payments			
Purchase of non-current physical assets		(26,483)	(64,799)
Purchase of investments			
Investment in new plantations	5.4	(13,575)	(8,423)
Net cash used in investing activities		**(39,352)**	**(71,999)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Lease payments		(1,177)	(931)
Net cash used in financing activities		**(1,177)**	**(931)**

	Notes	2025 $000	2024 $000
CASH FLOWS FROM STATE GOVERNMENT			
State contribution/(repayment)		(5,107)	(490)
State contribution (equity injection)		34,750	80,948
Other grants and subsidies	9.3	27,902	9,020
Net cash provided from State Government		**57,545**	**89,478**
Net increase/(decrease) in cash and cash equivalents		(642)	14,785
Cash and cash equivalents at the beginning of the year		30,243	15,458
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7.3.1	**29,601**	**30,243**

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Index of notes to the financial statements

Notes to the financial statements

For the year ended 30 June 2025

1.0 CORPORATE INFORMATION AND BASIS FOR PREPARATION

Details of reporting entity

Forest Products Commission (FPC) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent.

FPC's principal purpose is to manage and control the logging of timber on Crown land in Western Australia, including native forest, plantation and sandalwood resources.

These annual financial statements were authorised for issue by the Board of Commissioners of FPC on 11 September 2025.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

1) The *Financial Management Act 2006* (**FMA**)

2) Treasurer's Instructions (**TIs**)

3) Australian Accounting Standards (**AAS**) - Simplified Disclosure Requirements

4) Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TIs take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars ($000).

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to contributed equity.

2.0 FOREST PRODUCTS COMMISSION OUTPUTS

How FPC operates

This section includes information regarding the nature of income that FPC receives and how that income is utilised to achieve FPC's objectives.

	Note
FPC objectives	2.1
Schedule of income and expenses by service	2.2

2.1 FPC OBJECTIVES

Mission
To contribute to Western Australia's economic and regional development.

Segments
Segment information is prepared in conformity with Treasurer's Instruction (TI) 1101.

Segment income, expenses, assets and liabilities are allocated on the basis of direct attribution and reasonable estimates of usage.

A segment is a distinguishable component of FPC that is engaged either in providing goods or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

FPC's operations are comprised of the following main business segments:

Native forest – FPC supports forest health outcomes through management of ecological thinning in accordance with the FMP 2024-2033.

Sandalwood – Responsible for harvesting and regeneration activities associated with native sandalwood.

Plantations – Responsible for all harvesting, replanting and maintenance of FPC's pine (softwood) plantation estate as well as expanding the pine plantation estate to sustain and develop the timber industry.

Policy and Industry Development – This segment is responsible for policy, industry development and corporate support to Government.

Non Commercial –Activities that are not core to the main operating segments and include sharefarms that are not required for long-term timber production.

FPC operates in one geographical segment, being Western Australia.

2.2 SCHEDULE OF INCOME AND EXPENSES BY SERVICE

For the year ended on 30 June 2025

2025	Native Forest $000	Plantations $000	Sandalwood $000	Policy and Industry Development $000	Non Commercial $000	Eliminations $000	Total $000
Income							
Sales of forest products	14,421	85,492	13,935	4	-	-	113,852
Commonwealth grants and contributions	-	-	-	-	-	-	-
Interest	-	633	633	-	-	-	1,266
Other income	16	861	60	196	-	-	1,133
Gain on disposal of non-current assets	-	4	2	2	-	-	8
Gains from foreign exchange	-	-	170	-	-	-	170
Internal segment revenue	-	4,107	-	-	-	(4,107)	-
Total income	**14,437**	**91,097**	**14,800**	**202**	**-**	**(4,107)**	**116,429**
Expenses							
Production expenses	(26,157)	(62,483)	(10,359)	-	-	-	(98,999)
Employee expenses	(7,142)	(11,438)	(1,886)	(1,951)	-	-	(22,417)
Supplies and services	(1,801)	(10,887)	(1,838)	(1,194)	-	4,107	(11,613)
Depreciation and amortisation expense[1]	(141)	1,396	(51)	(220)	-	-	984
Finance costs	(28)	50	(158)	(11)	-	-	(147)
Accommodation expenses	(89)	(548)	(44)	(151)	-	-	(832)
Grants and subsidies	-	(27)	-	-	-	-	(27)
Loss on disposal of non-current assets	-	-	-	-	-	-	-
Other expenses	(7,203)	(785)	(463)	(370)	-	-	(8,821)
Total expenses	**(42,561)**	**(84,722)**	**(14,799)**	**(3,897)**	**-**	**4,107**	**(141,872)**
Operating profit/(loss) before contribution income & amortisation of licenses and forestry right-of-use assets[2]	**(28,124)**	**6,375**	**1**	**(3,695)**	**-**	**-**	**(25,443)**

2.2 SCHEDULE OF INCOME AND EXPENSES BY SERVICE (CONTINUED)

For the year ended on 30 June 2025

2025	Native Forest $000	Plantations $000	Sandalwood $000	Policy and Industry Development $000	Non Commercial $000	Eliminations $000	Total $000
Contribution income	-	-	-	-	-	-	-
Amortisation of sandalwood licence and native forest right-of-use asset	-	-	(1,266)	-	-	-	(1,266)
Operating profit/(loss)[3]	**(28,124)**	**6,375**	**(1,265)**	**(3,695)**	**-**	**-**	**(26,709)**
Net movement in biological assets	-	(36,537)	-	-	-	-	(36,537)
Grants and subsidies from State Government	32,735	-	-	-	-	-	32,735
Onerous contracts	-	-	-	-	(51)	-	(51)
Profit/(loss) before Tax	**4,611**	**(30,162)**	**(1,265)**	**(3,695)**	**(51)**	**-**	**(30,562)**
Allocation of income tax equivalent	(1,383)	9,049	380	(4,677)	-	-	3,369
Profit/(loss) for the year	**3,228**	**(21,113)**	**(885)**	**(8,372)**	**(51)**	**-**	**(27,193)**
Total segment assets	**545**	**381,025**	**13,434**	**-**	**53,726**	**-**	**448,730**
Total segment liabilities	**2,562**	**4,502**	**-**	**-**	**35,585**	**-**	**42,649**

[1] Excludes amortisation on sandalwood licences and native forest right-of-use assets.

[2] Excludes contribution income and amortisation of sandalwood licence and native forest right-of-use asset which are included below.

[3] Profit/(loss) before change in biological assets valuation, onerous contracts and grants/subsidies from State Government.

2.2 SCHEDULE OF INCOME AND EXPENSES BY SERVICE (CONTINUED)

For the year ended on 30 June 2025

2024	Native Forest $000	Plantations $000	Sandalwood $000	Policy and Industry Development $000	Non Commercial $000	Eliminations $000	Total $000
Income							
Sales of forest products	11,964	80,599	16,406	-	-	-	108,969
Commonwealth grants and contributions	11	1,480	8	5	5	-	1 ,509
Interest	297	43	271	20	-	-	631
Other income	66	728	26	131	13	-	964
Gain on disposal of non-current assets	-	-	-	-	-	-	-
Gains from foreign exchange	-	-	75	-	-	-	75
Internal segment revenue	-	3,424	-	-	-	(3,424)	-
Total income	**12,338**	**86,274**	**16,786**	**156**	**18**	**(3,424)**	**112,148**
Expenses							
Production expenses	(15,244)	(48,980)	(11,990)	1	-	-	(76,213)
Employee expenses	(9,529)	(7,852)	(2,264)	(1,923)	(6)	-	(21,574)
Supplies and services	(2,540)	(11,512)	(2,326)	(1,315)	(6)	3,424	(14,275)
Depreciation and amortisation expense[1]	(603)	(1,264)	(87)	(139)	-	-	(2,093)
Finance costs	(19)	(270)	1	(7)	(1)	-	(296)
Accommodation expenses	(265)	(384)	(133)	(93)	-	-	(875)
Grants and subsidies	(2)	(108)	(3)	(2)	-	-	(115)
Loss on disposal of non-current assets	(46)	(107)	(29)	(19)	1	-	(200)
Other expenses	(1,094)	(580)	(761)	(395)	-	-	(2,830)
Total expenses	**(29,342)**	**(71,057)**	**(17,592)**	**(3,892)**	**(12)**	**3,424**	**(118,471)**
Operating profit/(loss) before contribution income & amortisation of licences and forestry right-of-use assets[2]	**(17,004)**	**15,217**	**(806)**	**(3,736)**	**6**	**-**	**(6,323)**

2.2 SCHEDULE OF INCOME AND EXPENSES BY SERVICE (CONTINUED)

For the year ended on 30 June 2025

2024	Native Forest $000	Plantations $000	Sandalwood $000	Policy and Industry Development $000	Non Commercial $000	Eliminations $000	Total $000
Contribution income	-	-	-	-	-	-	-
Amortisation of sandalwood licence and native forest right-of-use asset	(1,081)	-	(1,352)	-	-	-	(2,433)
Operating profit/(loss)[3]	**(18,085)**	**15,217**	**(2,158)**	**(3,736)**	**6**	**-**	**(8,756)**
Net movement in biological assets	-	(8,278)	-	-	-	-	(8,278)
Grants and subsidies from State Government	11,393	-	-	-	-	-	11,393
Onerous contracts	-	-	-	-	(151)	-	(151)
Profit/(loss) before tax	**(6,692)**	**6,939**	**(2,158)**	**(3,736)**	**(145)**	**-**	**(5,792)**
Allocation of income tax equivalent	2,008	(2,082)	648	1,317	-	-	1,891
Profit/(loss) for the year	**(4,684)**	**4,857**	**(1,510)**	**(2,419)**	**(145)**	**-**	**(3,901)**
Total segment assets	**2,800**	**367,492**	**11,840**	**-**	**48,251**	**-**	**430,383**
Total segment liabilities	**3,308**	**4,572**	**-**	**-**	**29,983**	**-**	**37,863**

1 Excludes amortisation on sandalwood licences.

2 Excludes contribution income and amortisation of sandalwood licence and native forest right-of-use asset which are included below.

3 Profit/(loss) before change in biological assets valuation, onerous contracts and grants/subsidies from State Government.

3.0 FUNDING DELIVERY OF OUR SERVICES

Introduction

This section provides an account of the income that funds the delivery of FPC's services. Income is received from a variety of sources, including the receipt of special purpose grants to support the delivery of Western Australian Government policy objectives.

Structure
This section includes:

- **Note 3.1** Summary of income that funds the delivery of our services
- **Note 3.2** Revenue from sale of forest products
- **Note 3.3** Other income from Western Australian Government entities
- **Note 3.4** Commonwealth grants and contributions
- **Note 3.5** Interest income
- **Note 3.6** Other income
- **Note 3.7** Other gains

3.1 SUMMARY OF INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

	Notes	2025 $000	2024 $000
Revenue from sale of forest products	3.2	113,851	108,969
Other income from WA Government entities	3.3	32,735	11,393
Commonwealth grants and contributions	3.4	1	1,509
Interest income	3.5	1,266	631
Other income	3.6	1,133	964
Other gains	3.7	178	75
Total income from transactions		**149,164**	**123,541**

3.2 REVENUE FROM SALE OF FOREST PRODUCTS

	2025 $000	2024 $000
Harvesting operations	97,218	93,650
Recovery of harvesting costs	16,546	15,244
Plant propagation centre revenue	87	75
Total revenue from sale of forest products	**113,851**	**108,969**

Revenue from forest products is generated from the sale of standing timber, graded and ungraded sawlogs, residual logs and other products including sandalwood, firewood, poles, piles and posts, seed and seedlings.

Under AASB 15, the sale of forest products is to be recognised at the point in time when the performance obligation of delivery of timber has been satisfied. This is judged to occur at the point of delivery to the buyers' premises for the amount to which FPC expects to be entitled unless otherwise stated in an enforceable contract.

Amounts are recognised net of returns and taxes paid.

3.3 OTHER INCOME FROM WESTERN AUSTRALIAN GOVERNMENT ENTITIES

	2025 $000	2024 $000
Special purpose grants:		
Government operating subsidy[1]	32,735	11,393
Total other income from Western Australian Government entities	**32,735**	**11,393**

[1] These funds were provided by Treasury for the recoupment of costs related to ecological thinning activities. Revenue from the sale of ecological thinning products is returned to Treasury.

Other income from Western Australian Government entities is recognised at fair value when FPC obtains control over the assets comprising the contributions, usually when cash is received

3.4 COMMONWEALTH GRANTS AND CONTRIBUTIONS

	2025 $000	2024 $000
Australian Carbon Credit Certificate grants[1]	-	1,465
Other Commonwealth grants[2]	1	44
Total Commonwealth grants	**1**	**1,509**

[1] FPC undertakes eligible activities as part of the Australian Government's Emissions Reduction Fund for which the Clean Energy Regulator grants FPC the respective number of emissions certificates (Australian Carbon Credit Units [ACCUs]). FPC recognises an unconditional Government grant upon receipt of each instalment of ACCUs. Grants of emissions certificates are recognised in profit or loss in the period in which they are received (See Note 6.1).

[2] Commonwealth boosting apprenticeship commencements program funding.

3.5 INTEREST INCOME

	Notes	2025 $000	2024 $000
Interest on cash at bank		1,266	631
Total interest income		**1,266**	**631**

Interest income is recognised under the effective interest method, under AASB 9.

3.6 OTHER INCOME

	2025 $000	2024 $000
Contracts and other revenue	115	224
Revenue from cost recovery operations[1]	978	637
Resources received free of charge	40	103
Total other income	**1,133**	**964**

[1] Revenue from cost recovery operations is due mainly to services and staff provided to Department of Biodiversity, Conservation and Attractions (DBCA) for fire support, the recoupment of plantation maintenance costs and insurance premium adjustments. Expenses associated with these contributions are included in expenses from ordinary activities.

As FPC does not provide any cash or service in exchange for harvesting rights to sandalwood, the amount of the contribution is equal to the fair value of the right to harvest sandalwood for the 12 month period of each licence period.

Assets or services received free of charge or for nominal cost, that FPC would otherwise purchase if not donated are recognised as income at the fair value of the assets or services that can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

3.7 OTHER GAINS

Gain on disposal of non-current assets	2025 $000	2024 $000
Gain on disposal of non-current assets	8	-
Net gain	**8**	-
Other gains		
Gain on foreign currencies	170	75
Total gains	**178**	**75**

Realised and unrealised gains are usually recognised on a net basis. Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the Statement of Comprehensive Income (from the proceeds of sale).

4.0 THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the operating expenses incurred by FPC in delivering services and outputs and certain assets and liabilities associated with those expenses. In section 3, the funds that enable the delivery of our services were disclosed and in this note the operating costs associated with the delivery of those services are provided.

