

April 2011

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



## In this issue

NAFI/A3P Under One Banner **P.1**

Pulp Mill Getting Closer **P.2**

Inquiry into MDBA Plan **P.2**

Carbon Farming Initiative **P.3**

NAFI in the News **P.3**

## Industry to unite under one banner

The forest, wood, pulp and paper sectors will unite through the merger of NAFI and the Australian Plantations Products and Paper Industry Council (A3P) following an Extraordinary General meeting (EGM) of each group's members on 14 April.

The 'Australian Forest Products Association' (AFPA) name and logo (pictured below) were unveiled at an industry dinner at the Great Hall of Parliament House, Canberra, in front of almost 300 guests representing all facets of the industry, MPs and government representatives.

Linda Sewell, Chairperson of A3P and Transitional Chair of AFPA, was proud to make the announcement. "I am pleased to announce that the Directors of both A3P and NAFI have unanimously agreed to recommend to our respective members

that the two organisations should unite under one banner," Ms Sewell said.

"We have a great story to tell of a carbon positive, renewable, natural and environmentally friendly resource. A single voice is a more clear and concise way to present our industry to government, media and people of Australia in a united fashion," she said.

NAFI Chairman, Greg McCormack, told the audience that AFPA will be formed over the coming months under the watchful eye of a Transitional Board of Directors.

"I look forward to working with the Chair of the Transitional Board, Linda Sewell and the Transitional Chief Executive Officer Allan Hansard - currently the CEO of NAFI. Linda and Allan will be assisted by myself and Richard Stanton, the CEO of A3P," he said.

"The establishment of the AFPA will forge a common and united future for the industry. The industry and government have for many years called for a single voice for the forest industry. We have listened and we have acted."

More detail on the new association will be released in coming weeks.

See more pics from the Gala Dinner on page 4-6.

*A3P Chairperson Linda Sewell and NAFI Chairman Greg McCormack unveiled the AFPA banner in front of almost 300 guests at the Great Hall in Parliament House, Canberra*



## Thoughts with Trading Partners Japan and New Zealand

NAFI wishes to express its condolences and support for all those affected by the recent disasters in Japan and those affected by Christchurch's devastating earthquake.

The Australian forest industry has close links with Japan and NZ as trading partners but also through friendships forged over the decades.

CEO Allan Hansard, said "The Australian forest industry has a long history of trading with the Japanese and NZ markets. Our thoughts are with our friends in Japan and New Zealand."

## Tassie Pulp Mill Grows Closer

The Federal Environment Minister has approved three remaining modules of the Tasmanian Pulp Mill environmental impact management plan – the last external approval requirements for the project. It is believed that once financial backing for the project is organised construction could commence.

NAFI Chief Allan Hansard said the project will be a watershed for investment in the Australian forest industry and an important value adding facility.

"NAFI strongly supports further value-adding and downstream processing of our domestic forest resources. Australia now has a chance to reduce its \$2billion trade deficit in forest and wood products. It is also a great achievement that Gunns Limited has met the world's toughest environmental standards to move forward on this project."

## NAFI raises concerns at Inquiry into MDBA Plan

NAFI appeared before the House of Representatives' Inquiry into the impact of the Murray-Darling Basin Plan in Regional Australia, criticising the plans lack of scientific underpinning, its inequitable treatment of tree plantations and lack of consideration of socio-economic issues.

The Committee was told that plantation forests occupy less than 0.03% of the Basin. Yet other dryland crops such as deep-rooted perennials that occupy nearly 70% and are not considered in the MDBA interception planning framework. NAFI Senior Policy Analyst, Grant Johnson told the committee that "It is illogical to regulate forests in total isolation of other dryland uses."

NAFI also outlined how the MDBA has also neglected to account for the significant socio-economic and environmental importance of the forest industry to the

## House of Rep's introduces Carbon Farming Legislation

Legislation has been introduced to Parliament to deliver the establishment of the Carbon Farming Initiative (CFI) and has been referred to a Parliamentary Inquiry. NAFI maintains its concern over several aspects of the Legislation, and will make a submission to the Inquiry in coming weeks.

While several changes to the Legislation have been made, NAFI remains concerned that the program provides limited opportunities for the commercial forest sector to get involved.

