

## IN THIS BULLETIN...

*Victorian election  
landslide to Bracks Labor  
Government*

*New forestry alliance  
for New South Wales*

*Garbutt held forest report  
until after election*

*FSC slammed for internal  
conflicts and misleading  
consumers*

*Forest Certification  
Council to grow by a third*

*NAFI eNews covers topical  
issues, political events and  
regional developments.  
Reactions and contributions  
are always welcome.*

Internet [www.nafi.com.au](http://www.nafi.com.au)

Ph (02) 6162 9000

Fax (02) 6285 3855

Email [publications@nafi.com.au](mailto:publications@nafi.com.au)



National Association of  
Forest Industries

## Forest certification report: UK environment group calls for centralisation, worldwide review of FSC certifications ... page 2

### *Victorian election landslide to Labor Government*

The Victorian State Election on 30 November has ended in a massive win by the incumbent ALP Government.

Labor is expected to win 61 of the 88 seats in the lower house of State Parliament.

Labor has also secured its first election win in the upper house.

The upper house victory makes the Bracks Government one of very few recent Governments to be able to govern without answering to other political parties or independents.

Upper house reforms promised by the ALP should see the introduction of a new proportional representation system which will open the door to minor parties from 2006.

The Government started the campaign by announcing the end of timber industries in the Otways region.

Industry and local timber communities were incensed by what appeared to be a token gesture to secure green preferences.

However, minor party preferences turned out to be of much less significance than the huge collapse of support for the Opposition Liberal Party.

In the absence of the Democrats, the Greens cleaned up almost all the available minor-party support, with a record 9.3% of the State-wide vote.

Many previous Liberal voters seem to have

been happy to lend their vote to the Greens in the face of a universally expected landslide to Labor.

Despite their major investment in the campaign and their highest-ever vote, the Greens did not win any seats in Parliament.

Labor's own vote rose slightly, more than making up for traditional supporters in the inner city giving the Greens a vote this time around.

In one of the few swings against the Government across the State, the Labor candidate for Morwell, south east of Melbourne, is fighting to hold onto the seat after a timber worker won nearly 15% of the vote as an independent.

Despite deep disappointment with the Otways decision early in the campaign, the Victorian Association of Forest Industries says it will try to work with the re-elected State Government to ensure that commitments under the Regional Forest Agreement are followed.

Even with the Government's forest policy positions, relations between the Government and the Greens may turn out to be antagonistic in the coming term.

Labor-Green contests in inner city seats were particularly bitter and the Greens have indicated that they see Labor voters as their primary target for future contests.

Labor will be keen to ensure that any environmental initiatives are not seen as successes for the Greens party.

The *Age* newspaper has reported 'Labor sources' as saying that key green campaigners may "*find themselves on the outer*" with the greatly strengthened Government.

## New forestry alliance for New South Wales



A new forestry organisation for NSW has been launched in Sydney. The *Forest Industry Alliance* (FIA) will deliver a united voice for the State timber industry and will represent all the significant players in the state.

The group also has logistical support from the NSW Farmers Association.

*"I congratulate all the participants in the NSW Forestry Industry Alliance for this show of unity,"* said Kate Carnell, Executive Director of NAFI and a member of the new FIA Committee.

*"It's great to see all parts of the industry and the Farmers Association joining forces to promote issues that effect the rural communities of NSW,"* she said.

*"The forestry sector plays a crucial role in the regional economies of NSW. The sector also has an enormous capacity to address key rural environmental issues, including dryland salinity and greenhouse gas levels."*

*"The new Alliance will play a key role in promoting these issues to the community and to governments."*

Dr Douglas Head, the Executive Spokesman for the new FIA, said that the organisation wanted to secure a sustainable and commercially successful long-term future for the native forest industry and its people so that investment, development and job expansion can occur.

The FIA will focus on key policy objectives, including:

- \* maintaining the current levels of wood supply in NSW;
- \* ensuring that the State Government keeps to its legal commitments under the Regional Forest Agreements, based on 20 year supply arrangements; and
- \* ensuring proper investment development and research is conducted in the sector.

*"This new Alliance will help ensure log supplies and job security to rural communities needing certainty for future market opportunities,"* Mrs Carnell said.

