



Forest Products Commission
Statement of Corporate Intent 2025-2026



fpc Forest Products
Commission

About the FPC



Minister for Forestry

The record investment by Government of \$350 million dollars over ten years to secure WA's softwood pine plantation estate is moving into an exciting phase of growth. New plantations continue to be established at increasing rates with over 7,000 hectares of plantable freehold land already added to the FPC estate.

In addition, the Government has delivered on its commitment to end commercial logging in WA's native forests from 2024, becoming one of the first Australian states to do so.

Under the new Forest Management Plan 2024-2033 (FMP), timber is only taken from WA's native forests from ecological thinning operations that have a goal of maintaining and enhancing forest health, and from approved mine site operations.

Under the new ecological thinning approach the FPC works with the Department of Biodiversity, Conservation and Attractions to implement the prescriptions required to deliver the associated forest health outcomes.

The FPC continues to capably and effectively undertake its forestry activities, supporting the Government's goals and delivering much needed timber products to local communities and industries.

HON JACKIE JARVIS MLC
MINISTER FOR FORESTRY



Chair

The FPC continues to support the State Government's efforts to manage the impacts on forest health from climate change.

The implementation of our Climate Change Action Policy will bring together the adaptation targets and actions that we will undertake in order to tackle climate change, build resilience and minimise the vulnerability of our plantations and operations to the emerging new climatic conditions.

The new Forest Management Plan has altered the FPC's role in the forest industry and shifted our focus to investing in sustainably managed softwood plantations. This shift required our strategic and operational plans to align with the new direction of the organisation.

These changes have informed and shaped our new corporate structure which will enable the FPC to effectively manage the transformation of our core business as we move into the future.

I look forward to overseeing the positive impacts this new direction has on our forests, our forest industry and our regional communities in the southwest of our State.

MS DEBRA BLASKETT
CHAIR

About the FPC



Chief Executive Officer

This SCI outlines the important role of the FPC in supporting the thousands of jobs in WA’s timber and construction industry that depend on the renewable supply of Western Australian timber products.

The safety of our employees, contractors and the public remains a priority focus of our strategy as we transform our business. We will continue to engage with the Forest Industries Federation of Western Australia (FIFWA), the Australian Forest Products Association and the Community and Public Sector Union/Civil Service Association on all Occupational Health and Safety matters.

The recent update to the FIFWA Forest Industry Safety Code, which was developed in collaboration with industry stakeholders, as well as going through a public consultation, was a very positive step forward for our industry and FPC was proud to be able to provide 50% of the funding for this important initiative.

Given the FPC undertakes its operations in our State’s forests, we have much to learn from the Traditional Owners of this land. As we evolve as a business, the FPC will continue to develop and strengthen our relationships with First Nations people and walk on a shared path of reconciliation.

MR STUART WEST
CHIEF EXECUTIVE OFFICER



A key issue for the FPC is securing the State’s plantation estate.

About the FPC

About the Forest Products Commission

The FPC is a Statutory Corporation and reports to the State Government through the Minister for Forestry. The FPC is governed by the *Forest Products Act (2000)*, the *Forest Products Amendment Act 2022* and the *Forest Products Regulations 2020*.

The FPC operates within the broader Government Policy Framework and contributes to achieving the State Government's goals by working with other Government departments and stakeholders to facilitate a vibrant and enduring forest industry. It contributes to Western Australia's (WA) forest products sector using forest products from land owned and managed by the State or from other approved clearing activities.

In addition to establishing and managing the State's softwood plantation estate, the FPC also supports forest health outcomes by managing ecological thinning activities in accordance with the FMP. Focus continues to be placed on supporting Aboriginal economic development through the sandalwood industry and using newly established softwood plantations to sequester carbon.

Our vision

To build and maintain an environmentally and socially responsible forest products industry that is financially viable and provides economic and social benefits to the people of Western Australia, particularly in regional areas through:

- delivering healthy forests for future generations; and
- ensuring efficient, effective and safe delivery of business outcomes.

Our structure



About the FPC

Regulatory environment

The FPC's core activities of harvesting and managing pine plantations on public land are regulated by the Department of Biodiversity, Conservation and Attractions (DBCA). The FPC also undertakes ecological thinning for forest health in native forests under a Service Level Agreement (SLA) with DBCA. The principal mechanism that sets management standards for the southwest forests of WA is the FMP, which is prepared by the Conservation and Parks Commission (CPC) and DBCA.