Structure

This section includes:

- **Note 4.1** Summary of expenses incurred in the delivery of services
- **Note 4.2** Production expenses
- **Note 4.3** Employee benefits
- **Note 4.3.1** Employee benefits expense in the Statement of Comprehensive Income
- **Note 4.3.2** Employee benefit provisions in the Statement of Financial Position
- **Note 4.4** Grants and subsidies
- **Note 4.5** Loss on disposal of non-current assets
- **Note 4.6** Other expenditure
- **Note 4.6.1** Other operating expenditure
- **Note 4.6.2** Onerous contracts
- **Note 4.7** Taxation

4.1 SUMMARY OF EXPENSES INCURRED IN THE DELIVERY OF SERVICES

	Notes	2025 $000	2024 $000
Production expenses	4.2	98,999	76,213
Employee benefits	4.3	22,417	21,574
Grants and subsidies	4.4	29	115
Loss on disposal of non-current assets	4.5	-	200
Other expenditure	4.6	21,265	17,980
Total expenses incurred in the delivery of services		**142,710**	**116,082**

4.2 PRODUCTION EXPENSES

	2025 $000	2024 $000
Harvesting	38,451	32,514
Haulage	38,303	29,485
Timber processing	4,505	4,407
Roading maintenance and construction	4,140	3,488
Movement in inventory	1,477	(1,123)
Other	12,123	7,442
Total production expenses	**98,999**	**76,213**

Production expenses comprise costs primarily incurred with external contractors, contracted to harvest standing timber and haul the resultant timber products to the point-of-sale, normally the buyer's facility.

Costs associated with the maintenance and construction of roads necessary to logging operations, for which FPC engages external contractors, are expensed as incurred.

4.3 EMPLOYEE BENEFITS

4.3.1 EMPLOYEE BENEFITS EXPENSE IN THE STATEMENT OF COMPREHENSIVE INCOME

	2025 $000	2024 $000
Employment benefits	20,256	19,530
Superannuation - defined contribution plans[1]	2,163	2,043
Superannuation - defined benefit plans[2]	(2)	1
Total employee benefits expenses	**22,417**	**21,574**
Add: AASB 16 non-monetary benefits[3]	56	50
Less: employee contributions	(15)	(16)
Net employee benefits	**22,458**	**21,608**

[1] Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

[2] Defined benefit plans may include Gold State Superannuation Scheme (GSS) members transferred from the former pension Scheme.

[3] AASB 16 Non-monetary benefits: Non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of vehicle and housing benefits are measured at the cost incurred by FPC.

Employee benefits: include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as housing or cars) for employees.

Superannuation: the amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs or other superannuation funds.

AASB 16 non-monetary benefits: non-monetary employee benefits predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 which are excluded from the employee benefits expense.

Employee contributions: contributions made to FPC by employees towards employee benefits that have been provided by FPC. This includes both AASB 16 and non-AASB 16 employee contributions.

4.3.2 EMPLOYEE BENEFIT PROVISIONS IN THE STATEMENT OF FINANCIAL POSITION

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

4.3.2.(a) Current

Employee benefits provision	2025 $000	2024 $000
Annual leave (a)	1,824	1,852
Long service leave (b)	2,278	2,098
	4,102	**3,950**

4.3.2.(b) Non-current

Employee benefits provision	2025 $000	2024 $000
Long service leave (b)	777	881
Superannuation (c)	33	34
	810	**915**
Total employee benefit provisions	**4,912**	**4,865**

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2025 $000	2024 $000
Within 12 months of the end of the reporting period	1,824	1,317
More than 12 months after the end of the reporting period	-	535
	1,824	**1,852**

The annual leave liability is calculated at the present value of amounts expected to be paid in relation to services provided by employees up to the reporting date.

(b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as FPC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional long service leave provisions are classified as non-current liabilities as FPC has a right to defer settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2025 $000	2024 $000
Within 12 months of the end of the reporting period	581	771
More than 12 months after the end of the reporting period	2,474	2,208
	3,055	**2,979**

The provision for long service leave liability is calculated at the present value as FPC does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national Government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. For the year ended 30 June 2025 an actuarial assessment was provided by Scyne Advisory (2024:Scyne Advisory).

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Agency's long service leave provision. These include:

– Expected future salary rates

– Discount rates

– Employee retention rates

– Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

4.3.2.(c) Superannuation liabilities

Some former Pension Scheme members have transferred to Gold State Super. In respect of their transferred benefit the members receive a lump sum benefit at retirement, death or invalidity which is related to their salary during their employment and indexed during any deferral period after leaving public sector employment.

The Scheme operates under the *State Superannuation Act 2000 (Western Australia)* and the *State Superannuation Regulations 2001 (Western Australia)*.

	2025 $000	2024 $000
Movements in the present value of the defined benefit obligation in the reporting period were as follows:		
Liability at start of year	34	32
Included in profit or loss:		
Interest cost	1	1
	1	**1**
Included in other comprehensive income:		
Remeasurements loss (gain) recognised:		
financial assumptions	(2)	1
experience adjustments	-	-
	(2)	**1**
Contributions:		
Benefits paid	-	-
Liability at end of year	**33**	**34**

Employer contributions of $1,000 (2024: $4,000) are expected to be paid to the Gold State Superannuation Scheme in the subsequent annual reporting period.

4.4 GRANTS AND SUBSIDIES

	2025 $000	2024 $000
Total grants and subsidies provided[1]	**29**	**115**

[1] Grants provided to various community groups under a community grants program.

Transactions in which FPC provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant or subsidy expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

4.5 LOSS ON DISPOSAL OF NON-CURRENT ASSETS

Carrying amount of non-current assets disposed	2025 $000	2024 $000
Plant, equipment and vehicles	-	200
Loss on disposal of non-current assets	-	200
Net loss on disposal of non-current assets	**-**	**200**

4.6 OTHER EXPENDITURE

4.6.1 OTHER OPERATING EXPENDITURE

	2025 $000	2024 $000
4.6.1.(a) Supplies and services		
Travel	258	300
Insurance[1]	676	599
Short term and low value leases	676	726
Legal fees and consultants	435	535
DBCA service level agreements	1,954	4,409
Materials	1,584	1,008
Forest management expenses	12,921	7,898
Fire salvage and remedial works	1,088	1,140
Repairs and maintenance	397	412
Vehicle expenses	46	70
Other supplies and services[2]	(8,422)	(2,822)
Total supplies and services	**11,613**	**14,275**
4.6.1.(b) Accommodation expenses		
Office rental [3]	627	685
Cleaning	83	91
Other property	122	99
Total accommodation expenses	**832**	**875**
4.6.1.(c) Other		
Audit fees - Auditor General	223	205
Audit fees - Other[4]	63	64
Expected credit losses expense	85	(179)
Telephone, postage, communications	999	1,196
Employment on-costs	201	268
Other administration costs	523	614
Ecological thinning transfers[5]	6,686	559
Resources received free of charge	40	103
Total other expenses	**8,820**	**2,830**
	21,265	**17,980**

[1] Insurance includes payments to RiskCover.

[2] Other supplies and services include professional IT and other temporary staff costs, as well as transfers of plantation establishment expenditure to capital.

[3] Included within rental costs are short-term and low-value leases of up to $5,000. This excludes leases with another wholly-owned public sector entity lessor agency. Refer to note 7.4.1 for aggregate short-term and low-value lease expenses.

[4] Other audit fees include internal audit costs as well as environmental, certification, accreditation and grant audits.

[5] Ecological thinning transfers relate to revenue returned to Treasury for the sale of ecological thinning products.

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Office rental

Office rental is expensed as incurred as Memorandum of Understanding Agreements between the FPC and the Department of Finance for the leasing of office accommodation contain significant substitution rights.

Other

Other operating expenditure generally represent the day-to-day running costs incurred in normal operations.

Expected credit losses

Expected credit losses is recognised for movement in allowance for impairment of trade receivables. Please refer to note 6.2.1 Reconciliation of change in the allowance for impairment of receivables.

4.6.2 ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the expected benefits to be derived to FPC from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The position in relation to these contracts is assessed at the end of each reporting period. When contracts are no longer determined to be onerous, income is taken to profit or loss.

	2025 $000	2024 $000
Annuity obligations associated with sharefarms considered onerous	51	151
	51	**151**

4.7 TAXATION

FPC is subject to the National Tax Equivalent Regime (NTER), which is administered by the Australian Tax Office (ATO). In accordance with this legislation FPC is required to pay to the Western Australian Treasury amounts determined to be equivalent to the amounts that would be payable by FPC to the ATO if it was subject to the *Income Tax Assessment Act 1936* (Cth) and *Income Tax Assessment Act 1997* (Cth).

The income tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income, based on the applicable Australian tax rate of 30% (30 June 2024: 30%), adjusted by changes in deferred tax assets and liabilities, attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to any unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled, based on those tax rates which are enacted or substantially enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability (30 June 2025: 30%, 30 June 2024: 30%).

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction that is not a business combination and that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The de-recognition of the net deferred tax asset of $17,601,000 (2024: $10,991,000) has arisen as its realisation was no longer considered probable. This assessment is reconsidered at each reporting date.

Current and deferred tax is recognised in the Statement of Comprehensive Income.

4.7.1 INCOME TAX EXPENSE IN THE STATEMENT OF COMPREHENSIVE INCOME

Income tax expense	Notes	2025 $000	2024 $000
Deferred tax origination and reversal of temporary differences		(6,611)	193
Deferred tax origination and reversal of temporary differences via equity		(3,369)	(1,891)
Deferred tax origination and reversal of temporary differences recognised for prior years		-	-
(Recognition)/de-recognition of deferred tax		6,611	(193)
Income tax benefit		**(3,369)**	**(1,891)**
Deferred income tax expense included in income tax expense comprises:			
Increase/(decrease) in deferred tax asset	4.7.3	2,263	593
(Increase)/decrease in deferred tax liability	4.7.3	4,348	(786)
Recognition/(de-recognition) of deferred tax		(6,611)	193
Income tax expense/(benefit)		**-**	**-**
Reconciliation of prima facie tax payable to income tax expense			
Loss from ordinary activities before income tax		**(30,562)**	**(5,793)**
Tax at the applicable Australian tax rate of 30% (2024:30%)		(9,169)	(1,738)
Tax effect of amounts which are non-deductible for income tax purposes		(706)	1
Prior year adjustments		(105)	39
(Recognition)/de-recognition of deferred tax		6,611	(193)
Total income tax expense/(benefit)		**(3,369)**	**(1,891)**

4.7.2 TAX ASSETS AND LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION

Current tax asset/(liability)	2025 $000	2024 $000
Balance at beginning of year	-	-
Payments/(refunds) made	-	-
Net movement	-	-
Balance at end of year	-	-

4.7.3 DEFERRED TAX ASSET/(LIABILITY)

Comprises temporary differences attributable to:

Deferred tax asset	2025 $000	2024 $000
Receivables	183	158
Foreign exchange losses	23	-
Property, infrastructure, plant and equipment	165	166
Intangibles	2,041	2,041
Tax losses	13,617	9,941
Non-refundable tax offsets	521	521
Employee benefits	1,474	1,460
Sharefarm annuities and incentives	10,553	11,092
Deferred income	1,094	1,695
Restoration provisions	1,008	1,353
Auditing fees provision	66	61
Lease liability	696	690
Unrecognised net deferred asset	(17,601)	(10,991)
Total deferred tax assets	**13,840**	**18,187**
Deferred tax liability		
Property, infrastructure, plant and equipment	(12,621)	(9,337)
Biological assets	(568)	(7,817)
Intangibles	(651)	(1,033)
Total deferred tax liabilities	**(13,840)**	**(18,187)**
Net tax assets/(liabilities) - recognised	**-**	**-**
Net tax assets/(liabilities) - unrecognised	**17,601**	**10,991**
Movements:		
Opening balance	-	-
Credited to profit or loss	9,980	1,698
Credited to equity	(3,369)	(1,891)
Prior year adjustments	-	-
Recognition/(de-recognition) of deferred tax	(6,611)	193
Closing balance	**-**	**-**

5.0 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Assets FPC utilises for economic benefit or service potential

Introduction

FPC utilises its assets in order to fulfill its objectives and conduct its activities. They represent the key resources that have been entrusted to FPC to be utilised for delivery of those outputs.

Structure This section includes:		**2025** **$000**	**2024** **$000**
– Note 5.1	Infrastructure, property, plant and equipment	183,404	146,240
– Note 5.2	Right-of-use assets	2,168	2,178
– Note 5.3	Intangible assets	-	1,266
– Note 5.4	Biological assets	200,789	224,485
		386,361	**374,169**

5.1 INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

Year ended 30 June 2025 1 July 2024	Freehold land $000	Buildings $000	Nursery infrastructure $000	Plant equipment and vehicles $000	Office equipment $000	Total $000
Gross carrying amount	137,455	5,681	14,669	4,105	963	162,873
Accumulated depreciation	-	(2)	(12,094)	(3,608)	(929)	(16,633)
Carrying amount at start of year	**137,455**	**5,679**	**2,575**	**497**	**34**	**146,240**
Additions	25,840	185	-	435	-	26,460
Reallocations	110	-	-	(110)	-	-
Revaluation increments/(decrements) recognised in other comprehensive income	10,545	542	(1,713)	-	-	9,374
Disposals	(375)	(210)	-	(1,398)	(12)	(1,995)
Accumulated depreciation adjustment	-	8	2,355	1,398	12	3,773
Depreciation expense	-	(288)	(90)	(57)	(13)	(448)
Carrying amount at 30 June 2025	**173,575**	**5,916**	**3,127**	**765**	**21**	**183,404**
Year ended 30 June 2024 **1 July 2023**						
Gross carrying amount	72,231	5,611	14,670	3,816	969	97,297
Accumulated depreciation	-	-	(11,361)	(3,561)	(849)	(15,771)
Carrying amount at start of year	**72,231**	**5,611**	**3,309**	**255**	**120**	**81,526**
Additions	59,874	785	-	293	-	60,952
Revaluation increments/(decrements) recognised in other comprehensive income	5,979	326	(1)	-	-	6,304
Disposals	(629)	(763)	-	(4)	(6)	(1,402)
Depreciation expense	-	(280)	(733)	(47)	(80)	(1,140)
Carrying amount at 30 June 2024	**137,455**	**5,679**	**2,575**	**497**	**34**	**146,240**

Initial recognition

Items of infrastructure, property, plant and equipment costing $5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of infrastructure, property, plant and equipment costing less than $5,000 are immediately expensed directly to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land;
- buildings; and
- infrastructure.

Land is carried at fair value.

Buildings and infrastructure are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and these revaluations are recognised to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2024 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2025 and recognised at 30 June 2025. In undertaking the valuation, fair value was determined by reference to market values for land: $164,298,000 (2024: $119,504,600) and buildings: $5,094,000 (2024: $3,960,000). Additional land was acquired after valuation date, at fair value ($9,277,000). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Infrastructure is independently valued every 3 to 5 years by an independent property valuer. Infrastructure assets were independently revalued by McGarry Associates Pty Ltd as at 30 June 2023. The valuations were recognised at 30 June 2023. The infrastructure assets are depreciated based on their individual useful lives.

Fair value for infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e: the depreciated replacement cost. Depreciated replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Revaluation model:

(a) Fair value where market-based evidence is available:
The fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

(b) Fair value in the absence of market-based evidence:
Buildings and infrastructure are specialised or where land is restricted: Fair value of land and buildings is determined on the basis of existing use..

