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MAPPING A FUTURE FOR INDUSTRY

NAFI to launch Forest Industries Growth Plan

The National Association of Forest Industries (NAFI) will soon unveil a plan that could generate \$19 billion in new industry investment by 2020 and create thousands of new jobs.

The *Forest Industries Growth Plan* could also see the industry play an even greater role in mitigating climate change by potentially sequestering 80 million tonnes of carbon emissions each year.

The industry will be calling on the government and election candidates to support key initiatives.

The *Forest Industries Growth Plan* has been devised as several government policies such as the National Forest Policy Statement (1992) and the Plantations 2020 Vision, are almost out-of-date according to NAFI CEO, Allan Hansard.

"These policies were written back when the debate over climate change was in its infancy and before the global financial crisis. Times have changed and a new national vision is needed," he said.

Key priorities of the *Forest Industries Growth Plan*:

- Build resource security and undertake credible wood supply assessments for both native and plantation forests;
- Support value-added processing and internationally competitive investment opportunities such as world scale pulp mills;
- Promote the high-quality and sustainable use of wood products;
- Develop a highly-skilled workforce;
- Improve market access and certification standards; and,
- Maximise climate change mitigation in forestry.

"By consulting widely with an array of industry and community stakeholders, NAFI has taken a leadership role in developing this roadmap to a modern forest industry," said Mr Hansard.

The election platform will be released next week.

Tasmanian Negotiations Update

NAFI is currently representing the local and national forest industries in negotiations with key community, union and conservation groups for a collaborative approach to forest policy.

The initial talks have centered on the Tasmanian forest industry. NAFI CEO, Allan Hansard, said while the discussions have so far been productive, negotiations will not be rushed or involve government until agreement on key issues is reached.

"All parties involved want to see a responsible approach which considers all social, economic and environmental principles. Only then will we have a long term and sustainable solution to the issues facing the native forest industry in Australia," he said.

"With a Federal Election nearing, we want to avoid these discussions becoming a political football.

"Previous experience shows politicised forest negotiations can result in inappropriate outcomes. If or when an agreement is reached, it will be brought to government through the appropriate channels at the appropriate time," Mr Hansard said.

The Timber Seats to Watch

Allan Hansard

NAFI Chief Executive Officer

The forest industry nationally employs more than 120,000 people and supports many regional communities located within Federal seats that were won by very close margins in the 2007 election.

While the recent media focus has been the ongoing discussion over the future of the Tasmanian forest industry, NAFI has also identified several marginal lower-house seats which will play a strong role in the race for the Lodge in 2010 in mainland states (see side box on following pages).

Key Forest Electorates

TASMANIA

Bass

Margin: ALP 1.0%

Incumbent:
Jodie Campbell (ALP -
not running)

Other 2010 Candidates:
Geoff Lyons (ALP)
Steve Titmus (LIB)
Sancia Colgrave
(Greens)

Braddon

Margin: ALP 2.3%

Incumbent:
Sid Sidebottom (ALP)

Other 2010 Candidates:
Garry Carpenter (LIB)

Franklin

Margin: ALP 4.0%

Incumbent:
Julie Collins (ALP)

Other 2010 Candidates:
Jane Howlett (LIB)

Lyons

Margin: ALP 8.3%

Incumbent:
Dick Adams (ALP)

Other 2010 Candidates:
Eric Hutchinson (LIB)
Karen Cassidy (Greens)

The seats to watch in NSW are Page, Cowper, and Eden-Monaro . In Victoria the marginal seats of McEwan and McMillan will be crucial, as well as Gippsland and Corangamite.

In Tasmania the key seats of Braddon, Bass, Lyons and Franklin will be influenced by any policies announced which affect the local forest industry.

Key policy issues

At present, the key points of difference between Labor and the Coalition on national forest policies are the use of wood by-products to generate renewable energy and the need for a new approach to managing bushfire prone landscapes. The two issues are linked.

In early July the Government voted against allowing the energy generated from native forest wood waste to be fully counted under Australia's Renewable Energy Target (RET).

