

RCCIWA Feedback Survey – Business Impacts of the Native Forest Closure

March 2022

Summary

In September 2021, The State Government announced it will cease native forestry by the end of 2023. To support this transition, they have developed the Native Forest Transition Group to develop a JUST Transition Plan. RCCIWA is an invited member of this group and to assist us in contributing strongly and in a meaningful way, we were keen to hear of the direct and non-direct impacts of this decision. The information gathered through this survey will help inform decisions being made through the NFTG and advocate for regional businesses and their broader communities.

Whilst many businesses are optimistic that their business can pivot and generate revenue in a different way, the concern for RCCIWA is that **one third** of the respondent's indicated that the closure will have a significant impact on the viability of their business. Combine this with the 15% of respondents who stated they will have a workforce **reduction of up to 75%** the data is telling us that clear and strong support is essential to ensure those impacted businesses are not financially devastated and that people can be reemployed locally. This indicates that retraining solutions will be key.

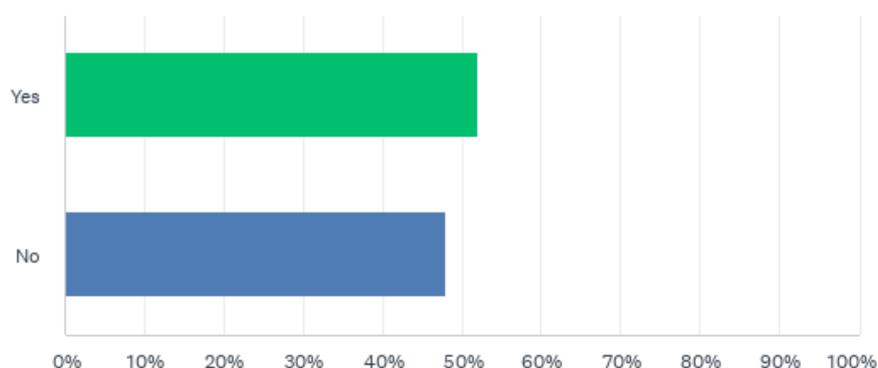
The other two major concerns raised by the majority of the respondents was that they are very worried that families will leave town and the broader implications this will have and also that the age of the majority of long term forestry industry employees is over 50. The comments around the age of employees, was **how will we find new employment when this is all we have ever done?** We think there will be some good examples to take from the Collie Transition Program in this regard, as it would have been a similar situation.

Demographics

48 businesses provided feedback through this survey who are all located in the Southwest region of WA primarily in Manjimup and Nannup. Most of the respondents have been in business for 20-40 years with as many as ten being in business up to 70+ years. These businesses employ anywhere from 2 up to 100+ staff with majority of staff in their 40 to 60s.

Does your business sell or provide products or services to the WA native timber industry or native timber products processors or producers?

Just over half of the respondents do and just under half currently do not.



Will your business be directly or indirectly impacted by the closure of Native Forestry?

65 percent of businesses who responded will be directly or indirectly impacted by the closure of Native Forestry. Most commonly respondents commented that with the closure of Native Forestry businesses, local businesses will no longer have support from those employees and or related contractors.

Some of the other disadvantages mentioned include:

- Businesses currently holding FPC licenses will be useless
- Businesses sourcing local native timber for property maintenance business won't have access anymore
- Loss of Income due to Timber Mill closure
- Furniture business will no longer be able to source Jarrah or Marri for products
- No further environmental consultancy work previously done for forestry businesses
- Reduction in number of employees available for other businesses as families will leave timber towns
- Contracts previously held with these native forestry businesses will cease causing some businesses to have to close their doors

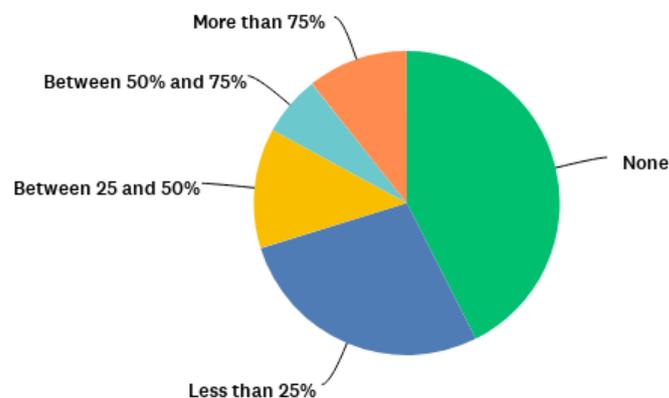
One comment on a positive outcome from the closure was from a Wildlife rescue operation which expects to have positive outcomes for their business

Are you a member of the any of the following business groupings?