Existing use buildings and infrastructure: Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. depreciated replacement cost. Where the fair value of infrastructure is determined on the depreciated replacement cost basis, The replacement cost is adjusted to reflect, on a pro-rata basis, the proportion of the existing asset's life that remains, to reflect wear and tear, functional obsolescence, or economic obsolescence.

Restricted use land: Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Significant assumptions and judgements: The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

5.1.1 DEPRECIATION AND IMPAIRMENT

Charge for the period

Depreciation	2025 $000	2024 $000
Buildings	288	280
Infrastructure	90	733
Plant equipment and vehicles	57	47
Office equipment	13	80
Total depreciation	**448**	**1,140**
Adjustment to prior year accumulated depreciation	(2,355)	-
Total depreciation (credit)/expense for the year	**(1,907)**	**1,140**

As at 30 June 2025 there were no indications of impairment to property, plant and equipment or infrastructure.

All surplus assets at 30 June 2025 have either been classified as assets held for sale or have been written-off.

Useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over it's estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life
Buildings	20 to 40 years
Computer equipment	4 years
Heavy fleet vehicles	5 years
Infrastructure	15 to 100 years
Motor vehicles	3 to 7 years
Office equipment	6 to 7 years
Office furniture	6 to 7 years
Plant and equipment	4 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate. During the current year, management undertook a review of the estimated useful lives of infrastructure assets. The previous useful lives of individual infrastructure assets were reviewed to better reflect management's experience of the varying useful lives of individual assets. An adjustment of $2,355,000 was adjusted against prior year accumulated depreciation.

Land which is considered to have an indefinite useful life, is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment

Non-financial assets, including items of property, plant and equipment and intangibles, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised through profit and loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As FPC is a not-for-profit entity, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

5.2 RIGHT-OF-USE ASSETS

Right-of-use assets	2025 $000	2024 $000
Buildings	523	810
Vehicles	1,387	1,056
Infrastructure	258	312
Net carrying amount at 30 June 2025	**2,168**	**2,178**

Additions to right-of-use assets during the 2025 financial year were $865,399 (2024: $456,553). Disposals of right-of-use assets during the 2025 financial year were $1,010,485.

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

FPC has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of $5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to FPC at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

The following amounts relating to leases have been recognised in the Statement of Comprehensive Income:

5.2.1 DEPRECIATION CHARGE OF RIGHT-OF-USE ASSETS

	Note	2025 $000	2024 $000
Buildings		298	356
Vehicles		561	521
Infrastructure		63	76
Total right-of-use asset depreciation		**922**	**953**
Lease interest expense (included in finance costs)	7.2	141	94
Expenses relating to variable lease payments not included in lease liabilities (included in Other expenditure)		665	718
Low-value leases (included in Other expenditure)		11	8

The total cash outflow for leases in 2025 was $1,177,381 (2024: $931,298).

FPC's leasing activities and how these are accounted for:

FPC has leases for vehicles, infrastructure and residential accommodations.

FPC has also entered into a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

FPC recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.1.

5.3 INTANGIBLE ASSETS

Software	2025 $000	2024 $000
Opening gross carrying amount	1,313	1,384
Opening accumulated amortisation	(1,313)	(1,313)
Carrying amount at start of year	**-**	**71**
Transfers (from/(to) Level 2)	-	(71)
Carrying amount at end of year	**-**	**-**
Right of use assets		
Sandalwood		
Opening gross carrying amount	6,088	6,088
Opening accumulated amortisation	(4,822)	(3,470)
Carrying amount at end of year	**1,266**	**2,618**
Amortisation expense	(1,266)	(1,352)
Carrying amount at end of year	**-**	**1,266**
Native forest		
Opening gross carrying amount	11,886	11,886
Opening accumulated amortisation	(11,886)	(10,805)
Carrying amount at start of year		**1,081**
Amortisation expense	-	(1,081)
Carrying amount at end of year	**-**	**-**
Total intangibles carrying amount at end of year	**-**	**1,266**

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Acquisitions of intangible assets costing $5,000 or more and internally generated intangible assets costing $50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) an intention to complete the intangible asset, and use or sell it;

(c) the ability to use or sell the intangible asset;

(d) the intangible asset will generate probable future economic benefit;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Development costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can reasonably be regarded as assured and the total project costs are likely to exceed $50,000. Other development costs are expensed as incurred.

Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment and infrastructure. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than $5,000 is expensed in the year of acquisition. The software capitalised does not represent software as a service asset.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Right of use assets

Native forest
FPC was authorised to harvest native forest by the Department of Biodiversity, Conservation and Attractions (DBCA) and there were no conditions to be fulfilled in order for control of the licence to pass to FPC.

FPC does not provide any cash or services in exchange for the harvesting rights therefore the amount of the contribution was equal to the fair value of the right to harvest for the ten year term of the Forest Management Plan for 2014-2023.

Amortisation for the intangible asset over the useful life was calculated for the period of the expected benefit (expected useful life which was ten years in accordance with the terms of the licence) on a straight line basis.

Sandalwood
FPC has received the right to harvest sandalwood in Western Australia for three years in exchange for no cash or services when licence(s) are issued by DBCA and there are no conditions to be fulfilled.

Amortisation for the intangible asset with a useful life of three years being the expected benefit period.

5.3.1 AMORTISATION AND IMPAIRMENT

Software	2025 $000	2024 $000
Opening accumulated amortisation	(1,313)	(1,313)
Adjust opening accumulated amortisation	-	-
Closing accumulated amortisation	**(1,313)**	**(1,313)**
Right of use assets		
Sandalwood		
Opening accumulated amortisation	(4,822)	(3,470)
Amortisation expense for the year	(1,266)	(1,352)
Closing accumulated amortisation	**(6,088)**	**(4,822)**
Native forest		
Opening accumulated amortisation	(11,886)	(10,805)
Amortisation expense for the year	-	(1,081)
Closing accumulated amortisation	**(11,886)**	**(11,886)**
Total amortisation expense for the year	(1,266)	(2,433)
Closing accumulated amortisation	**(19,287)**	**(18,021)**

FPC held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by FPC have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The expected useful lives for each class of intangible asset are:

Software[(a)]	2.5 years
Right of use – native forest[(b)]	Nil years (remaining)
Right of use – sandalwood[(c)]	Nil years (remaining)

(a) Software that is not integral to the operation of any related hardware.
(b) Right of use for native forest reduces each year in line with the FMP.
(c) Right of use for sandalwood reduces over 3 years in line with the licence to harvest.

Impairment of intangible assets

As at 30 June 2025 there were no indications of impairment to intangible assets.

The policy in connection with testing for impairment is outlined in note 5.1.1.

5.4 BIOLOGICAL ASSETS

Current	2025 $000	2024 $000
Biological assets at valuation		
Plantations		
Plantations biological assets at valuation	16,564	16,194
Total biological assets at valuation current	**16,564**	**16,194**
Non-current		
Biological assets at valuation		
Plantations		
Mature standing timbers	173,329	198,841
Plantation bluegum	4,332	3,865
Plantation sandalwood	6,564	5,585
Plantations biological assets at valuation	184,225	208,291
Total biological assets at valuation non-current	**184,225**	**208,291**
Total biological assets at valuation	**200,789**	**224,485**
The plantations estate is represented by:		
Pine plantations standing timber	189,893	215,035
Plantation bluegum	4,332	3,865
Plantation sandalwood	6,564	5,585
Total plantations biological assets at valuation	**200,789**	**224,485**

Reconciliation of changes in the carrying amount of biological assets at the beginning and the end of the year

	Notes	2025 $000	2024 $000
Carrying amount at start of year		**224,485**	**220,531**
Net movement in biological assets	5.4.1	(36,537)	(8,278)
Add Lewana provision (movement)		(407)	(57)
Add new bluegum plantations		-	3,865
Add expenditure for bluegum		(326)	-
Add expenditure for new plantations		13,575	8,423
Carrying amount at end of year		**200,789**	**224,485**

Fair value hierarchy

The fair value for standing timber has been categorised as Level 3 fair values based on the inputs to the valuation technique used (a combination of the income approach and comparable sales approach under a discounted cash flow framework).

Initial recognition

The AASB 141 *Agriculture* requires that an entity shall recognise a biological asset or agricultural produce when and only when:

(a) the entity controls the asset as a result of past events;

(b) it is probable that future economic benefits associated with the asset will flow to the entity; and

(c) the fair value or cost of the asset can be measured reliably.

AASB 141 defines a group of biological assets as an aggregation of similar living animals or plants. Therefore, FPC determines that it only holds one type of biological asset: plantation timber.

Subsequent measurement

Under AASB 141 *Agriculture*, FPC is required to value its biological assets annually.

FPC values its biological assets at fair value less costs to sell. Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A gain or loss on valuation is recognised in the Statement of Comprehensive Income.

Fair value of biological assets is based on their present location and condition. As a result, fair value is determined based on historical volume increases and historical cash flows, adjusted for known variances.

FPC's valuations of biological assets are for financial reporting purposes only. FPC's valuations are not intended for estimating other values inherent in or provided by forests, such as unpriced goods or services and the forests' ecological benefits.

Plantation timber

FPC values pine plantations that are managed across a broad geographic area of approximately 67,221 hectares. The value of the softwood plantation is based on a forest estate model that forecasts supply from all sources to each market. This model also forecasts the revenues and costs associated with the forest estate.

FPC values bluegum plantations that are managed across an area of approximately 504 hectares. The value of bluegum plantations are based on revenues and costs associated with the forest estate.

FPC values sandalwood plantations that are managed across an area of approximately 5,631 hectares. The value of sandalwood plantations are based on revenues and costs associated with the forest estate.

5.4.1 BIOLOGICAL ASSET INCREASE/(DECREASE)

FPC values its biological assets at fair value less estimated point-of-sale costs and costs necessary to get the assets to market. Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A gain or loss on valuation is recognised in the Statement of Comprehensive Income.

The valuation as at 30 June 2025 and movements since 30 June 2024 are summarised as follows:

	2025 $000	2024 $000	Movement $000
Plantation pine	189,893	215,035	(25,142)
Plantation bluegum	4,332	3,865	467
Sandalwood (sharefarm plantations)	6,564	5,585	979
TOTAL	**200,789**	**224,485**	**(23,696)**
Expenditure for new plantations			(13,575)
Expenditure for bluegum			327
Provision for replanting Lewana			407
Net movement in biological asset			**(36,537)**

The valuation as at 30 June 2024 and movements since 30 June 2023 are summarised as follows:

	2024 $000	2023 $000	Movement $000
Plantation pine	215,035	213,955	1,080
Plantation bluegum	3,865	-	3,865
Sandalwood (sharefarm plantations)	5,585	6,576	(991)
TOTAL	**224,485**	**220,531**	**3,954**
Expenditure for new plantations			(8,423)
Expenditure for bluegum			(3,865)
Provision for replanting Lewana			57
Net movement in biological asset			**(8,278)**

6.0 OTHER ASSETS AND LIABILITIES

Introduction

This section details other assets and liabilities that arose from FPC's operations.

Structure This section includes:	Notes	2025 $000	2024 $000
Inventories	6.1	10,831	11,884
Receivables	6.2	12,343	8,370
Other current assets	6.3	9,594	5,717
Payables	6.4	27,279	19,476
Other provisions	6.5	3,492	4,573
Other liabilities	6.6	4,646	6,649

6.1 INVENTORIES

Current	2025 $000	2024 $000
Inventories held for resale at cost:		
– Plant propagation centre	1,870	1,765
– Sandalwood	6,732	4,848
– Timber on forest landings	835	3,877
	9,437	**10,490**
Non-current		
- Australian Carbon Credit Units	**1,394**	**1,394**
	1,394	**1,394**
	10,831	**11,884**

Cost is the net market value of inventories.

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted-average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are valued at net realisable value.

FPC undertakes eligible activities as part of the Australian Government's Emissions Reduction Fund for which the Clean Energy Regulator grants FPC the respective number of emissions certificates (Australian Carbon Credit Units [ACCUs]).

FPC recognises emissions certificates as inventories. Emissions certificates received from the Government are initially measured at deemed cost which is equal to fair value and is determined based on the market price of certificates traded on the platform at that date.

The cost of emissions certificates is based on the first-in, first-out allocation method. Emissions certificates are subsequently measured at the lower of cost and net realisable value. Initial fair value of emissions certificates received from Government are recognised in revenue as Government grants (see note 3.4).

6.2 RECEIVABLES

Current	2025 $000	2024 $000
GST receivable	259	259
Trade and other receivables	12,695	8,637
Provision for expected credit loss	(611)	(526)
	12,343	**8,370**

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Interest charges may apply to payments that exceed the due date, calculated by reference to the prevailing commercial business overdraft reference rate plus a 2 per cent premium to cover FPC's increased cost of debt management.

FPC holds security in the form of either cash or bank guarantees as collateral for some trade receivables.

6.2.1 RECONCILIATION OF CHANGE IN THE ALLOWANCE FOR IMPAIRMENT OF RECEIVABLES

	2025 $000	2024 $000
Balance at start of year	(526)	(704)
Expected credit losses reversal	(85)	178
Balance at end of year	**(611)**	**(526)**

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any provision for expected credit losses (ECLs) as shown in the table at note 8.3 'Credit risk'.

For trade receivables FPC recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. FPC has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the environment. Please refer to note 4.6.1.(c) for the amount of ECLs expensed in this financial year.

6.3 OTHER CURRENT ASSETS

Current	2025 $000	2024 $000
Prepayments	900	987
Accrued recoupments	7,206	2,373
Accrued revenue	1,488	2,357
	9,594	**5,717**

[1]Accrued recoupments from Treasury relate costs associated with ecological thinning activities.
Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.4 PAYABLES

	2025 $000	2024 $000
6.4.(a) Current		
Trade payables	10,150	6,025
Payroll tax accrual	91	83
Accrued logging costs	358	474
Other accrued expenses	12,034	9,382
Accrued salaries and wages	482	395
Accrued payable to Treasury[1]	1,648	69
Land annuity obligations	391	427
Hedge Contract	-	-
Total current	**25,154**	**16,855**
6.4.(b) Non-current		
Land annuity obligations	2,125	2,621
Total non-current	**2,125**	**2,621**
Balance at end of year	**27,279**	**19,476**

[1]Accrued payables to Treasury relate to revenue associated with the sale ecological thinning products.
Payables are recognised at the amounts payable when FPC becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement is generally within 15-20 days.

Accrued salaries and wages represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries and wages are settled within a fortnight after the reporting period. FPC considers the carrying amount of accrued salaries and wages to be equivalent to its fair value.

Other accrued expenses include amounts due to contractors for which goods or services have been received as at reporting date, but not yet billed.