For more information on the Alliance contact John Halkett on 02 9356 3826

### Saplings

Our report (*NAFI eNews Issue 10*) on the Future Forests 2002 Conference held in Melbourne in November incorrectly indicated that international speaker Russell Taylor was from the US firm Hancocks. Mr Taylor is in fact a principal of consulting firm RE Taylor and Associates. Another of the Conference's international speakers, Mr Clark Binkley, is with Hancocks.

## Garbutt held forest report until after election



During the recent State election campaign the Victorian Liberal Party claimed that the release of a review of the state of Victoria's forests has been delayed by Environment and Conservation Minister Sheryll Garbutt.

*"A cynical attempt to bury it until after the election,"* is how the Liberal Party described the review process in an election statement.

The statement said that *"the Labor Government is using the timing of this election to stifle open Government. Delaying the State of the Forests report is a blatant political move."*

At the recent Future Forests 2002 Conference, hosted by NAFI, Victorian forestry Minister Sheryll Garbutt announced that *"the Bracks Government will release the first State of the Forests Report early in the New Year."*

*"This report will be the benchmark from which regular 5 yearly reporting will commence,"* she said.

The Liberals said that an assessment of proper timber industry activity levels was impossible without this report.

*"Clearly, the Labor Government feels it has something to hide on the state of our forests, otherwise the report could be released now."*

*"The Premier has made sweeping changes to logging in the Otways, but hasn't released any scientific documentation to explain his back-flip."*

*"While the state is concentrating on the election, the 28-day timeframe for submissions on the Goolengook Old Growth Study terms of reference is quietly slipping by."*

*"An open and accountable Government would have released the State of the Forests report before calling an election."*

## FSC slammed for internal conflicts and misleading consumers



A report compiled by a British environment group has savaged the credentials of the WWF-sponsored forest certification scheme Forest Stewardship Council (FSC).

The 18-month study, by the UK Rainforest Foundation, says consumers of FSC-labeled products have been misled by the scheme. It also finds that FSC has been unable to develop proper compliance procedures and says FSC functions poorly as a democratic membership-based organisation.

But the report's recommendations – including centralisation of standard setting, a withdrawal of current levels of independence for professional certifiers and an even greater say for environment groups, may trigger a crisis of confidence among current and potential FSC applicants.

The reform proposals would freeze the issue of certification and require a worldwide re-assessment of current FSC certifications, leading to a dramatic reduction in the

availability of FSC timber.

The report includes detailed case studies of FSC certifications in Brazil, Canada, Indonesia, Ireland, Malaysia and Thailand. It claims to reveal “*examples where certified companies have falsely claimed to comply with the FSC’s certification requirements.*”

“*This report documents serious flaws in certifications being carried out in FSC’s name, to the extent that the public cannot be assured that a wood or paper product carrying FSC’s logo actually comes from a well managed forest.*”

According to the report, “*such flaws are found to be linked to certain structural weaknesses in the FSC system, to specific political decisions within the organization and to a lack of effective control mechanisms.*”

“*Urgent and fundamental reform is essential if FSC is to survive as a credible mechanism for the certification of forestry operations.*”

The report concentrates criticism on what it sees as a close relationship between forest managers and certifiers.

“*Certifiers have a vested interest in granting Chains of Custody certificates, regardless of whether they can genuinely be guaranteed to be integral and reliable.*”

Instead of adopting stronger independent arrangements, however, the report recommends the removal of independence altogether, with fees paid directly to FSC.

The problems indicate that FSC’s decade-long development of a centralised, rather than independent, certification process may have been a serious error in the design of the system.

The Canadian and Australian certification schemes, as well as many European schemes, strictly separate policy-makers, certifiers and applicants to ensure independence.

Under the new Australian Forestry Standard each stage in the process is strictly separated from the other.

Standard setting for the AFS was conducted according to technical development processes laid down by Standards Australia, in which all stakeholders had an equal vote.

Professional certifiers for AFS applications must be independent of applicants with payment of fees guaranteed regardless of the assessment decision they make. The credentials for AFS certifiers must also be guaranteed under national (and public) accreditation systems.

In contrast, the FSC controls all these activities within its corporate structure with no independence between the functions.