The legislation still requires that projects looking to receive CFI carbon credits must not be activities that are 'common practice' - and is quite ambiguous. NAFI is pleased that the 'financial additionality' requirement (i.e. that a project would not have gone ahead but for the financial benefit of the CFI credits) has been removed.

The potential for carbon stored by growing native forests is ambiguous in the CFI Bill and the role of sustainably sourced wood products sadly remains ignored.

In other climate policy news, NAFI remains disappointed that the forest industry remains left-out of the government's Business Roundtable on Climate Change. The government last week announced further details of two new subgroups of the roundtable, while the forest industry is yet to be invited to even address the group. This is despite the government acknowledging the forest industry as the only carbon positive sector in the economy.

basin and that trees have been planted in areas previously covered by natural forest – which required the same amount of water as the plantations.

*NAFI's Grant Johnson addressing the Committee*



## Forward Vision: National Arboretum in Canberra

NAFI Executives Allan Hansard and Mick Stephens were last month treated to a guided tour of the site of the new National Arboretum in Canberra by John Mackay, Chairman of the project.

In 2004, the Australian Capital Territory (ACT) Government held a nation-wide competition for the design of an arboretum and gardens, as part of the bushfire recovery program following bushfires which devastated the western side of Canberra in 2003.

The overall goal for the development of the National Arboretum is to create a place of breathtaking beauty, of international renown and enduring public interest that welcomes locals and visitors alike.

The National Arboretum is being developed on a 250-hectare site in the Greenhills Forest areas west of the Tuggeranong Parkway and Lake Burley Griffin. The site is six kilometres from the centre of Canberra and boasts spectacular views across Lake Burley Griffin. It incorporated the existing stand of 5000 Himalayan Cedars and the 80 year old Cork Oak plantation.

Plantings include Gingko trees in the shape of the Forbidden City. There are examples in China of Gingko trees aged over 1,100 years old – so with the right management the trees at the arboretum will be enjoyed for generations to come. For info, visit: [www.nationalarboretum.act.gov.au](http://www.nationalarboretum.act.gov.au)

*Pictured below: NAFI Chief Executive Allan Hansard and Chairman of the Board of Governors of the National Arboretum and Gardens Canberra, John Mackay inspecting the arboretum site*



## NAFI in the News

NAFI has been active in the online and print media over past few months. CEO Allan Hansard made a contribution to 'The Age' (newspaper's Business Section 25/02/2011) by submitting an open opinion piece commenting on the "supply squeeze-demand pull" conundrum facing the Australian forestry industry. The article specifically brought attention towards the recent federal parliamentary inquiry chaired by Tasmanian MP Dick Adams.

To view online visit: <http://www.theage.com.au/business/property/import-forecast-fells-domestic-timber-20101116-17w1p.html>

Allan Hansard also contributed an opinion piece on the ABC's 'The Drum - Unleashed' website (14/04/2011). The website has a national audience and promotes robust community debate. In his article, Mr Hansard argued that the forest industry should have received a bigger focus in the national governments climate change policy. Hundreds of comments were left by readers of The Drum.

To view online visit: <http://www.abc.net.au/unleashed/allan-hansard-44990.html>

A screenshot of the BusinessDay website. The main article is titled "Giving the imbalance in wood demand the chop" by Allan Hansard, dated February 25, 2011. The article discusses the "supply squeeze-demand pull" conundrum in the Australian forestry industry. It mentions a new federal parliamentary inquiry and a plan to increase reliance on imports. The article is chaired by Tasmanian MP Dick Adams. There are also sections for "Join the conversation", "Top Business articles", and "Business Topics".

A screenshot of the ABC Drum Unleashed website. The main article is titled "What forestry can do for climate change policy" by Allan Hansard, dated 14 March 2011. The article discusses the government's carbon price and the role of the forestry industry in absorbing carbon. It mentions Professor Ross Garnaut's report and the potential for carbon emissions reductions in the forestry industry. There is a photo of a forest in the background.

## 'Year of Forests' Document: Celebrating Forests and People

NAFI has recently published an informative booklet celebrating the United Nations International Year of Forests 2011. Titled 'Celebrating Forests and People' the publication was officially released on the night of the *UN International Year of Forests* gala dinner hosted by NAFI in Canberra at Parliament House.