6.5 OTHER PROVISIONS

6.5.(a) Current	Notes	2025 $000	2024 $000
Provision for regeneration of native forest	6.5.1	1,497	1,667
Provision for replant (Lewana)	6.5.2	786	1,193
Unearned revenue	6.5.3	143	72
Total current		**2,426**	**2,932**
6.5.(b) Non-current			
Provision for regeneration of native forest	6.5.1	1,066	1,641
Provision for replant (Lewana)	6.5.2	-	-
Total non-current		**1,066**	**1,641**
Balance at end of year		**3,492**	**4,573**

Provisions represent the present value of FPC's best estimate of the future outflow of economic benefits that will be required under FPC's obligations of forests under the *FPC Act 2000*. The estimate has been made on the basis of historical trends and may vary as a result of events.

6.5.1 PROVISION FOR REGENERATION OF NATIVE FOREST

The FMP obligates FPC to ensure that re-growth native forest harvested are restored.

A provision is recognised where FPC has a legal or constructive obligation to undertake regeneration work. Estimates are based on the present value of expected future cash outflows.

6.5.2 PROVISION FOR REPLANT (LEWANA)

FPC has also provided for the replanting of an area of the Lewana plantation that was destroyed by fires during the 2018-2019 year.

6.5.3 UNEARNED REVENUE

Unearned revenue received is recognised by FPC for the delivery of forestry services to be delivered in the future.

6.5.4 MOVEMENT IN PROVISIONS

Movements in each class of provisions during the period, other than employee benefits, are set out below:

Provision for regeneration of native forest	2025 $000	2024 $000
Carrying amount at start of year	3,308	6,018
Additional provisions recognised/(reversed)	(957)	(1,717)
Payments/other sacrifices of economic benefits	212	(993)
Carrying amount at end of year	**2,563**	**3,308**
Provision for replant (Lewana)		
Carrying amount at start of year	1,193	1,250
Payments/other sacrifices of economic benefits	(407)	(57)
Carrying amount at end of year	**786**	**1,193**
Unearned revenue		
Carrying amount at start of year	72	21
Additional/(reversals of) provisions recognised	71	51
Carrying amount at end of year	**143**	**72**

6.6 OTHER LIABILITIES

Deferred revenue

6.6.(a) Current	2025 $000	2024 $000
Contractual obligations	144	144
Forward sold log supply	-	1,933
	144	**2,077**
6.6.(b) Non-current		
Contractual obligations	4,502	4,572
	4,502	**4,572**
Balance at end of year	**4,646**	**6,649**

Deferred revenue is recognised as income proportionately as the contractual obligation conditions are met.

Forward sold log supply represents the value of timber to be supplied under a commercial contract with a specific customer.

7.0 FINANCING OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by FPC for its operations, along with interest expenses and other information related to financing the activities of FPC.

Structure

This section includes:

- Note 7.1 Lease liabilities
- Note 7.2 Finance costs
- Note 7.3 Cash and cash equivalents
- Note 7.3.1 Reconciliation of cash
- Note 7.3.2 Reconciliation of loss from ordinary activities
- Note 7.4 Commitments
- Note 7.4.1 Lease commitments
- Note 7.4.2 Other expenditure commitments

7.1 LEASE LIABILITIES

Lease liabilities	2025 $000	2024 $000
Not later than one year	734	734
Later than one year and not later than five years	1,233	1,555
Later than five years	352	11
	2,319	**2,300**
Current	734	734
Non-current	1,585	1,566
	2,319	**2,300**

At the commencement date of the lease, FPC recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, FPC uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by FPC as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects FPC exercising an option to terminate the lease.
- Periods covered by extension or termination options are only included in the lease term by FPC if the lease is reasonably certain to be extended (or not terminated).

  The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by FPC in profit or loss in the period in which the condition that triggers those payments occurs.

This section should be read in conjunction with note 5.2.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

This section should be read in conjunction with note 5.2

FPC has not received any COVID-19 rent concessions and therefore has made no assessment of whether a concession is a lease modification. This assessment impacts the measurement of the liability and AASB 1060 requires additional consequential disclosures.

Lease expenses recognised in the Statement of Comprehensive Income	2025 $000	2024 $000
Lease Interest expense	141	94
Expenses relating to variable lease payments not included in lease liabilities	665	718
Low-value leases	11	8

Short-term leases are recognised on a straight-line basis with a lease term of 12 months or less.

Low-value leases with an underlying value of $5,000 or less are recognised on a straight-line basis.

Variable lease payments that are not included in the measurement of the lease liability recognised in the period in which the event or condition that triggers those payments occurs.

7.2 FINANCE COSTS

Finance costs	2025 $000	2024 $000
Lease Interest	141	94
Interest on contract obligations	(147)	209
Foreign exchange (gain)/loss	153	(7)
Finance costs expensed	**147**	**296**

Finance cost includes costs incurred in relation to interest costs attributable to forward sold log supply (See note 6.6 'Other liabilities'), the interest component of lease liability repayments and gains and losses associated with foreign currency transactions.

7.3 CASH AND CASH EQUIVALENTS

7.3.1 RECONCILIATION OF CASH

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2025 $000	2024 $000
Petty cash	-	2
Cash and cash equivalents	29,601	30,241
Balance at end of year	**29,601**	**30,243**

For the purpose of the Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalents) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

7.3.2 RECONCILIATION OF LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX EQUIVALENT TO NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:

	Notes	2025 $000	2024 $000
Loss from ordinary activities after income tax equivalent		(27,193)	(3,901)
Non-cash items:			
Depreciation and amortisation expense	5.1.1; 5.2.1; 5.3.1	281	4,526
Movement in provision for doubtful debts	6.2.1	85	(178)
State Government grants and subsidies (net) disclosed separately		(22,795)	(8,530)
Income tax benefit	4.7.1	(3,369)	(1,891)
Net loss/(gain) on disposal of infrastructure, property, plant and equipment	3.7; 4.5	(8)	200
Change in fair value of biological assets	5.4.1	36,537	8,278
Non-cash Grants and subsidies	3.4	-	(1,465)
Emission certificate revaluation	6.1	-	71
Decrease/(increase) in assets:			
Current inventories		1,053	(1,451)
Current receivables		(4,056)	4,464
Other current assets		(3,877)	(8,323)
Other assets		-	-
Increase/(decrease) in liabilities:			
Payables		7,803	3,950
Unearned revenue and deferred income		(1,932)	868
Other liabilities		(186)	1,619
Net cash used in operating activities		**(17,658)**	**(1,763)**

7.4 COMMITMENTS

7.4.1 LEASE COMMITMENTS

	2025 $000	2024 $000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	1,050	869
Later than 1 year and not later than 5 years	3,047	3,299
Later than 5 years	571	656
Non-cancellable leases	**4,668**	**4,824**

Payments for short-term and low value leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

FPC holds leases for a number of branch office buildings under varying terms and conditions, which are not included within the Statement of Financial Position, refer note 5.2.

Judgements made by management in applying accounting policies - operating lease commitments
FPC has entered into a number of leases for buildings for branch accommodation. Some of these relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

7.4.2 OTHER EXPENDITURE COMMITMENTS

	2025 $000	2024 $000
Expenditure commitments, being contracted expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	742	851
Later than 1 year and not later than 5 years	2,951	2,993
	3,693	**3,844**

These commitments include future expenditures for share farm agreements not considered onerous, and are inclusive of GST.

8.0 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

FPC is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, including exposures to financial risk, as well as those items which are contingent in nature or require a higher level of judgement to be applied, which for FPC relate mainly to fair value determination.

Structure

This section includes:

– Note 8.1	Financial risk management objectives
– Note 8.2	Market risk
– Note 8.2.1	Currency risk
– Note 8.2.2	Price risk
– Note 8.3	Credit risk
– Note 8.4	Liquidity risk
– Note 8.5	Contingent assets and liabilities
– Note 8.5.1	Contingent assets
– Note 8.5.2	Contingent liabilities
– Note 8.6	Fair value measurements
– Note 8.6.1	Fair value measurements - land, buildings and infrastructure
– Note 8.6.2	Fair value measurements - biological assets
– Note 8.6.3	Discount rates

8.1 FINANCIAL RISK MANAGEMENT OBJECTIVES

FPC has exposure to the following risks:

- Market risk
- Credit risk
- Liquidity risk

This note presents information about FPC's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout the financial report.

FPC Commissioners have overall responsibility for the establishment and oversight of the risk management framework. FPC has established the Audit and Risk Committee, which is responsible for reviewing and monitoring risk management policies and making recommendations to the Commissioners in relation to changes that may be considered necessary from time to time. The Audit and Risk Committee reports regularly to the Commissioners on its activities.

Risk management policies are established to identify and analyse the risks faced by FPC, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

FPC, through its training and risk management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The primary risk management document is the Risk Management Policy which describes the risks FPC is exposed to. FPC's overall risk management program focuses on managing the risks identified below.

FPC's Audit and Risk Committee oversees how management monitors compliance with FPC's risk management policies and procedures, and reviews the adequacy and effectiveness of the risk management framework in relation to the risks faced by FPC. FPC's Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the FPC Audit and Risk Committee.

8.2 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and commodity prices, will affect FPC's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

FPC enters into derivatives in order to manage market risks around currency risk. All such transactions are carried out within the guidelines set by FPC's Foreign Exchange Hedging Policy. Generally FPC seeks to apply hedge accounting in order to manage volatility in profit or loss.

FPC believes that commodity risk for sandalwood stock is minimal due to the non-perishable nature of the slightly higher stock holdings, following reduced sales to China. New markets have now been established in other regions.

8.2.1 CURRENCY RISK

FPC is exposed to currency risk on sales that are denominated in a currency other than the Australian dollar (AUD). The currencies in which these transactions primarily are denominated are the United States of America dollar (USD).

At any point in time FPC may hedge up to 75 per cent of its estimated foreign currency exposure in respect of forecasted sales over the following fifteen months. FPC uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. When necessary, forward exchange contracts are rolled over at maturity.

	Average exchange rates		Reporting date exchange rates	
Australian dollars	**2025**	**2024**	**2025**	**2024**
USD	0.6482	0.6556	0.6550	0.6624

The carrying amount of FPC's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	2025 $000	2024 $000
USD bank account	1,114	455

Sensitivity analysis - currency

The following table represents a summary of the currency sensitivities of FPC's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 10 per cent change in exchange rates.

	Carrying	-10% change		+10% change	
2025	**amount ($000's)**	**Profit ($000's)**	**Equity ($000's)**	**Profit ($000's)**	**Equity ($000's)**
Financial Assets					
USD Bank Account	1,701	132	132	(108)	(108)

USD rate used in this analysis was the spot rate as at 30 June 2025: 1 AUD = 0.655.

	Carrying	-10% change		+10% change	
2024	**amount ($000's)**	**Profit ($000's)**	**Equity ($000's)**	**Profit ($000's)**	**Equity ($000's)**
Financial Assets					
USD Bank Account	687	53	53	(44)	(44)

USD rate used in this analysis was the spot rate as at 30 June 2024: 1 AUD = 0.6624

8.2.2 PRICE RISK

FPC is exposed to fluctuations in tender prices which may become a significant price risk. The risk of exposure to wood prices is discussed below.

Timber price risk

FPC enters into contracts for the supply of timber products through either a competitive tender process or private treaty arrangements. Timber prices are established under FPC's Forest Products Pricing Policy and in compliance with the *Forest Products Act 2000.*

FPC is exposed to risks arising from fluctuations in the price and sales volumes of timber and the impacts of wildfire and extended dry seasons (force majeure) on the volume of timber in the plantation estate. The price and volume risk is managed via State Agreements and Contracts of Sale which include price indexation adjustments to manage the risks of cost escalation in selling and management costs.

Indexation and price reviews are critical for managing the long-term risk to FPC from its pricing of forest products. FPC indexes contracts in accordance with a range of methodologies, including:

- Consumer Price Index (CPI);
- Market value of end products; and
- Combination of market value, CPI and individual costs (e.g. fuel).

Sensitivity analysis – price	Range (weighted avge)	2025 $000	2024 $000
Discount rate (real, pre-tax)	+300 bpts	(66,147)	(66,101)
	- 300 bpts	206,965	172,453
Expected future sales values	+ 3%	44,240	44,927
	- 3%	(44,240)	(44,927)
Expected future costs	+ 3%	(33,846)	(34,193)
	- 3%	33,843	34,190

8.3 CREDIT RISK

Credit risk is the risk of financial loss to FPC if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from FPC's receivables from customers. FPC's exposure to credit risk can occur through the provision of trade credit (both within Australia and Internationally). The FPC Customer Credit Policy determines the levels of credit exposure FPC can take to various categories of customers.

FPC's exposure to credit risk is influenced mainly by the individual financial characteristics of each customer. The demographics of FPC's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. No significant percentage of FPC's trade receivables are attributable to a single customer. Key geographical exposures to trade and other receivables are discussed further in this note.

The Board of Commissioners has approved a credit policy under which each new customer is analysed individually for creditworthiness before FPC's standard payment and delivery terms and conditions are offered. The review includes external ratings, when available, and financial analysis. Credit and settlement limits are established for each customer, which represents the maximum open amount without requiring approval from the Board of Commissioners. These limits are reviewed when any variations occur. Customers that fail to meet FPC's benchmark creditworthiness may transact with FPC only on a prepayment basis or against the provision of acceptable security such as letters of credit, bank guarantees and other payment guarantees.

Receivables and advances to customers at fair value contains amounts owing from customers who have been delivered and have accepted timber products on deferred settlement terms, in accordance with FPC's Customer Credit Policies, all of whom have settlement durations of one year or less from origination.

FPC has established a provision for expected credit losses that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for FPC of similar assets in respect of losses that have been incurred but not yet identified.

Timber products are sold subject to a Statutory Lien held by FPC, so that in the event of non-payment FPC may have a secured claim and assume control of the goods. FPC may require collateral in respect of trade and other receivables in the form of cash deposits or bank guarantees.

The following table details the credit risk exposure on FPC's trade receivables using a provision matrix.

			Days past due			
			<30	31-60	61-90	>90
	Total	Current	days	days	days	days
	$000	$000	$000	$000	$000	$000
30 June 2025						
Expected credit loss rate		0.95%	1.58%	0.00%	0.00%	95.27%
Estimated total gross carrying amount at default	12,695	10,266	1,901	20	-	507
Expected credit losses	(611)	(98)	(30)	-	-	(483)
1 July 2024						
Expected credit loss rate		0.52%	1.61%	0.00%	0.00%	97.77%
Estimated total gross carrying amount at default	8,637	8,075	62	6	-	494
Expected credit losses	(526)	(42)	(1)	-	-	(483)

8.4 LIQUIDITY RISK

Liquidity risk management requires FPC to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

FPC manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

FPC had access to the following lines of credit as at reporting date:

	2025 $000	2024 $000
Credit cards	750	750
Bank overdraft facility[1]	9,000	9,000
	9,750	**9,750**
Facilities in use as at reporting date:		
Credit cards	34	43
	34	**43**
Available facilities not in use as at reporting date:		
Credit cards	716	707
Bank overdraft facility	9,000	9,000
	9,716	**9,707**

[1] A bank overdraft facility for $9m was re-established with the Western Australian Treasury Commission from 1 July 2018.