The FPC also operates on private land governed by various State and Federal laws, policies and industry codes of practice. Sandalwood harvesting is regulated under the *Biodiversity Conservation Act 2016* and the *Biodiversity Conservation Regulations 2018*.

Operating environment

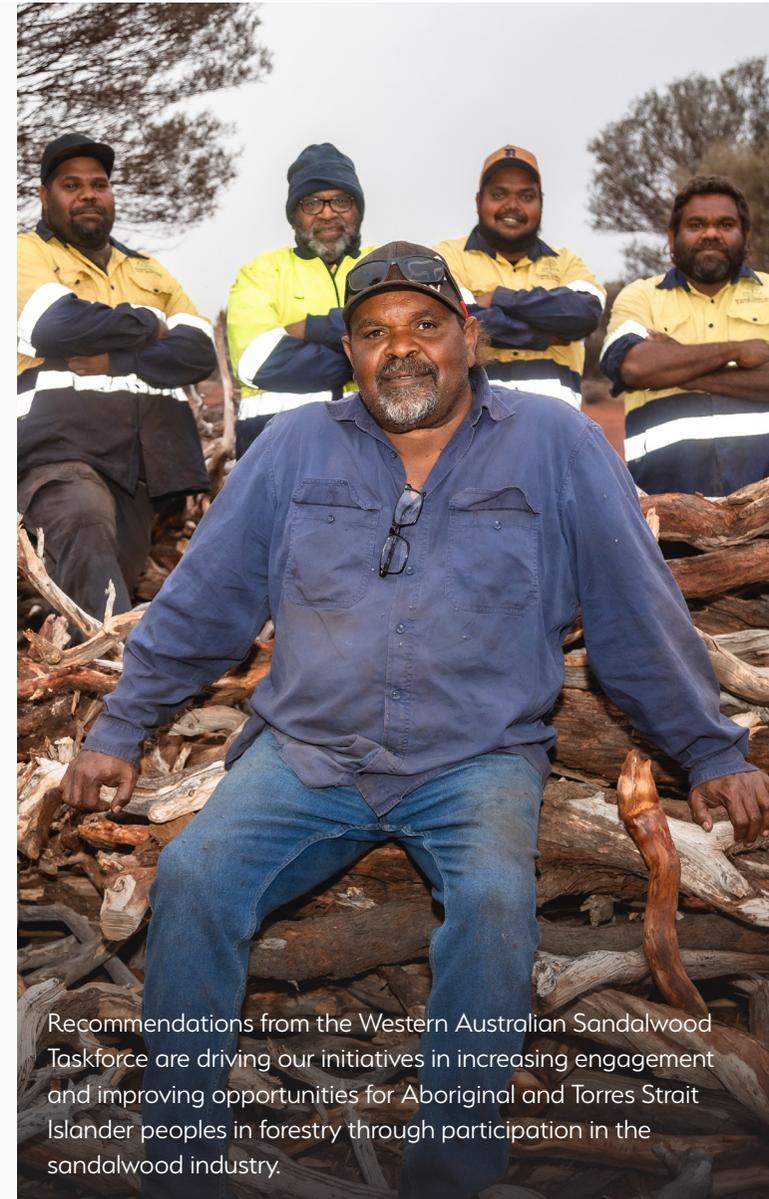
The FPC's operations include plantation and sandalwood business segments as well as providing services to DBCA for their ecological thinning program. Each segment has a unique context that impacts the associated operating environment. The FPC has pivoted its business model to the new operating environment under the FMP.

The FPC employs approximately 160 people, including non-commercial functions such as ministerial support, policy development, forest education and sponsorship.

Our primary focus on softwood plantation establishment creates both employment and carbon offsets. Supporting the supply of plantation timber for the construction of energy efficient buildings aligns with the State's Wood Encouragement Policy and the WA Climate Policy.

Ecological thinning under FMP and products salvaged from mine site clearing will provide an opportunity to support local processing, manufacturing and consumption, including structural Laminated Veneer Lumber (LVL), high purity silicon for semi-conductors and solar cells, along with the biofuel and firewood markets. The FPC will continue to develop and implement strategies that provide maximum use and local benefit from all salvaged timber.

The Western Australia Sandalwood Taskforce has made recommendations to advance Aboriginal economic development using wild-harvested sandalwood. These recommendations are supported by the FPC through increased engagement and improved opportunities for Aboriginal businesses in the sandalwood industry.