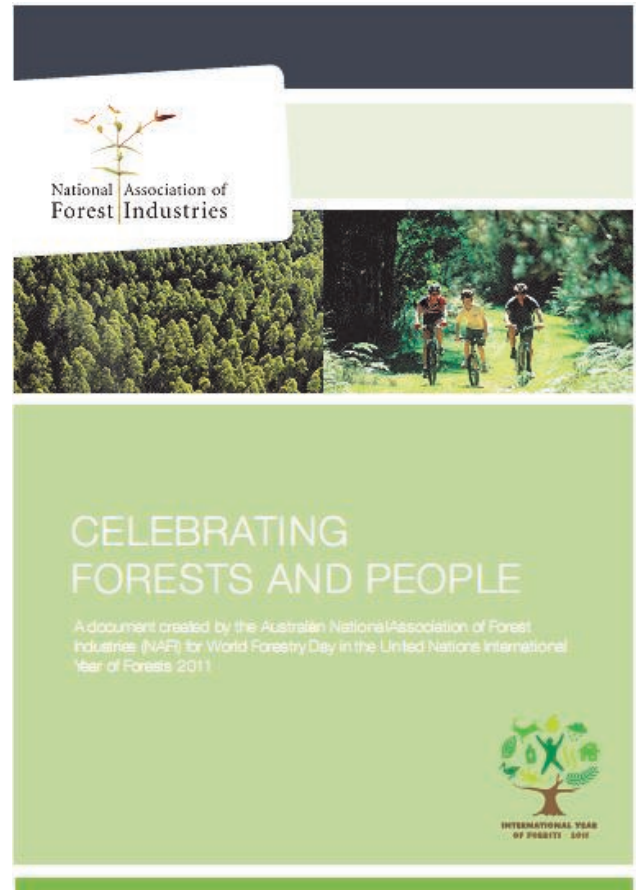
The document, available on the NAFI website, covers a wide variety of forestry topics such as tourism, recreation, bioenergy, climate change and industry innovation. The booklet also covers industry specific topics such as sustainable forest management, biodiversity and fire management.

## NAFI / IFA Gala Dinner

Almost 300 guests including representatives from industry, government and Parliament celebrated the United Nations' 2011 International Year of Forests.

The Great Hall at Parliament House, which is lined with Australian native timbers and adorned by a forest tapestry, provided the perfect setting for the evening.

The night proved to be a stellar event and was well received by guests and members.



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



*Above: Forestry Tas' Chairman Adrian Kloeden (Left) and Managing Director Bob Gordon (centre) accept a Commonwealth Forestry Association Award, Presented by Senator the Hon Joe Ludwig, Minister for Agriculture, Fisheries and Forestry (right)*



*Above: NAFI Chairman, Greg McCormack, receives a Lifetime Achievement Award for his 20 years of service to industry associations such as NAFI and the Victorian Association of Forest Industries (VAFI)*



*Left: Ian McArthur receives the IFA ACT Forester of the Year Award*



*The Marble Foyer outside the Great Hall proved an impressive space to hold the pre dinner drinks*



*Political Commentator Glenn Milne, was MC for the evening and is pictured after the unveiling of the new AFPA logo*



*Tasmanian MP Geoff Lyons (centre) mingles with Forestry Tasmania's Hans Drielsma (left) and other attendees at the pre-dinner function*



*NSW FPA Chief, Russell Ainley, shares a laugh at the pre-dinner cocktail function*



*Deb Kerr from the National Farmers Federation (NFF) represented the farming lobby at the dinner*



*Major Sponsor Australian Paper used the dinner as an opportunity to launch their new initiative 'Creating a Tonne of Value'*



*John Mackay, Chairman of the Board of the National Arboretum in Canberra, addressed the function on the forward thinking project being established in Canberra*



*Contractor Ken Padgett chats with forester and former CSIRO researcher, Bill Kerruish*



*FIAT Chairman Glen Britton (left) chats with Tasmanian MP Julie Collins*



*AFS Chairman Geoff Gorrie and ABARES' Paul Morris converse at the re-dinner drinks function*