The following table details FPC's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

	Notes	Effective interest rate%	Total	0 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
2025							
Financial assets							
Commonwealth Bank Cash Management Account	7.3.1	4.49%	27,900	27,900	-	-	-
Commonwealth Bank USD Account	7.3.1	0.00%	1,701	1,701	-	-	-
Trade receivables	6.2	n/a	12,695	12,695	-	-	-
Provision for expected credit losses	6.2.1	n/a	(611)	(611)	-	-	-
Collateral security held - cash	9.8	n/a	2,218	2,218	-	-	-
Collateral security held - non cash		n/a	3,889	3,889	-	-	-
Total credit exposure - trade receivables			18,191	18,191	-	-	-
			47,792	47,792	-	-	-
Financial liabilities							
Trade payables	6.4	n/a	10,150	10,150	-	-	-
Foreign exchange contracts		n/a	-	-	-	-	-
Land annuities payable		n/a	2,978	401	401	1,180	996
			13,128	10,551	401	1,180	996
2024							
Financial assets							
Commonwealth Bank Cash Management Account	7.3.1	4.25%	29,555	29,555	-	-	-
Commonwealth Bank USD Account	7.3.1	0.00%	687	687	-	-	-
Trade receivables	6.2	n/a	8,637	8,637	-	-	-
Provision for expected credit losses	6.2.1	n/a	(526)	(526)	-	-	-
Collateral security held - cash	9.8	n/a	2,851	2,851	-	-	-
Collateral security held - non cash		n/a	3,889	3,889	-	-	-
Total credit exposure - trade receivables			14,851	14,851	-	-	-
			45,093	45,093	-	-	-
Financial liabilities							
Trade payables	6.4	n/a	6,025	6,025	-	-	-
Foreign exchange contracts		n/a	-	-	-	-	-
Land annuities payable		n/a	3,687	437	437	1,300	1,513
			9,712	6,462	437	1,300	1,513

Sensitivity analysis – Interest

The following table represents a summary of the interest rate sensitivities of FPC's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1 per cent change in rates. It is assumed the rates are held constant throughout the reporting period.

	Carrying amount ($000's)	-1% change Profit ($000's)	Equity ($000's)	+1% change Profit ($000's)	Equity ($000's)
2025					
Financial assets					
Cash and cash equivalents	29,601	(207)	(207)	207	207
Financial liabilities					
Land annuities payable	2,517	(62)	(62)	58	58
2024					
Financial assets					
Cash and cash equivalents	30,241	(212)	(212)	212	212
Financial liabilities					
Land annuities payable	3,048	(84)	(84)	79	79

8.5 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

A potential resource under-supply, shortfall liability from the previous year was settled through the native forest exit process.

8.5.1 CONTINGENT ASSETS

There are no contingent assets as at reporting date.

8.5.2 CONTINGENT LIABILITIES

The following contingent liabilities are excluded from the liabilities included in the financial statements:

Resource shortfall

FPC has identified a potential shortfall of current pine resources that would be available to meet future contracted supply commitments. As at the date of the financial statements, there is a high degree of uncertainty regarding the likelihood, timing and amount of any potential shortfall and FPC is therefore unable to determine a reliable estimate of the amount of any potential obligation that may arise in the future.

FPC is undertaking further analysis in order to develop and implement mitigation strategies if necessary and will continue to monitor the need for further disclosure, or a provision, at future reporting dates.

Contaminated sites

Under the *Contaminated Sites Act 2003* (Act), FPC is required to report known and suspected contaminated sites to the Department of Water and Environment Regulation (DWER). In accordance with the Act DWER classifies these sites. DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated – remediation required or possibly contaminated - investigation required*, FPC may have a liability in respect of investigation or remediation expenses.

FPC currently has one site reported, on which it is an occupier for harvesting operation purposes and not an owner, which has been classified by DWER as '*possibly contaminated - investigation required*'. The site is owned by the DBCA who have an asbestos management plan in place.

8.6 FAIR VALUE MEASUREMENTS

Valuation processes

There were no changes in valuation techniques during the year. Native forests are valued on the rights to harvest over the life of the FMP while sandalwood is valued on the basis of a 36 month licence to harvest.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's Instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and FPC's enabling legislation.

8.6.1 FAIR VALUE MEASUREMENTS – LAND, BUILDINGS AND INFRASTRUCTURE

Assets measured at fair value:	Level 1 $000	Level 2 $000	Level 3 $000	Fair value at end of year $000
2025				
Land	-	-	173,575	173,575
Buildings	-	-	5,916	5,916
Infrastructure	-	-	3,127	3,127
Total land, buildings and infrastructure	**-**	**-**	**182,618**	**182,618**
2024				
Land	-	-	137,455	137,455
Buildings	-	-	5,679	5,679
Infrastructure	-	-	2,575	2,575
Total land, buildings and infrastructure	**-**	**-**	**145,709**	**145,709**

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.

Fair value measurements using significant unobservable inputs (Level 3)

2025	Land $000	Buildings $000	Infrastructure $000
Fair value at start of year	137,455	5,679	2,575
Additions	25,950	185	-
Revaluation increments/(decrements) recognised in other comprehensive income	10,545	542	(1,713)
Disposals	(375)	(202)	-
Depreciation expense/(credit)	-	(288)	2,265
Fair value at end of year	**173,575**	**5,916**	**3,127**
Total gains or losses for the period included in profit or loss	-	-	-
2024			
Fair value at start of year	72,231	5,611	3,309
Additions	59,874	785	-
Revaluation recognised in other comprehensive income	5,979	326	(1)
Disposals	(629)	(763)	-
Depreciation expense	-	(280)	(733)
Fair value at end of year	**137,455**	**5,679**	**2,575**
Total gains or losses for the period included in profit or loss, under 'Other Gains'	571	(761)	-

Information about significant unobservable inputs (Level 3) in fair value measurements

Description	Fair value 30/06/2025 $000	Fair value 30/06/2024 $000	Valuation technique(s)	Unobservable inputs	Relationship of unobservable inputs to fair value
Land	173,575	137,455	Market approach	Selection of land with similar approximate utility	Higher value of similar land increases estimated fair value.
Buildings	5,916	5,679	Market approach	Consumed economic benefit/ obsolescence of asset	Greater consumption of economic benefit or increased obsolescence lowers fair value.
Infrastructure	3,127	2,575	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset	Greater consumption of economic benefit or increased obsolescence lowers fair value.

Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Buildings and Infrastructure (Level 3 fair values)

Fair value for existing use specialised buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and gross project size specifications adjusted for obsolescence and economic (external) obsolescence.

Valuation using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuations and Property Analytics). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate of consumption/obsolescence correlating with lower estimated fair values of buildings.

Fair value for infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e: the depreciated replacement cost. Depreciated replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

8.6.2 FAIR VALUE MEASUREMENTS - BIOLOGICAL ASSETS

Assets measured at fair value:	Level 1 $000	Level 2 $000	Level 3 $000	Fair value at end of year $000
2025				
Plantations	-	-	200,789	200,789
Total biological assets	**-**	**-**	**200,789**	**200,789**
2024				
Plantations	-	-	224,485	224,485
Total biological assets	**-**	**-**	**224,485**	**224,485**

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.

Fair value measurements using significant unobservable inputs (Level 3)

	2025 $000	2024 $000
Fair value at start of period	224,485	220,531
Additions	12,841	12,232
Net movement in biological assets	(36,537)	(8,278)
Fair value at end of year	**200,789**	**224,485**

Valuation

The valuation of biological assets contain key estimates and assumptions made concerning the future, and other estimations of uncertainty at balance date. Variations to these estimates carry a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Calculations performed in assessing the value of the Biological assets incorporate uncertainty with discount rates, harvest yields and volumes that could be realistically marketed and sold.

Plantation timber

FPC values its pine plantation estate on a fair value basis utilising the services of an independent valuer. For the year ended 30 June 2025 Margules Groome were contracted for this work (2024: Margules Groome).

FPC values its plantation bluegum on a fair value basis utilising the cost of acquisition in the current year, pending an assessment of net present value in subsequent years.

FPC values its sandalwood plantation estate on a fair value basis utilising the expectation of net cash to be derived from the forest estate in each year of the projected holding period of the asset discounted to a net present value. The discount rate adopted has been provided by an independent valuer (Margules Groome).

Biological assets (Level 3 fair values)

The fair value of the biological assets is calculated by estimating the future harvests after considering constraints imposed by sustainable management, contracts and markets. Next, in valuing each group of asset, revenue from the harvest of forest products and costs associated with the management, marketing and selling of the forest products are assessed to determine the value of the asset.

Finally, by applying a discount rate, the Net Present Value (NPV) of those cash flows is assessed. The NPV is an estimation of the amount that one would pay today to receive the future cash flows from the harvest of forest products and management of the asset until harvest. NPV is calculated as the net of the future cash inflows and outflows associated with forest production activities, discounted back to current values.

In determining the valuation of the assets, there are assumptions that must be reviewed annually. Valuation changes mainly arise from:

- changes in timber volume
- changes in timber prices
- changes in production costs, including management, marketing and selling costs
- changes in the discount rate
- changes in USD forward exchange rate

	2025 $000	2024 $000
Opening balance 1 July	224,485	220,531
Harvested timber recognised in profit or loss	(23,009)	(31,620)
Changes in fair value less estimated point of sale costs recognised in profit or loss due to:		
– change in discount rate	(27,122)	(883)
– changes in volume, prices and markets	24,989	33,583
Plantation bluegum movement	467	3,865
Plantation sandalwood valuation movement	979	(991)
Closing balance 30 June	**200,789**	**224,485**

8.6.3 DISCOUNT RATES

The following discount rates have been applied in the calculation of net market values:

	2025	2024
Plantation pine	12.32%	10.57%
Plantation sandalwood	10.00%	10.00%

The discount rate is real and pre-tax.

9.0 OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

Structure

This section includes:

- Note 9.1 Events occurring after the end of the reporting period
- Note 9.2 Key management personnel
- Note 9.3 Related party transactions
- Note 9.4 Related and affiliated bodies
- Note 9.5 Remuneration of auditor
- Note 9.6 Equity
- Note 9.7 Supplementary financial information
- Note 9.8 Funds held in trust
- Note 9.9 Future impact of Australian standards issued not yet effective
- Note 9.10 Explanatory statement

9.1 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There are no significant events occurring after balance date that materially impact the financial statements.

9.2 KEY MANAGEMENT PERSONNEL

FPC has determined key management personnel to include cabinet ministers, members and senior officers of FPC. FPC does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

Total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of FPC for the reporting period are presented within the following bands:

Compensation of Members of the Accountable Authority

Compensation band ($)	2025	2024
60,001 - 70,000	1	-
50,001 - 60,000	-	1
40,001 - 50,000	-	-
30,001 - 40,000	6	-
20,001 - 30,000	-	5
10,001 - 20,000	-	-
0 - 10,000[1]	2	1

[1]Includes compensation for two outgoing Commissioners during the year.

	2025 $000	2024 $000
Total fees received by Non-executive Commissioners	272	198

Compensation of Senior Officers

Compensation band ($)	2025	2024
300,001 - 350,000	1	1
250,001 - 300,000	-	-
200,001 - 250,000	3	3
150,001 - 200,000	8	11
100,001 - 150,000	2	1
50,001 - 100,000	-	-
0 - 50,000	2	-

	2025 $000	2024 $000
Short term employee benefits	2,791	2,979
Post employment benefits	-	-
Other long term benefits	-	-
Total compensation of Senior Officers	**2,791**	**2,979**

Total compensation includes the superannuation expense incurred by FPC in respect of senior officers and members of the accountable authority.

9.3 RELATED PARTY TRANSACTIONS

FPC is a wholly owned and controlled entity of the State of Western Australia.
Related parties of FPC include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities;
- all Senior Officers and their close family members, and their controlled or jointly controlled entities,
- other departments and statutory authorities, including related bodies that are included in the whole of Government consolidated financial statements;
- associates and joint ventures of a wholly owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with Government related entities

In conducting its activities, FPC is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Significant transactions include:

	2025 $000	2024 $000
– State Government contributions (Note 9.6);	34,750	80,819
– State Government operating subsidy (refer statement of cash flows);	27,902	9,132
– Recoupment of costs from DBCA (Note 3.6);	291	467
– Receipt of funds from Department of Jobs, Tourism, Science and Innovation;	-	492
– Lease payments from Main Roads (Note 3.6);	2	98
– payments to DBCA (Note 4.6.1);	(3,057)	(3,348)
– payments to Treasury for sales from ecological thinning (refer statement of cash flows);	(5,107)	(490)
– superannuation payments to GESB (Note 4.3.1);	(181)	(212)
– insurance payments to the Insurance Commission of WA (RiskCover) (Note 4.6.1);	(776)	(998)
– payment for services provided by the Auditor General (Note 9.5);	(225)	(215)
– payment to the State Solicitors Office (SSO) *;	(26,050)	(64,780)
– payment for services provided by the Department of Finance (Note 4.6.1);	(1,126)	(1,066)

* Includes payments for land purchases, using the SSO as a settlement agent.

Material transactions with related parties

Outside of normal citizen type transactions with FPC there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

9.4 RELATED AND AFFILIATED BODIES

FPC has no related or affiliated bodies as defined by Treasurers Instruction TI 951 Related and Affiliated Bodies.

9.5 REMUNERATION OF AUDITOR

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2025 $000	2024 $000
Auditing the accounts, financial statements, controls and key performance indicators	223	205

9.6 EQUITY

The West Australian Government holds the equity interest in FPC on behalf of the community. Equity represents the residual interest in the net asset of FPC. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity	2025 $000	2024 $000
Balance at start of the year	404,941	323,993
Contributions by owners		
Equity injection	34,750	80,948
Balance at end of the year	**439,691**	**404,941**

9.6.1 RESERVES

Asset revaluation surplus	2025 $000	2024 $000
Balance at start of the year	27,789	23,376
Net asset revaluation increase (Note 5.1)	9,374	6,304
Deferred tax on items of other comprehensive income (Note 4.7.3)	(3,369)	(1,891)
Balance at end of the year	**33,794**	**27,789**

9.6.2 ACCUMULATED DEFICIT

Balance at start of the year	(40,210)	(36,308)
Loss for the year	(27,194)	(3,902)
Balance at end of the year	**(67,404)**	**(40,210)**

Provision is made for the amount of any dividend declared on or before the end of the financial year, but not distributed at the end of the reporting period.

A dividend liability is not recognised if the dividends are still to be approved (declared) at the end of the reporting period. "Declared" is considered to mean that the dividends are appropriately authorised and no longer at the discretion of the entity. Under current Western Australian legislative arrangements, dividends (other than interim dividends) are formally approved by the Minister after the year-end date and therefore would not meet the recognition criteria of a present obligation of a liability.

9.7 SUPPLEMENTARY FINANCIAL INFORMATION

(a) Write-offs

During the financial year, the Board approved $0 (2024: $0) of debtors to be written off.

9.8 FUNDS HELD IN TRUST

Funds held in trust[1] as security for contract obligations. These funds are repayable upon completion of contracts.