The opposition to the use of native forest residues is bemusing as the practice is lauded in Scandinavian countries by conservation groups as a renewable energy source. In Australia, it could provide a tangible environmental benefit by reducing many regional communities' reliance on fossil-fuel based power generation.

Over seven per cent of Australia's mandatory renewable energy target could be reached by renewable energy from wood-waste biomass. The use of wood-waste for renewable energy would also bolster investment in regional jobs.

The use of wood-waste also links with a second major forest issue – the management of bushfire risk. The use of woody biomass harvested from fuel management could be used to generate renewable electricity and jobs for regional communities while reducing greenhouse-gas emissions. It makes sense to use bushfire fuel for energy rather than unprecedented large-scale wildfires.

Voters, particularly in the marginal Victorian electorates affected by the tragic Black Saturday fires, will be looking for leadership to address the risks posed by bushfires to life, property and the environment.

The forest industry, and the many communities it supports, are also affected economically by bushfires. The Black Saturday fires, for example, saw 56,000 hectares of the state's production forests burnt and \$600 million of standing timber lost. The fires also destroyed 19,000 hectares of plantations with replanting estimated to take five years and cost \$25 million.

NAFI has called on the Federal Government to convene a national summit to bring together stakeholders such as national park managers, farmers and the forest industry to ensure that a coordinated approach to fire management is developed.

We hope that following the final report from the Victorian Bushfire Royal Commission, and the current federal inquiry into bushfire management, governments will provide the necessary leadership to promote a comprehensive landscape approach at both state and national levels.

In summary, NAFI wants to see better policy coordination between recognising the role of wood waste for renewable energy from native forests and the way we manage our forests for bushfire fuel risk.

Engineers get the Good on Wood

As end-users of timber products, building designers are important stakeholders for the forest industry. A recent gathering of structural engineers heard several presentations from the timber industry experts, including NAFI Deputy CEO, Mick Stephens.

Mr Stephen's presentation to the Association of Consulting Structural Engineers (ACSE) annual seminar described the benefits of using timber over other structural products, including the carbon stored in growing forests and the carbon locked-away in durable wood products.

Other areas discussed by Mr Stephens included the Australian forest industry's ability to enhance water quality, improve degraded landscapes, support biodiversity and sustain jobs in regional areas.

Key Forest Electorates

VICTORIA

McMillan

Margin: 4.8%

Incumbent: Russell Broadbent (LIB)

Other 2010 Candidates:
Christine Maxfield (ALP)
Malcolm McKelvie (Greens)

McEwan

Margin: 0.02%

Incumbent:
Fran Bailey (retiring LIB)

Other 2010 Candidates:
Cameron Caine (LIB)
Rob Mitchell (ALP)
Steve Meacher (Greens)

Gippsland

Margin: NAT 5.9%

Incumbent:
Darren Chester (NAT)

Other 2010 Candidates:
Darren McCubbin (ALP)

Corangamite

Margin: ALP 0.9%

Incumbent:
Darren Cheeseman (ALP)

Other 2010 Candidates:
Sarah Henderson (LIB)
Mike Lawrence (Greens)

The use of certified timber products is a key interest for engineers as it assists them in meeting their customers' sustainability expectations. The engineers were told about the two leading forest certification schemes in Australia, the Australian Forestry Standard (AFS) and the Forest Stewardship Council (FSC). The important link between using wood from sustainable forests and carbon positive construction was also discussed by Mr Stephens.

Other presenters included Andrew Dunn, from the Timber Development Association of NSW, who discussed the question of "how high can a timber building go?" He presented examples of Multi-residential Timber Framed Construction (MRTFC), informing the engineers about international examples of eight storey timber framed buildings.

Flaws in ANU research

Research by the Australian National University (ANU) on the forest industry's reliance on government assistance has been shown to be flawed by a new Productivity Commission report.

NAFI raised concerns about the credibility of the ANU research after it was released in April by the author, Dr Judith Ajani, who called for government policy change on the basis of the research findings. However, the method used by Dr Ajani is at odds with methods used by the Productivity Commission's *Trade and Assistance Review* in calculating the effective rates of assistance to the forestry sector.