23% of respondents are Product and Service Providers. 13% were Processors and Producers, 11% Primary Forestry Industry, 2% Freight and Logistics and the remainder were listed as other businesses.

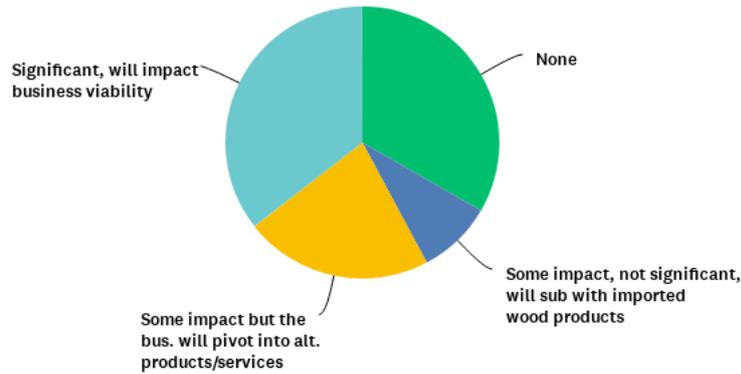
What percentage of your business sales are derived from the sale of WA native timber or native timber products or services?

Nearly 43% of those who responded said that none of their income was derived from the sale of native timber or native timber products. 28% receive less than 25%, 13% receive between 25 and 50% and 6% receive 50 to 75%. The remaining 10% receive more than 75% of their sales from Native Timber and related products.



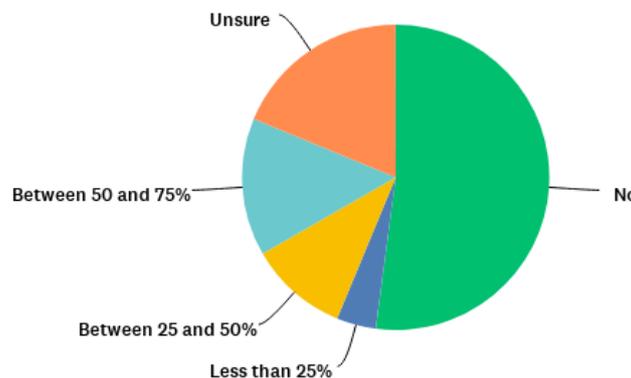
What will be the financial impact of the closure of native forestry on your business?

A third of businesses who responded said that they will experience no financial impact from the closure with another third saying they will experience a significant impact and it will impact their business viability. The other third was divided up with 22% saying they expect to experience some impact but will be able to pivot into alternative products or services. As little as 9% say they'll only experience a small impact but will substitute with imported wood products.



Will the closure of the native forestry industry result in the reduction of your employees?

More than half of those businesses don't expect to experience any reduction in employees due to the closure. 19% are unsure what reduction they'll experience. The next highest was 15% expecting to have to reduce their workforce by up to 75%. This was followed closely by 10% of businesses expecting to reduce up to 50% and only the remaining 4% expected to reduce by less than 25%.



Were you aware of the Government's decision to close native forestry by the end of 2023?

Of the 48 respondents, 71% said they were aware of the decision to close native forestry by the end of 2023.

Further Comments to note:

- The impact of this closure on the South West of WA will be far wider than just the direct impact spoken about in this survey

- It would be great to have a Sustainable Native Timber Forestry Plan
- Would have liked to have been consulted in the decision
- Would like to see support packages for community organisations for re-training
- Employees fearful for finding new work at an older age when this is all they have ever done