	2025 $000	2024 $000
Opening balance	2,851	4,253
Receipts	973	339
Payments	(1,606)	(1,741)
Closing balance	**2,218**	**2,851**

[1] Trust funds do not form part of the assets of FPC, and are held in a separate trust fund established for that purpose. Interest accruing on these funds accumulate for the benefit of security providers unless otherwise agreed, in which case, interest accrued accumulates for the benefit of FPC.

9.9 FUTURE IMPACT OF AUSTRALIAN STANDARDS ISSUED NOT YET EFFECTIVE

FPC cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, FPC plans to apply the following Australian Accounting Standards from their application date:

		Operative for reporting periods beginning on/after
AASB 2024-2	**Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments** This Standard amends AASB 7 and AASB 9 as a consequence of the issuance of Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) by the International Accounting Standards Board in May 2024. There is no financial impact.	**1 Jan 2026**
AASB 2024-3	**Amendments to Australian Accounting Standards – Annual Improvements Volume 11** This Standard amends AASB 1, AASB 7, AASB 9, AASB 10 and AASB 107 as a consequence of the issuance of Annual Improvements to IFRS Standards – Volume 11 by the International Accounting Standards Board in July 2024. There is no financial impact.	**1 Jan 2026**
AASB 2022-9	**Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector** This Standard amends AASB 17 and AASB 1050 to include modifications with respect to the application of AASB 17 by public sector entities. This Standard also amends the following Standards to remove the temporary consequential amendments set out in AASB 2022-8 since AASB 4 and AASB 1023 do not apply to public sector entities for periods beginning on or after 1 July 2026: (a) AASB 1; (b) AASB 3; (c) AASB 5; (d) AASB 7; (e) AASB 9; (f) AASB 15; (g) AASB 119; (h) AASB 132; (i) AASB 136; (j) AASB 137; (k) AASB 138; (l) AASB 1057; and (m) AASB 1058. There is no financial impact.	**1 Jul 2026**
AASB 18	**Replacement to Australian Accounting Standards - Presentation and Disclosure in Financial Statements** AASB 18 will replace AASB 101 Presentation of Financial Statements. As a result, the requirements in AASB 101 will be: a) replaced by new requirements in AASB 18; b) transferred to AASB 18 with only limited wording changes; or c) moved to AASB 108 Basis of Preparation of Financial Statements or AASB 7 Financial Instruments: Disclosures with only limited wording changes. AASB 18 has also introduced changes to AASB 107 Statement of Cash Flows, AASB 133 Earnings per Share and AASB 134 Interim Financial Reporting. For for-profit entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2027. For not-for-profit public sector entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. Early adoption requires delegate approval as prescribed in the Financial Reporting Rule. There is no financial impact.	**1 Jan 2027**

9.10 EXPLANATORY STATEMENT

Significant variations between estimates and actual results for 2025 and between the actual results for 2025 and 2024 are shown below. Narratives are provided for significant variations, which are considered to be those greater than 10% and $1.4 million for the Statement of Comprehensive Income and Statement of Cashflow and greater than 10% and $4.5 million for the Statement of Financial Position.

9.10.1 STATEMENT OF COMPREHENSIVE INCOME VARIANCES

	Variance note	Estimate 2025 $000	Actual 2025 $000	Actual 2024 $000	Variance Est to 2025 $000	Variance 2025–2024 $000
Continuing operations						
Operating income						
Sales of forest products		124,924	113,851	108,969	(11,073)	4,882
Commonwealth grants and contributions	A	-	1	1,509	1	(1,508)
Interest income		43	1,266	631	1,233	635
Other income	1	3,735	1,133	964	(2,602)	169
Gain on disposal of non-current assets		-	8	-	8	8
Gains from foreign exchange		-	170	75	170	95
Total operating income		**128,702**	**116,429**	**112,148**	**(12,273)**	**4,281**
Operating expenses						
Production expenses	2, B	111,510	98,999	76,213	12,511	(22,786)
Employee benefits expense		23,669	22,417	21,574	1,252	(843)
Supplies and services	3, C	18,872	11,613	14,275	7,259	2,662
Depreciation and amortisation expense	4, D	2,950	281	4,526	2,669	4,245
Finance costs		360	147	296	213	149
Accommodation expenses		1,205	832	875	373	43
Grants and subsidies		200	29	115	171	86
Loss on disposal of non-current assets		-	-	200	-	200
Other expenses	5, E	2,900	8,820	2,830	(5,920)	(5,990)
Total operating expenses		**161,666**	**143,138**	**120,904**	**18,528**	**(22,234)**
Operating profit/(loss)		**(32,964)**	**(26,709)**	**(8,756)**	**6,255**	**(17,953)**
Other economic flows included in net result						
Net movement in biological assets	6, F	(2,000)	(36,537)	(8,278)	(34,537)	(28,259)
Onerous contracts		(381)	(51)	(151)	330	100
Grants and subsidies from State Government	7, G	37,654	32,735	11,393	(4,919)	21,342
Other economic flows included in net result before income tax		**35,273**	**(3,853)**	**2,964**	**(39,126)**	**(6,817)**
Income tax benefit/(expense)	8, H	(693)	3,369	1,891	4,062	1,478
Net result from continuing operations after income tax		**1,616**	**(27,193)**	**(3,901)**	**(28,809)**	**(23,292)**

9.10.2 STATEMENT OF FINANCIAL POSITION VARIANCES

	Variance note	Estimate 2025 $000	Actual 2025 $000	Actual 2024 $000	Variance Est to 2025 $000	Variance 2025–2024 $000
ASSETS						
Current assets						
Cash and cash equivalents		28,022	29,601	30,243	1,579	(642)
Inventories		9,212	9,437	10,490	225	(1,053)
Receivables		12,755	12,343	8,370	(413)	3,972
Biological assets	1	10,052	16,564	16,194	6,512	370
Other current assets	2	3,536	9,594	5,717	6,058	3,877
Total current assets		**63,577**	**77,539**	**71,014**	**13,961**	**6,524**
Non-current assets						
Infrastructure, property, plant and equipment	3, A	138,161	183,404	146,240	45,243	37,164
Inventories		-	1,394	1,394	1,394	-
Deferred tax assets	4	5,425	-	-	(5,425)	-
Biological assets	5, B	231,015	184,225	208,291	(46,790)	(24,066)
Right of use assets		-	2,168	2,178	2,168	(10)
Intangible assets		1,380	-	1,266	(1,380)	(1,266)
Total non-current assets		**375,981**	**371,191**	**359,369**	**(4,790)**	**11,822**
Total assets		**439,558**	**448,730**	**430,383**	**9,171**	**18,346**
LIABILITIES						
Current liabilities						
Payables	6, C	14,088	25,154	16,855	11,066	8,299
Lease liabilities		510	734	734	224	-
Employee related provisions		2,600	4,102	3,950	1,502	152
Other provisions		4,360	2,426	2,932	(1,933)	(505)
Deferred revenue		1,664	144	2,077	(1,520)	(1,933)
Total current liabilities		**23,222**	**32,560**	**26,548**	**9,339**	**6,013**
Non-current liabilities						
Payables		3,456	2,125	2,621	(1,331)	(496)
Lease liabilities		650	1,585	1,566	935	19
Employee related provisions		1,500	811	915	(689)	(104)
Other provisions		2,629	1,066	1,641	(1,563)	(575)
Deferred revenue		6,380	4,502	4,572	(1,878)	(70)
Total non-current liabilities		**14,615**	**10,089**	**11,315**	**(4,526)**	**(1,226)**
Total liabilities		**37,837**	**42,649**	**37,863**	**4,813**	**4,787**
Net assets		**401,721**	**406,081**	**392,520**	**4,358**	**13,559**
Equity						
Contributed equity		413,406	439,691	404,941	26,285	34,750
Reserves	7, D	23,376	33,794	27,789	10,418	6,005
Accumulated deficit	8, E	(35,061)	(67,404)	(40,210)	(32,343)	(27,194)
Total equity		**401,721**	**406,081**	**392,520**	**4,360**	**13,561**

9.10.3 STATEMENT OF CASH FLOW VARIANCES

	Variance note	Estimate 2025 $000	Actual 2025 $000	Actual 2024 $000	Variance Est to 2025 $000	Variance 2025–2024 $000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Receipts from external customers		124,637	118,716	122,626	(5,921)	(3,910)
Interest received		43	1,251	517	1,208	734
Other receipts		988	1,045	916	57	129
Total receipts		**125,668**	**121,012**	**124,059**	**(4,656)**	**(3,047)**
Payments						
Payments for employee benefits	1	(24,660)	(22,362)	(21,607)	2,298	(755)
Payments to suppliers	2	(20,762)	(26,195)	(28,319)	(5,433)	2,124
Forest management expenditure	3, A	(112,280)	(90,113)	(75,896)	22,167	(14,217)
Total payments		**(157,702)**	**(138,670)**	**(125,822)**	**19,032**	**(12,848)**
Net cash from/(used) in operating activities		**(32,034)**	**(17,658)**	**(1,763)**	**14,376**	**(15,895)**
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of non-current physical assets		-	706	1,223	706	(517)
Purchase of non-current physical assets		(1,814)	(643)	(213)	1,171	(430)
Softwood estate expansion	B	(27,701)	(25,840)	(64,586)	1,861	38,746
Investment in new plantations	4, C	(17,631)	(13,575)	(8,423)	4,056	(5,152)
Net cash used in investing activities		**(47,146)**	**(39,352)**	**(71,999)**	**7,794**	**32,647**
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Lease payments		(950)	(1,177)	(931)	(227)	(246)
Net cash used in financing activities		**(950)**	**(1,177)**	**(931)**	**(227)**	**(246)**
CASH FLOWS FROM STATE GOVERNMENT						
State Contribution/(repayment)	5, D	-	(5,107)	(490)	(5,107)	(4,617)
State Contribution (equity injection)	E	37,255	34,750	80,948	(2,505)	(46,198)
Other grants and subsidies	6, F	40,654	27,902	9,020	(12,752)	18,882
Net cash provided from State Government		**77,909**	**57,545**	**89,478**	**(20,360)**	**(31,933)**
Net (decrease)/increase in cash and cash equivalents		(2,221)	(642)	14,785	1,579	(15,427)
Cash and cash equivalents at the beginning of the period		30,243	30,243	15,458	-	14,785
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**28,022**	**29,601**	**30,243**	**1,579**	**(642)**

9.10.4 SIGNIFICANT VARIANCES BETWEEN ESTIMATE AND ACTUAL FOR 2025 AND/OR BETWEEN ACTUALS FOR 2025 AND 2024:

Statement of Comprehensive Income

Variances between estimate and actual ($000's)

1. Other income was lower than the estimate reflecting reduced native forest regeneration activities which are recouped from Treasury and recognised as other income.
2. Production expenses were lower than estimate reflecting lower ecological thinning volumes produced and expenses relating to lower roading activities than estimated.
3. Supplies and services were lower than estimated due to reduced DBCA provided plantation related activities, professional fees and costs associated with plantation establishment activities.
4. Depreciation and amortisation expense was lower than estimate due to an adjustment relating to nursery infrastructure depreciation not included in estimates.
5. Other expenses were higher than estimate due to payments made to Treasury for revenue associated with the sales of ecological thinning products not included in estimates.
6. Net movement in biological assets was higher than estimate reflecting a revaluation of softwood plantation standing timber in 2025. An independent valuation decrement resulted from an increased discount rate and recognition of drought impacted plantations, partially offset by positive changes to market values.
7. Grants and subsidies from State Government were lower than estimate due to lower ecological thinning volumes produced. The costs associated with ecological thinning activities are recouped from Treasury.
8. FPC has recognised tax benefit in the current year compared to the tax expense estimated. This is resulting from actual net loss against an estimated net profit result.

Variances between 2025 and 2024 ($000's)

A. Commonwealth grants and contributions were lower this year compared to 2024 due to Australian Carbon Credit Units were granted in 2024 only.

B. Production expenses were higher this year compared to 2024 reflecting direct costs associated with higher softwood plantation sales volumes and increased delivery distances of product to customers in 2025.

C. Supplies and services were lower this year compared to 2024 due to reduced DBCA costs no longer incurred following cessation of commercial native forestry.

D. Depreciation and amortisation expense was lower this year compared to 2024 reflecting an adjustment relating to nursery infrastructure depreciation recognised for the first time in 2025.

E. Other expenses were higher this year compared to 2024 reflecting a full year of payments made to Treasury to return revenue associated with the sale of ecological thinning products.

F. Net movement in biological assets was higher this year compared 2024 reflecting a revaluation of softwood plantation standing timber in 2025. A higher independent valuation decrement in 2025 resulted from an increased discount rate and recognition of drought impacted plantations, partially offset by positive changes to market values.

G. Grants and subsidies from State government were higher in the current year compared to 2024 reflecting a full year of recoupments from Treasury for ecological thinning activities following the cessation of commercial native forest harvesting in January 2024.

H. Income tax benefit was higher this year compared to 2024 reflecting a higher net loss before tax in 2025.

Statement of Financial Position

Variances between estimate and actual ($000's)

1. Biological assets (current) was higher than estimate reflecting an independent valuation of the value of softwood plantation timber expected to be harvested within the next 12 months.
2. Other current assets were higher than estimate due to the recoupment of current assets relating to the recoupment of costs associated to ecological thinning activities not included in estimates.
3. Property, plant and equipment, and infrastructure assets were higher than estimate due to an independent revaluation of land by Landgate in 2025 which resulted in an increase in the carrying value of land not included in estimates.
4. Deferred tax assets were lower than estimate as these assets were derecognised in 2025. The derecognition of deferred tax assets is not included in estimates.
5. Biological assets (non-current) was lower than estimate reflecting a revaluation of softwood plantation standing timber in 2025. An independent valuation decrement resulted from an increased discount rate and recognition of drought impacted plantations, partially offset by positive changes to market values.
6. Higher than estimated payables relate to amounts owing to DBCA for forest management activities and accrued expenses relating to harvesting activities not included in estimates.
7. Reserves were higher than estimate due to an independent revaluation of land by Landgate in 2025 which resulted in an increase in the carrying value of land not included in estimates.
8. Accumulated deficit was greater than estimate reflecting the value of net loss in 2025 not included in estimates.

Variances between 2025 and 2024 ($000's)

A. Property, plant and equipment, and infrastructure assets were higher in the current year compared to 2024 due to a combination of new land purchased in 2025 and an independent revaluation of land by Landgate in 2025 which resulted in an increase in the carrying value of existing land.

B. Biological assets (non-current) were lower in the current year compared to 2024 reflecting a revaluation of softwood plantation standing timber in 2025. An independent valuation decrement resulted from an increased discount rate and recognition of drought impacted plantations, partially offset by positive changes to market values.

C. Payables were higher in the current year compared to 2024 due to amounts owing to DBCA for forest management activities and accrued expenses relating to harvesting activities.

D. Reserves were higher in the current year compared to 2024 due to an independent revaluation of land by Landgate in 2025 which resulted in an increase in the carrying value of land.