NAFI's Allan Hansard said the ANU research by Dr Ajani severely over estimated the actual level of government assistance the forestry industry receives in comparison to other sectors such as agriculture.

"It is a concern to have this research released without proper peer review and even a greater concern that the author called for Government policy change on the basis of incorrect findings," said Mr Hansard.

A key concern for the Association was that the research received significant media exposure on research which has now been shown to be flawed.

NAFI raised this issue with the ANU when the research was released and called for a review of internal review processes.

"The ANU is a world leading university with a reputation for excellence that we are all proud of," said Mr Hansard.

"However, given the damaged caused to the industry by the flawed research, we are seriously concerned.

"The ANU must ensure that in future all research, particularly research that calls for Government policy change, is thoroughly checked and peer reviewed before release. We all have a responsibility to ensure the research from ANU maintains its world renowned reputation for credibility."

Effective rate of combined assistance by industry grouping,^a 2003-04 to 2008-09^a

	per cent	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Primary production^b		4.9	4.6	4.9	7.1	7.5	4.9
Dairy cattle farming		13.7	10.3	11.7	16.8	15.4	4.4
Grain, sheep & beef cattle farming		4.3	3.4	4.1	7.5	8.1	6.3
Horticulture & fruit growing		5.2	4.9	4.7	4.6	4.8	5.6
Other crop growing		6.1	6.3	7.0	5.9	5.0	1.8
Other livestock farming		3.0	1.8	2.5	2.8	3.7	2.4
Fisheries		2.1	5.6	4.1	16.1	10.0	4.5
Forestry & logging		4.7	8.2	7.9	5.1	4.4	-2.4
Other primary production ^c		0.7	0.5	0.4	0.5	0.5	0.3

Key Forest Electorates

NSW

Cowper

Margin: NAT 1.2%

Incumbent:

Luke Hartsuyker (NAT)

Other 2010 Candidates:

Paul Sefky (ALP)

Dominic King (Greens)

Eden-Monaro

Margin 2.3%

Incumbent:

Mike Kelly (ALP)

Other 2010 Candidates:

David Gazard (LIB)

Catherine Moore (Greens)

Page

Margin: 2.4%

Incumbent:

Janelle Saffin (ALP)

Other 2010 Candidates:

Kevin Hogan (NAT)

Jeff Johnson (Greens)

a 'Combined assistance' comprises budgetary, tariff and agricultural pricing and regulatory assistance.

b Sectoral estimates include assistance to the sector that has not been allocated to specific industry groupings.

c Other primary production includes *Services to agriculture* (including *Hunting & trapping*) and

Poultry farming.

Source: Productivity Commission Trade and Assistance Review 2008-09 (www.pc.gov.au)

Beware of Fake Jarrah

WA Forest Industries Federation Executive Director Bob Pearce has warned that consumers wanting to purchase furniture or flooring made from genuine Western Australian jarrah should be aware that timber currently being offered for sale under the name Pacific jarrah is not jarrah at all, but a fake jarrah substitute.

"Jarrah is a high quality red eucalypt hardwood which is unique to Western Australia," Mr Pearce said.

"It is highly prized for its appearance, strength and durability. Over the years, importers have sought to pass off various cheaper imported red-coloured hardwoods as jarrah, using the name Pacific jarrah.

"There is no such species as Pacific jarrah. The substitutes offered under this name bear no relation to real jarrah, and are not even Australian eucalypts. The timber currently being offered as Pacific jarrah by a Queensland importer is in fact ausubo (*manilkara bidentata*), a sub-tropical rainforest timber from South America and the West Indies.

Mr Pearce said that the Western Australian industry was exploring legal and legislative options for protecting the jarrah name.

"These false labelling practices are not only misleading to consumers, they also threaten to undermine the high quality reputation that real jarrah has earned over the years," Mr Pearce said.

For further information, contact FIFWA on (08) 9472 3055 or info@fifwa.asn.au



Jarrah timber is a favourite among consumers for its appearance, strength and durability, as demonstrated by this kitchen.

Contact NAFI

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