For instance, FSC members in each jurisdiction set standards according to a ‘democratic’ process. The result, however, is standard-setting according to the relative clout of competing interests, rather than ecological or silvicultural science.

FSC controls the accreditation of certifiers, requiring a fee from them for registration. Under the Rainforest Foundation proposals, even this low level of independence would be withdrawn.

Finally, all forest managers applying for FSC certification must also join FSC and agree to abide by its policy settings.

Each of these requirements includes an element of fees paid to FSC, further complicating the internal conflicts of interest.

FSC has also moved towards requiring adherence to a ‘social’ agenda as a requirement of membership (and therefore of certification).

The UK report’s consequences could be dramatic. The claim that consumers are being misled by FSC could seriously harm the organisation’s consumer profile. The criticism could also damage confidence among applicants and the WWF-sponsored FSC buyers group.

To implement the reforms, nothing less than a total redesign of FSC standards world-wide and re-assessment of all FSC certificates may be required.

The disruption and cost of such an exercise could be enormous.

The report calls frankly for FSC to abandon its ‘fast growth’ ambitions, and clearly would be comfortable with a large reduction in the quantity of FSC-certified timber worldwide.

Overall, the issues raised by the Rainforest Foundation leave FSC painfully caught between being a major market player, or withdrawing into a specialized boutique scheme.

How these thorny issues of political control and internal conflict of interest are addressed will have a profound impact on FSC’s future.

The full report is available at the website for the UK Rainforest Foundation: [www.rainforestfoundationuk.org](http://www.rainforestfoundationuk.org).

## ***Forest Certification Council to grow by a third***



Australia is among eight new members of the world’s largest forest certification family.

The PEFC Council, an umbrella organisation for promoting the independent third party certification of sustainable management of forests, expanded dramatically on November 22.

Eight new independent national forest certification schemes from Asia, Australia, South America and Europe joined the nineteen existing member schemes from Europe and North America at a PEFC Council General Assembly.

Australia will be represented by the recently launched Australian Forestry Standard.

According to Mr Ben Gunneberg, Secretary General of the PEFC Council, the membership of the eight new national schemes is a significant step and an excellent prospect for the future for all parties involved in the wood flow from certified sources onto the market place.

“*News about rapid expansion of forest certification around the world encourages not only forest owners but also timber traders, wood processing industries and retailers to participate in the process and to get their wood flows certified,*” Mr Gunneberg said.

Joining the PEFC Council is the first stage for the independent national schemes to participate in the global framework for promoting sustainable forest management.

The next stage will be to undergo assessment against the PEFC Council's requirements. Schemes successfully completing the independent assessment procedures mutually recognise each other under the PEFC Council umbrella, thus facilitating the increasingly international trade of timber from certified sources.

*“Co-operation between the national schemes and mutual recognition based on the agreed regulations are the best way to ensure that the wood from each national scheme attains equivalent requirements and can be traded internationally,”* Mr Gunneberg added.

As a result of the new national schemes joining, he expects the PEFC Council to be very busy in the coming years, as the new member schemes would bring to 26 the number of schemes wishing to participate in the mutual recognition process.

PEFC is a framework for the mutual recognition of credible national or regional forest certification schemes that have been developed to meet internationally recognised requirements for sustainable forest management.

Since its launch in 1999, PEFC has become the world's largest forest certification umbrella organisation linking national schemes, delivering hundreds of millions of tonnes of wood to the processing industry and then into the market place.

PEFC has strong grass roots support from many stakeholders including the forestry sector, governments, trade associations, trade unions and non-governmental organisations.

To date, the PEFC Council has endorsed 13 certification schemes, which account for over 44 million hectares of certified sustainably managed forests.

The schemes already endorsed by PEFC cover Austria, Belgium, the Czech Republic, Denmark, Finland, Germany, Latvia, Norway, Spain, Sweden, Switzerland and the UK.

The new national forest certification schemes to join the PEFC Council include four new European members (Estonia, Lithuania, Luxembourg, and Slovakia), and four non-European nations (Brazil, Chile, Malaysia and Australia).

Websites: (PEFC): [www.pefc.org](http://www.pefc.org), (AFS): [www.forestrystandard.org.au](http://www.forestrystandard.org.au).