E. Accumulated deficit was greater in the current year compared to 2024 reflecting the value of net loss in 2025.

Statement of Cash Flows

Variances between estimate and actual ($000's)

1. Payments for employee benefits were lower than estimate due to vacant positions that remained unfilled during portions of the year.
2. Payments to suppliers were higher than estimate relating to outstanding accrued amounts from prior year not included in current year estimates.
3. Payments for forest management expenditure were lower than estimate reflecting lower ecological thinning volumes produced and lower payments associated with roading activities.
4. Payments for investment in new plantations were lower than estimate due to lower than estimated plantation areas established during the year.
5. State contribution repayment was not included in the estimate. The actual payment in 2025 relates to the return of revenue to Treasury for sales generated from ecological thinning activities.
6. Receipts for other grants and subsidies were lower than estimate due to lower ecological thinning volumes produced. The costs associated with ecological thinning activities are recouped from Treasury.

Variances between 2025 and 2024 ($000's)

A. Payments for forest management expenditure were higher this year compared to 2024 reflecting higher payments for direct cost associated with higher softwood plantation sales volumes and increased delivery distances of product to customers in 2025.

B. Payments for softwood plantation expansion were lower in the current year compared to 2024 due to reduced area and value of new land purchased in 2025.

C. Payments for investment in new plantation were higher in the current year compared to 2025 due to a larger plantation area established in the current year. Plantation areas established included new land which purchased in the prior year.

D. State contribution repayments were higher in the current year compared to 2024 reflecting a full year of payments for revenue returned to Treasury for ecological thinning activities following the cessation of commercial native forest harvesting in January 2024.

E. Receipts for State contribution/(equity injection) were lower in the current year compared to 2024 relating to the softwood plantation expansion program. Fewer hectares of new plantations were purchased in the current year which are funded by equity injections from Treasury.

F. Receipts for other grants and subsidies were higher in the current year compared to 2024 reflecting a full year of receipts relating to recoupments from Treasury for ecological thinning activities following the cessation of commercial native forest harvesting in January 2024.

Key performance indicators

Certification of the key performance indicators

Certification of the key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess FPC's performance and fairly represent the performance of the Commission for the financial year ended 30 June 2025.

Ms Debra Blaskett
Chair

11 September 2025

Ms Stephanie Black
Commissioner
Chair Audit and Risk Committee

11 September 2025

Key performance indicators

With the end of commercial native forestry in 2023, FPC changed its Key Performance Indicators (KPI) that were no longer relevant to the new operating model under the Forest Management Plan 2024-2033. Coupled with this, the passing of the *Government Trading Enterprises Act 2023* (GTE Act), which was introduced to consolidate the governance requirements of GTEs, also required new KPIs to be reported in 2023-2024.

While the KPIs required by the GTE Act do not yet apply to FPC, FPC has been working with Treasury to align new KPIs with the GTE Regulations, and FPC's Outcomes Based Management Framework was changed to report against new KPIs in 2023-2024. The new KPIs for all GTEs are based on five areas: Occupational Safety and Health, Customer Service, People and Diversity, Environmental Impact, Efficiency and Effectiveness with KPI's associated with these areas.

Comparative information is included in the subsequent pages.

Area	KPI	Target 2024-2025	Actual 2024-2025
Occupational health and safety	Lost time injury and disease frequency rate	7.4%	13.46%
	Lost time injury and disease severity rate	0	2
Customer service	Complaint resolution rate	100%	100%
Environmental impact	Net greenhouse gas emissions	Exempt for financial year 2024-2025	Exempt for financial year 2024-2025
People-Diversity	Aggregated diversity score	85.0%	77.5%
	Voluntary turnover rate	12.0%	13.0%
Efficiency and effectiveness	Operating margin	3.0%	1.4%
	Return on assets	1.0%	0.3%

Performance management framework

State Government goals

1: Strong and sustainable finances
Responsible, achievable, affordable budget management

2: WA jobs plan
Diversifying the WA economy, creating local jobs for the future

3: Investing in WA's future
Tackling climate action and supporting the arts, culture and sporting sectors to build stronger communities and robust bushfire mitigation and frontline resources

Our strategic goals

G1: Perform functions in a responsible and cost-efficient manner

G2: Vibrant forest industry creating local jobs

G3: Healthy forests sequestering carbon

Key performance indicators

Outcome: Occupational Health and Safety

Time Injury and Disease Frequency Rate
Lost Time Injury and Disease Severity Rate

Outcome: Customer Service

Complaint Resolution Rate

Outcome: People and Diversity

Voluntary turnover rate
Aggregated Diversity Score

Outcome: Environmental Impact

Net greenhouse gas emissions

Outcome: Efficiency and Effectiveness

Operating margin
Return on assets

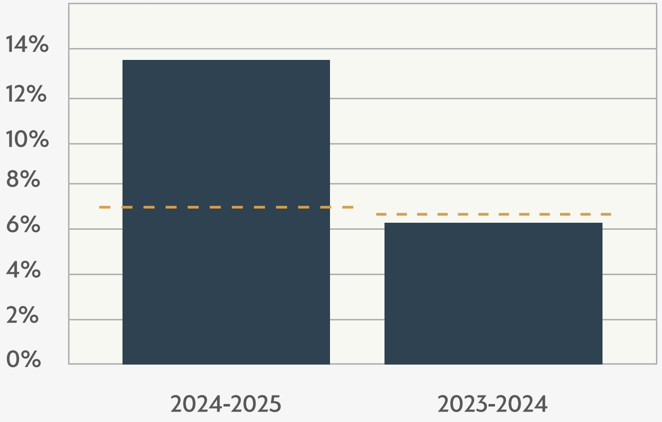
Key performance indicators

Occupational health and safety

Lost time injury and disease frequency rate

The Lost Time Injury and Disease Frequency Rate (LTIDFR) is the number of lost time injuries ÷ hours worked (1 July 2024 to 30 June 2025) × 1,000,000.

FPC recorded four lost time injuries in 2024–2025, compared to two in 2023–2024. Of the four recorded lost time injuries, two involved extended absences exceeding 60 days, including a shoulder injury from a slip and a psychosocial incident. The other two incidents included a casual nursery employee dislocating their knee and an employee having their eyes sprayed with fuel while refuelling firefighting equipment. This increase accounts for the rise in the LTIDFR to 13.46, which is above the industry average benchmark.

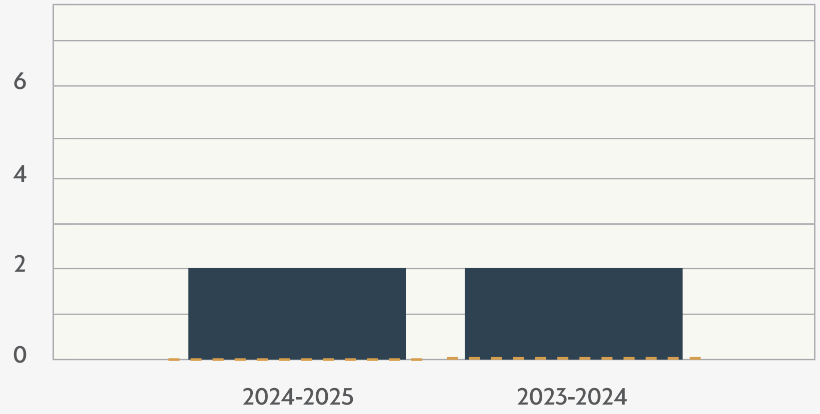


	2024-2025	2023-2024
Target	7.4%	6.58%
Actual	13.46%	6.39%

Lost time injury and disease severity rate

The Lost Time Injury and Disease Severity Rate (LTIDSR) is the number of severe lost time injuries and diseases (actual or estimated 60 days or more lost from work).

The actual 2025 LTIDSR is above target with two of the four recorded lost time injuries involving extended absences exceeding 60 days. This remains consistent with the prior year.

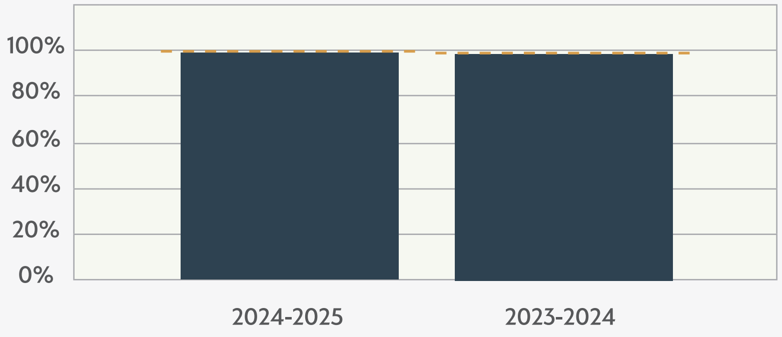


	2024-2025	2023-2024
Target	0	0
Actual	2	2

Customer service

Complaint resolution rate

Providing a timely response is an important part of effectively managing complaints and concerns from stakeholders. FPC aspires to work constructively with all stakeholders to address any raised issues within a reasonable timeframe. In terms of reporting, FPC has set a target that 100 per cent of complaints or concerns will be resolved within two months of the initial receipt. This was achieved in 2024–2025.



Target	100%	100%
Actual	100%	100%

Environmental impact

Net greenhouse gas emissions

FPC has been provided an exemption from the Under Treasurer from reporting net greenhouse gas emissions for 2024–2025, as the reporting and auditing requirements for climate reporting for the WA Public Sector are not finalised.

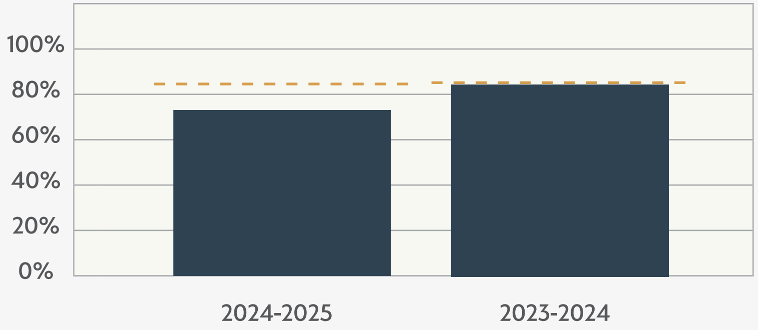
Target	Actual
Exempt for financial year 2024-2025	Exempt for financial year 2024-2025

People-Diversity

Aggregated diversity score

In 2024-2025 FPC used a baseline measure of FPC actual performance against aspirational targets in the Workforce Diversification and Inclusion Strategy for WA Public Sector Employment (WDISPSE). This composes a score based on employment participation across gender, Aboriginal and Torres Strait Islander, cultural diversity, youth and disability targets

FPC recorded an aggregated diversity score of 77.5 per cent in 2024–2025, attributed to a lower headcount and a marginal increase in permanent exits.

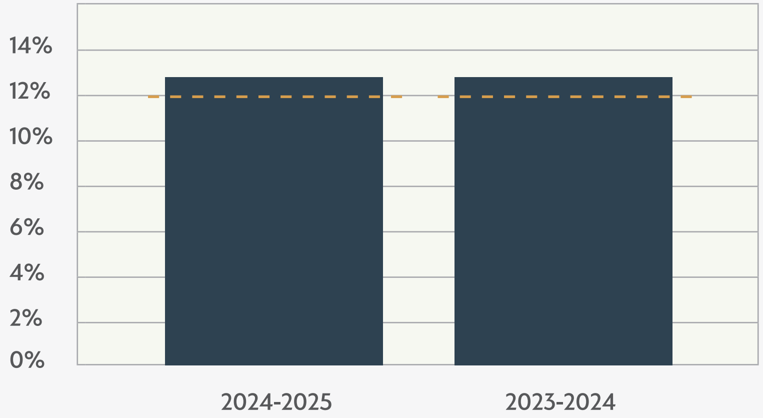


Target	85.0%	85.0%
Actual	77.5%	85.8%

Voluntary turnover rate

The voluntary turnover rate target is informed by the Western Australian Public Sector historic permanent exists and FPCs actual historic permanent exists.

19 permanent staff left the organisation in 2024-2025, representing 13.5 per cent of the permanent workforce.



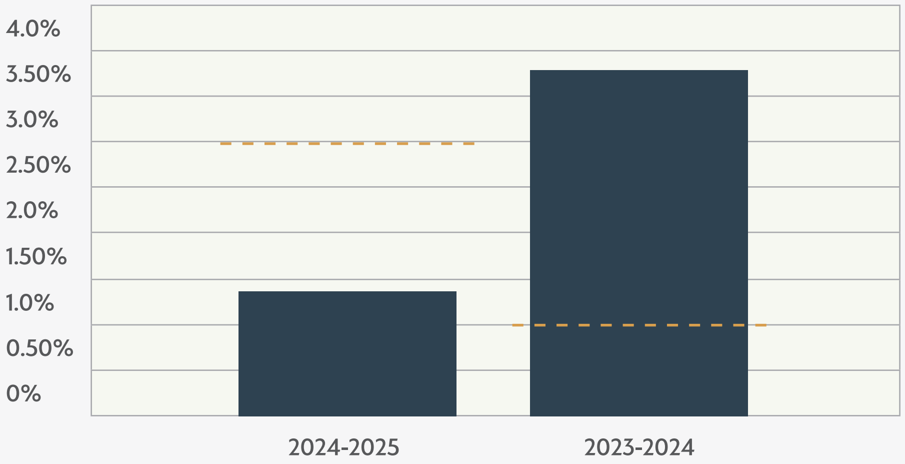
Target	12.0%	12.0%
Actual	13.0%	13.2%

Efficiency and effectiveness

Operating margin

FPC aims to continuously improve our operating margin as a measure of our efficiency and effectiveness of financial management and business operations. The target is based on a three year average of our operating margin.

While lower than target and the prior year, the operating margin remains positive. This year, the operating margin was impacted by increased costs associated with drought mitigation activities.

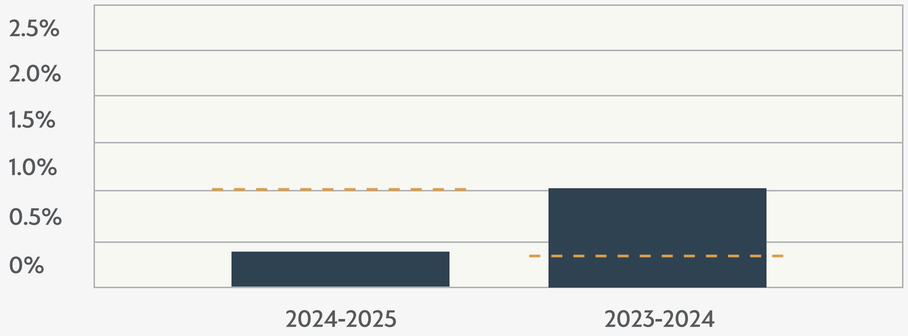


Target	3.0%	1.1%
Actual	1.4%	3.8%

Return on assets

FPC aims to continuously improve our return on assets as a measure of our efficiency and effectiveness of financial management and business operations. The target is based on a three year average of our return on assets.