Recommendations from the Western Australian Sandalwood Taskforce are driving our initiatives in increasing engagement and improving opportunities for Aboriginal and Torres Strait Islander peoples in forestry through participation in the sandalwood industry.

About the FPC

Workforce, systems and processes

Ongoing initiatives to support service improvement and efficiency are happening alongside enhanced corporate planning and mapping. A new corporate structure will ensure the efficient allocation of resources and development of the systems, skills and processes to support the future business.

The FPC will continue to implement strategies designed to engage and develop our people and ensure a future-ready workforce. Key challenges for the FPC are to address skill gaps and adapt operations to the changing climate.

Workplace safety and health

Occupational Safety and Health (OSH) initiatives need to be coordinated across all sectors of the forest industry to ensure that standards are applied consistently. The FPC will continue to review resourcing for this important area, including investment in processes that promote and advance safety management systems for FPC employees and contractors.

The FPC continues to collaborate with the AFPA Workplace Health and Safety Sub-committee to positively influence health and safety policy and practice across the whole forest sector.

The FPC in collaboration with FIFWA has developed a WA Forestry Health and Safety Code, aligned with the WA WHS legislation and expanded to include silvicultural operations, as well as provide guidance on human factors such as fatigue management, alcohol and other drugs and psychosocial hazards.

The FPC will develop a Safety Management System aligned to ISO 45001:2018 Occupational Health and Safety Management Systems, to further drive continuous improvement.

The Strategic OSH Committee is focused on the development of a critical risk control management program. The Committee is promoting the adoption of innovations in technology, machinery and equipment to eliminate risks in the industry.

FPC remains well informed of forest industry developments through attendance at national forums and networking with industry via the AFPA Growers chamber and AFPS WHS sub-committee.

Relationship to Government Goals

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 our regions
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

Relationship to Government Goals

Perform functions in a responsible and cost-efficient manner

Delivering outcomes: The FPC will continue to transition and invest in the long-term economic health of the industry.

Strategic Objectives	Outcomes	Key Actions 2025-2026
<p>Operate in a cost-efficient manner.</p> <p>Forestry is a safe place to work.</p>	<p>The FPC's activities will result in:</p> <ul style="list-style-type: none"> • The FPC softwood plantation and sandalwood sectors being financially self-sustaining whilst contributing to the maintenance of forest health, fire risk reduction and delivering benefits to the community. • Adoption of new technologies and improved logistics for more efficient operations. • Contribution to a strong safety culture embedded at all levels of the industry. • Corporate IT, contracts and financial management systems that enable efficient operations. 	<p>The FPC will:</p> <ul style="list-style-type: none"> • Investigate new and emerging technologies in remote sensing to ensure improved plantation management and harvest planning. • Continue the adoption of digital operations planning, implementation and recording to increase operational efficiency and reduce risk of errors or non-compliance. • Work with harvest and haulage contractors to increase driver and road safety. • Ensure contractor compliance with chain of responsibility legislation through advanced electronic delivery note monitoring.

Relationship to Government Goals

Vibrant forest industry creating local jobs

Vibrant forest industry: The FPC will contribute to vibrant and economically diverse regions and a sustainable industry at national, state and regional levels.

Strategic Objectives	Outcomes	Key Actions 2025-2026
<p>Community and industry are effectively engaged and trust the FPC to deliver ecologically sustainable forest management.</p> <p>Forestry adds value to local communities.</p> <p>The FPC contributes to the strength of the forest industry by playing a proactive role in policy development and industry leadership.</p>	<p>The FPC's activities will result in:</p> <ul style="list-style-type: none"> • A sustainable, effective, and efficient plantation forest industry. • Investment in the softwood plantation estate. • Harvesting of the FPC's sandalwood plantations through relationships with Aboriginal peoples. 	<p>The FPC will:</p> <ul style="list-style-type: none"> • Develop and implement a workforce framework to address the skills gap in the forest industry. • Continue to engage with stakeholders and ensure forestry activities are transparent and accountable through monitoring and reporting. • Continue to support ongoing investment in WA's plantation estate through the Softwood Plantation Investment Program with a focus on value for money. • Work with DBCA through an SLA to implement ecological thinning for forest health activities and ensure the recovery of available forest products. • Maximise productivity through the adoption of new technologies and silvicultural improvements. • Contribute to the development of forest management methods that promote forest health. • Develop new markets for products produced from ecologically thinning operations. • Support farm forestry through the provision of information, technical support and initiatives such as the Farm Forestry Assist Program.