While lower than target and the prior year, the return on assets remains positive. This year, decrease in return on assets compared to the target and prior year was due to increased land purchases to support softwood planation expansion and an increase in the value of existing land.



Target	1.0%	0.3%
Actual	0.3%	1.0%

Disclosures


JOHN DEERE
F17

Disclosures and legal compliance

Administered legislation

FPC is governed by the *Forest Products Act 2000* and the Forest Products Regulations 2020.

We comply with all other relevant legislation.

Ministerial directives

No Ministerial directives under the Act were received during the 2024–2025 reporting period.

Governance disclosures

Contracts with senior officers
No senior officers had any interests in existing or proposed contracts with FPC, other than normal employment contracts.

Commissioners

FPC governing body is a commission of seven commissioners appointed by the Governor, on the Minister for Forestry's recommendation.

The Governor appoints a Chair and Deputy Chair from the commissioners. Commissioners may hold office for up to three years and are eligible to be reappointed. Profiles of the commissioners can be found on the commissioners' page.

Committees

Audit and risk
The Audit and Risk Committee is responsible for making recommendations to the Commission on the adequacy of internal and external audit arrangements, financial statements, financial administration policies, internal control systems, business policies and practices, compliance with laws, monitoring business risk and reporting procedures. Members of the committee include Stephanie Black (Chair), Debra Blaskett and Graeme Harris. The committee held four formal meetings.

People, safety, environment and community
The People Safety, Environment and Community Committee has oversight of FPC's corporate culture, people and leadership, and the health, wellbeing and safety of FPC staff and contractors, and ensures that FPC's values and decisions build community trust. Members of the committee included Simon Byrne (Chair) Vanessa Martin, Shayanna Duncan and Joanne Hill. The committee held four formal meetings.

Commission meetings and remuneration

The role and functions of the Commission are set out in The *Forest Products Act 2000* and the Commission is subject to the provisions within the *Statutory Corporations (Liability of Directors) Act 1996*. The Commission is responsible for the performance of FPC's statutory functions and determines its strategic direction.

The Commission met formally seven times in 2024-2025.

The Act requires Commissioners to disclose the nature of all material of personal interest in a matter being considered or about to be considered by the Commission as soon as possible after the relevant facts have come to the knowledge of the Commissioner.

Position title	Member name	Period of membership	Base salary/ sitting fees	Gross/actual remuneration for financial year
Chair	Debra Blaskett	1 July 2024 – 30 June 2025	$60,000	$60,000
Commissioner	Vanessa Martin	1 July 2024 – 30 June 2025	$30,000	$30,000
Commissioner	Simon Byrne	1 July 2024 – 30 June 2025	$30,000	$30,000
Commissioner	Stephanie Black	1 July 2024 – 30 June 2025	$30,000	$30,000
Commissioner	Graeme Harris	1 July 2024 – 30 June 2025	$30,000	$29,769
Commissioner	Shayanna Duncan	1 July 2024 – 30 June 2025	$30,000	$29,769
Commissioner	Joanne Hill	1 July 2024 – 30 June 2025	$30,000	$29,769

Note: The following payments were made in 2024-2025 to Commissioners who ceased their appointments in 2023-2024:

- Robert Pearce – $346.16 (cessation date: 25 June 2024)
- Stan Liaros – $346.16 (cessation date: 25 June 2024)

Other legal requirements

Freedom of information

The *Freedom of Information Act 1992* (FOI Act) enables the public to apply for access to documents held by FPC.

Guidance on how to apply, and obtain, requested documents is set out in FPC's Information Statement, which is available to the public on FPC's website. The information statement is prepared in accordance with the requirements of the FOI Act and provides guidance in obtaining access to documents held by FPC.

FPC received five applications during the 2024-2025 financial year.

Public interest disclosure

In accordance with the *Public Interest Disclosure Act 2003*, a public interest disclosure (PID) is made when a person discloses to a proper authority, such as a PID officer, information that tends to show past, present or proposed future improper conduct by a public body in the exercise of public functions. Public interest disclosure officers for FPC have been appointed. Internal procedures relating to our obligations under the PID Act have been implemented. During the year, no public interest disclosures were received by FPC.

Compliance with public sector standards and ethical codes
FPC works within the Public Sector Commission's integrity, ethics and accountability framework. FPC ensures compliance with the:

- FPC Code of Conduct
- WA Public Sector Code of Ethics
- Integrity Strategy for WA Public Authorities
- Public sector standards in human resource management
- Relevant awards, agreements and policies.

All FPC staff are required to undertake regular integrity refresher training, with new staff required to complete a full session tailored specifically to FPC's business needs. In 2024, in line with Commissioner's Instruction 40: Ethical Foundations, FPC's Code of Conduct was reviewed and updated, with all staff required to sign a revised declaration to acknowledge the new edition.

Information management

State Records Act 2000
FPC's Recordkeeping Plan sets out our intention to further develop and implement policies and procedures for the management of digital records in conjunction with reviewing FPC's business classification to incorporate it into the future digital landscape.

The following information is provided in accordance with the *State Records Act 2000* Section 61 and the State Records Commission Standard 2, Principle 6.

Efficiency and effectiveness of FPC's Information Management Systems and Practices
Ongoing monitoring, reviewing and evaluation ensures the efficiency and effectiveness of FPC's information management systems and practices.

Record keeping is regularly incorporated in our information management, environmental management system and independent forest certification external audits to ensure compliance with the relevant standards. The audit requirements have been either met or areas highlighted for improvement.

Training and induction program
To ensure all FPC employees are fully aware of their roles and responsibilities and understand what is required in Government recordkeeping, they must be provided with appropriate training. All new and existing FPC employees must complete:

- The mandatory online Information Management training.
- Electronic document and record management system (EDRMS) training.

Ongoing refresher training is also regularly provided.

FPC's Recordkeeping Plan, policy, procedures and work instructions are available to staff via FPC's intranet.

Disability Access and Inclusion Plan 2020-2025

FPC continues to commit to initiatives set out in the Disability Access and Inclusion Plan 2020 – 2025 (DAIP) to ensure people with disability have the same access to FPC's buildings, information, stakeholder consultation and recruitment processes as anyone else.

Measures include, for example, providing disability access to FPC's buildings, raising awareness of people with disability in FPC's induction process and ensuring that FPC's website is accessible for people with disability.

The plan will be reviewed and updated in 2025.

Reportable expenditure

In accordance with section 175ZE of the Electoral Act 1907, FPC incurred the following expenditure in advertising, market research, polling, direct mail and media advertising. Total expenditure for 2024-2025 was $11,100.00 (including GST).

Expenditure type	Organisation	Amount	Total
Advertising agencies		$0	$0
Market research agencies		$0	$0
Polling organisations		$0	$0
Direct mail organisations		$0	$0
Media advertising organisations			
	Initiative Media Australia Pty Ltd	$9,986	$10,985
	Timber Media Australasia Pty Ltd	$60	$66
Total		**$10,046**	**$11,051**

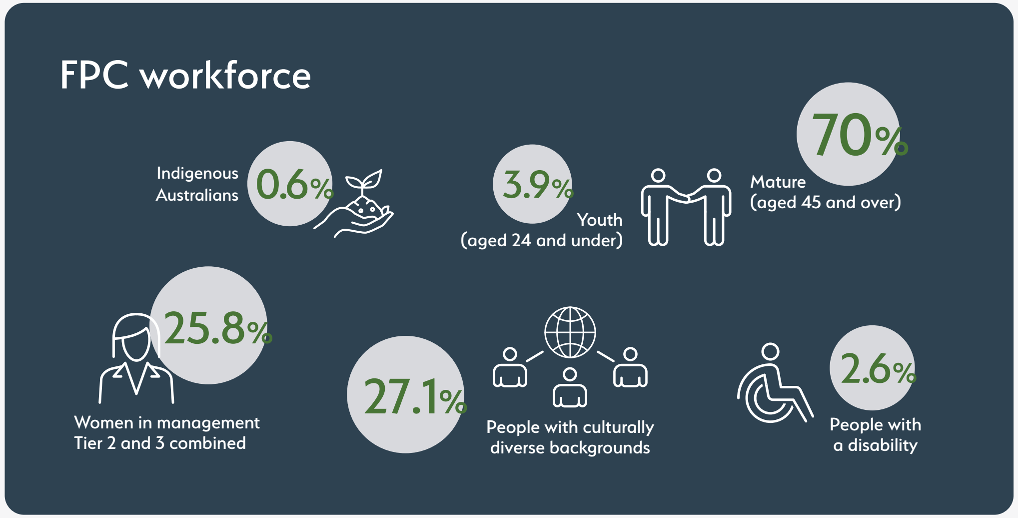
*Includes recruitment advertising costs as well as public notices related to forest operations.

Government policy requirements

Workforce profile

FPC is actively driving workforce diversity through targeted strategies and initiatives designed to build a more inclusive and representative organisation. As of June 2025, the composition of our workforce is outlined below, benchmarked against broader WA public sector diversity profiles.

Category	FPC	WA public sector target
Women in management Tier 2 and 3 combined	25.8%	50%
Indigenous Australians	0.6%	3.70%
People with culturally diverse backgrounds	27.1%	15.50%
People with a disability	2.6%	5%
Youth (aged 24 and under)	3.9%	5.8%
Mature (aged 45 and over)	70%	No set target



WA Multicultural Policy Framework

FPC developed a new Multicultural Plan 2024-2027. The plan provides for a continuation of strategies to promote and improve inclusiveness and meet the needs of people from CALD backgrounds. New initiatives include the publishing of the Growing Together 2025: A year of Wellbeing and Inclusion calendar providing staff with significant dates and events.

Workforce inclusivity

At FPC we are committed to fostering a workplace culture that prioritises diversity, inclusion and respect ensuring every individual feels valued, safe and supported.

Throughout 2024-25, our Diversity and Inclusion Program facilitated a range of initiatives, including recognition of significant cultural days such as Harmony Day, targeted wellbeing webinars, staff awareness events and onsite access to professional EAP counselling in all regional offices.

Staff input was actively sought on future initiatives, including through our People Engagement Forum. Our program of actions to grow diversity and inclusiveness at work strengthened our collaboration and performance across FPC.

Occupational safety, health and injury management

FPC is committed to providing safe and healthy working conditions to prevent work-related injury and ill health; eliminating hazards and reducing occupational health and safety risks; and consultation and participation of workers. This commitment is embedded in FPC Policy 3 Work Health and Safety.

As a priority, we are focused on the elimination of high consequence, low frequency life-changing events - specifically those that may result in loss of life or permanent disability - while systematically reducing all injuries. To achieve this, we have invested in the development and implementation of a Critical Risk Management (CRM) Program. This targeted safety initiative is designed to build awareness and a better understanding across our business of the critical risk activities that exist within the agency. In November 2024, a review confirmed a total of twelve critical risks relevant to our business activities.

The next stage of the program involves strengthening the existing suite of critical controls and identifying any additional preventative and mitigative control standards needed to protect our people, contractors, and members of the public from serious harm. The CRM Program complements broader initiatives to address psychosocial hazards in the workplace and reflects our commitment to continuous safety improvement.

In 2024 the Forest Industries Federation WA (FIFWA) Forestry Safety Code was launched by the Minister for Forestry. This was co-funded by FPC and provides a critically important guide on workplace health and safety in forestry operations, highlighting potential hazards and providing direction on risk assessment and control measures. The Code is the first of its kind in WA, encompassing all aspects of the forest industry, including plantation establishment, maintenance, harvesting operations, loading, chemical handling, fire management and in-field chipping operations.

The Professional Freight Task Management Program, run by the Australian Forest Contractors Association (AFCA), also addresses the 'human factor' in safety risks, such as fatigue, inattention and complacency, while also focusing on Chain of Responsibility legislation, driver wellbeing, situational awareness and driver safety. This program is a proven safety initiative to mitigate the risk of high potential haulage incidents. In July 2024, 226 contractor workers and FPC staff attended this annual training program.

Occupational Safety, Health and Injury Management Performance Summary

The table below presents a summary of key occupational safety, health and injury management performance indicators reported over the past five years. These indicators are aligned with the requirements of the Public Sector Commissioner's Circular and demonstrate the Forest Products Commission's commitment to monitoring and improving workplace health and safety outcomes over time.

Where applicable, performance is benchmarked against defined targets or industry expectations. Indicators include workplace injury statistics, return-to-work outcomes, and management training in safety responsibilities. This summary complements the KPI section by providing additional longitudinal context to the organisation's safety culture and practices.

Occupational safety, health and injury management performance summary

Measures	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	Targets
Number of fatalities	0	0	0	0	0	0
Lost time injury and disease incidence rate	3	1	2	1	2.4	0 or 10% reduction in incidence rate
Lost time injury and severity rate	0%	0%	0%	50%	50%	Actual occurrence rates
Percentage of injured workers returned to work (i) within 13 weeks	100%	100%	100%	50%	50%	Actual occurrence rates
Percentage of injured workers returned to work (ii) within 26 weeks	100%	100%	100%	50%	50%	Actual occurrence rates
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	19%	38%	38%	35%	62%	Greater than or equal to 80%

Unauthorised use of credit cards

Officers of FPC hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under the Agency's credit card policy, one employee inadvertently used the corporate credit card for expenditure at an event that they were not attending in an official capacity. The matter was not referred for disciplinary action as the Chief Financial Officer noted prompt advice and settlement of the personal use amount, and that the nature of the expenditure was immaterial and characteristic of an honest mistake.

	2024-2025
Number of instances the Western Australian Government purchasing cards have been used for personal purposes	1
Aggregate amount of personal use expenditure for the reporting period	$18.20
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	0
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	0
Aggregate amount of personal use expenditure remaining unpaid at the end of the reporting period*	$18.20
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	0

*Personal use expenditure occurred 25 June 2025

Contacting FPC

Perth

Level 7, 233 Adelaide Terrace
Perth WA 6000
Locked Bag 888
PERTH BC WA 6849
Phone: (08) 9363 4600

www.fpc.wa.gov.au
info@fpc.wa.gov.au

Albany

444 Albany Highway
Albany WA 6330

Phone: (08) 9845 5630

Bunbury

Level 2, 61 Victoria Street
Bunbury WA 6230

PO Box 236
Bunbury WA 6231

Phone: (08) 9725 5288

Esperance

Lot 617 Harbour Road
Esperance WA 6450

PO Box 1955
Esperance WA 6450

Phone: 0427 999 433

Harvey

64 Weir Road
Harvey WA 6220

PO Box 499
Harvey WA 6220

Phone: (08) 9782 4444

Kalgoorlie

25 Forrest Street
Kalgoorlie WA 6430

PO Box 10484
Kalgoorlie WA 6433

Phone: (08) 9782 4444

Manjimup

Brain Street
Manjimup WA 6258

Locked Bag 6
Manjimup WA 6258

Phone: (08) 9777 0988

Nannup

Warren Road
Nannup WA 6275

Phone: (08) 9756 3788

West Manjimup

150 Burnside Road
West Manjimup WA 6258

Locked Bag 6
Ringbark WA 6258

Phone: (08) 9772 0377