Relationship to Government Goals

Healthy forests sequestering carbon

Healthy forests: The FPC will ensure that it upholds the principles of ecologically sustainable forest management.

Strategic Objectives	Outcomes	Key Actions 2025-2026
<p>Ensure planning and harvest activities optimise forest values and deliver sustainable forest management.</p> <p>Ensure sufficient mechanisms are in place to manage and respond to bushfire and other environmental risks.</p> <p>Contribute to state and national policies and projects on climate change mitigation and adaptation.</p>	<p>The FPC's activities will result in:</p> <ul style="list-style-type: none"> • Maintaining forest values including productivity, carbon sequestration and ensure pine resource for the future industry. • Maintaining internationally recognised certification for sustainable forest management. • Industry best practice fire management across the FPC estate and adjoining public land. • A significant contribution to the objectives of the State's Climate Policy. 	<p>The FPC will:</p> <ul style="list-style-type: none"> • Work with industry and DBCA to implement activities under the FMP. • Implement forest management practices which focus on ecological thinning for forest health outcomes under DBCA's prescriptions and guidance. • Continue to monitor forest management outcomes and implement improvements where required. • Work with DBCA and key stakeholders to implement fire mitigation programs. • Implement the FPC's Climate Change Adaptation Policy and supporting strategies and procedures.

Measuring our performance

The FPC is committed to continuous improvement and will proactively manage performance through the appropriate approved key performance indicators (KPIs). Each of the KPIs include a target to gauge performance.

They are:

Occupational Health and Safety

Lost Time Injury and Disease Frequency Rate: Less than industry average 6.58

Lost Time Injury and Disease Severity Rate: 0.0%

Customer Service

Complaint Resolution Rate: 100%

People and Diversity

Voluntary Turnover Rate: 12%

Aggregated Diversity Score: 85

Environmental Impact

Net Greenhouse Gas Emissions: Exempt

Efficiency and Effectiveness

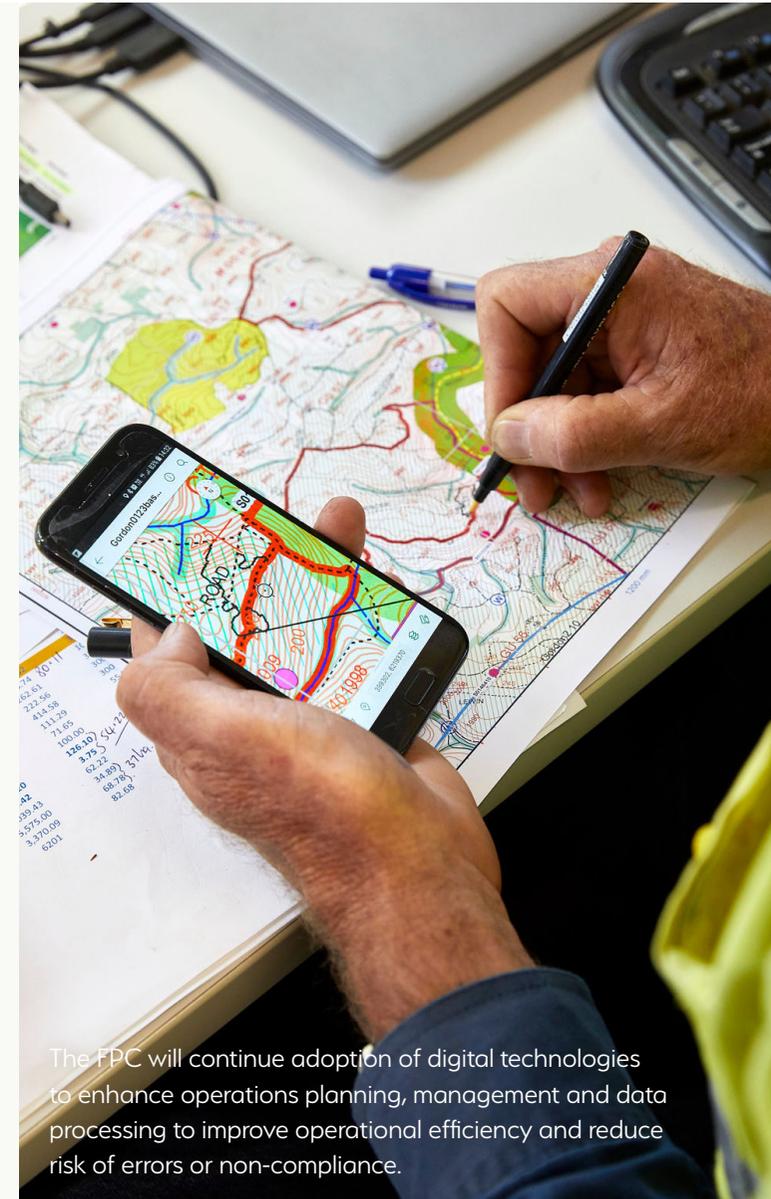
Operating Margin: 1.1%

Return on Assets: 0.3%

The FPC is focused on forest management that delivers social, environmental and economic benefits to Western Australian communities.

This includes contributing to the achievement of the State Government Goals, adhering to the requirements of the FMP and ensuring compliance requirements are met.

Copies of the FPC's core policy and operational documents are available on our website.



The FPC will continue adoption of digital technologies to enhance operations planning, management and data processing to improve operational efficiency and reduce risk of errors or non-compliance.

Financial tables

Table 1

Economic assumptions	Forecast 2025-26
Timber supply	
Plantation ('000 tonnes)	1,062
Native forest ('000 tonnes)	207
Sandalwood ('000 tonnes)	1.4
Forest activity	
Native forest harvested areas (hectares)	750
Plantation establishment (hectares)	4,002
Sandalwood seedlings (tonnes of seed)	14
Other	
\$A/ \$US exchange rate	0.65
Financial outcomes (\$ millions)	
Operating revenues	114.0
Operating expenses	105.5
Operating profit ¹	8.5
Net profit/ (loss) after tax	4.6
Closing cash balance	29.7
Dividend paid	-
Tax	-
Asset Investment Program ²	44.6
Performance indicators (%)	
Return on assets (Operating profit ¹ / total assets ³)	1.6%
Return on equity	1.7%
Operating profit to timber revenues	7.7%

Table 2

Asset Investment Program (\$ millions)	Forecast 2025-26
Computers, plant and equipment	1.9
Land	42.7
Total Asset Investment Program	44.6

Table 3

Plantation establishment	Forecast 2025-26
Hectares	4,002
Estimated expenditure (\$ millions)	
Afforestation	7.7
Reforestation	4.6
Total plantation establishment (\$ millions)	12.3

1. Profit before change in biological asset valuation and tax.
2. Includes purchase of land for Softwood Expansion Program.
3. Total assets includes biological assets which are subject to fair value valuation measurement movements.

Notes for financial accounts

Reporting to the Minister

The FPC monitors its performance based on the business activities listed in the Statement of Corporate Intent and the Strategic Development Plan.

The FPC provides a report to the Minister based on performance and financial outcomes in the Half Year and Annual Reports.

The Commission advises the Minister of any significant variation should it arise as required by section 17 of the *Financial Management Act 2006* (The Act). The FPC has reporting obligations to the Department of Treasury.

The FPC submits quarterly reports on its budgets.

Accounting policy

The FPC's financial statements are prepared in accordance with Australian Accounting Standards, The Act and the Treasurer's Instructions.

The Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. The notes that accompany the financial report in the Annual Report outline the FPC's significant accounting policies.



The FPC will work with industry partners and contractors to prioritise safety of field operations and transportation.

Notes for financial accounts

Pricing arrangements

Pricing arrangements are determined by several factors including requirements under section 59 of the Act, which prescribe the costs that are to be factored into a price for forest products.

Dividend policy

Dividends are calculated at 75 percent of adjusted profit, i.e. net profit after tax adjusted for non-cash items of biological asset valuation and onerous contracts revaluation. From 1 July 2014, the dividend calculation includes the impact of the FPC's investment in plantation establishment. Dividends are approved by the Commission and paid in the following financial year (normally in the December quarter).

Non-commercial activities

The FPC conducts ecological thinning for forest health activities for DBCA on a non-commercial basis.

The FPC also undertakes a range of other activities to support the industry that are not directly related to its commercial functions. These activities include ministerial support, community engagement and education, policy development, outreach programs and sponsorship. These activities are funded from the profits the FPC creates from its commercial businesses.

