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Information Bulletin

Climate Change

Conference Report



FOREST, WOOD, PAPER & TIMBER PRODUCTS INDUSTRY

Sen. Wong acknowledges potential of Australia's forests

The Minister for Climate Change and Water, Senator Hon. Penny Wong gave the opening keynote address to over 200 delegates at the Asia Pacific Forest Industries Climate Change Conference.

Senator Wong's presentation acknowledged that a key result of the conference should involve looking at how the industry can best turn this change into opportunity.

"While this will mean some change for your industry and may present some challenges, it will also generate a range of opportunities," Senator Wong said.

Senator Wong's presentation also covered the government's proposed Carbon Pollution Reduction (CPR) scheme which seeks to reform and transform Australia's economy into a low pollution economy.

"Importantly for the forest industries, the Carbon Pollution Reduction scheme will reward those who produce goods in a way that reduces carbon pollution," Senator Wong said.

The forestry sector is a key part of the solution to climate change and like other

industries in Australia and around the world, it will gain most from the transition to a low pollution economy, by actively working to understand this change and turn it into an opportunity.

Under the Government's proposal, the scheme will cover reforestation activities on a voluntary opt-in basis from 2010. This will provide a credible financial incentive to establish new forests within the context of the scheme.

Carbon sinks constitute one of the practical actions Australia can take to reduce overall emissions, while also investing in developing and deploying the low emissions technologies that play a key role in reducing our energy emissions.

"Looking to the future, Australia needs to grow the role of forests and forest products in reducing Australia's total emissions. Carbon markets will open up opportunities to do this through encouraging technological and industry



Senator Hon. Penny Wong addresses delegates

innovation," said Senator Wong.

In the negotiations leading into the UN Climate Change Conference in Copenhagen in December 2009, Australia will be placing a high priority on securing a sound outcome on how a future agreement addresses action on agriculture, forests and land use. Senator Wong said the government will be aiming for more from the next international agreement.

"We need to recognise some complexities with regulating land

Skills Australia told of pressing skill shortages

Over 45 key representatives from our industry and national, state and territory associations attended the Skills Employment Council (SEC) forum prior to the Asia-Pacific Forest Industries Climate Change Conference. The forum included participation from Skills Australia Chair, Phillip Bullock, Board member Marie Persson and Skills Australia secretariat staff.

The forum, facilitated by Michael Hartman, CEO of ForestWorks, outlined the industry strategic plan for skills development with a focus on skills shortages and pathways into the industry. Attendees provided Skills Australia with compelling industry evidence and advice on skills shortages, gaps, barriers and solutions.

Participants stressed that although the number of skill requirements faced are not high volume, filling them was critical to the development of industry, citing instances of enterprises closing due to the lack of either labour or skill shortages.

Participants also informed Skills Australia of the significant labour shortages which will occur in the coming years as areas of plantation forests come to maturity.

Participants identified a number of key reasons for skills shortages:

- thin and dispersed training markets reflect the geographical dispersion of much of the industry
- the difficulty in attracting recruits due to the perception that the industry does not offer attractive career paths
- a disconnection between the location of training facilities and that of industry training requirements
- increasing costs of training due to the lack of a critical mass of trainees, more elaborate technology and increased regulatory and OH&S requirements
- changes in technology, new work processes and increased responsibilities leading to new skill requirements
- significant competition from the mining sector, especially in those parts of industry based in rural and regional areas.

Skills Australia will take the information gathered from the forum to report to Hon. Julia Gillard the Minister for Education, Employment and Workplace Relations about skill shortages in our industry.



ForestWorks CEO Mr Hartman (left) leads discussions at the Skills and Employment Council Forum alongside Policy and Development Manager Ms Bartier.

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management and forestry activities - for example, forest systems are subject to periodic disturbance by wildfires and other factors – and push to reflect those in any new agreement.

“We also need sound approaches to accounting of emissions and sinks for forests that will provide incentives to deliver climate benefits. The present arrangement under the Kyoto Protocol for accounting of wood products fails that test. Australia continues to advocate that emissions reasonably should be accounted for at the place and time at which they occur,” said Senator Wong.

Another key element of the government’s agenda on international climate change is reducing emissions from deforestation and supporting sustainable forest management.

“It has been to the detriment of the forests of the world that a decade ago the negotiations on the Kyoto Protocol led to an outcome that in large part failed to recognise reduction of deforestation activity as a recognised emissions mitigation activity.

“An exception was Australia, which successfully argued that we should be able to include emissions reductions from land-use change and forestry towards achievement of our Kyoto emissions target efforts, in the same way we could count emissions reductions from energy or transport,” Senator Wong said.

Senator Wong advised delegates that the Government has made it clear that they will help Australia’s primary industries address the challenges posed by climate change – and forestry is no exception.

“In May 2008 the Minister for Agriculture, Fisheries and Forestry, Tony Burke, announced \$20 million for the Australia’s Forest Industry – preparing for the future program. It includes development of a Climate Change and Forestry Action Plan,” said Senator Wong.

“All of us are asked to take responsibility for preparing Australia for the future. Forest industries are no exception. Forests must be a central part of our efforts, in Australia and around the world, to reduce emissions of greenhouse gases,” said Senator Wong.

International climate change perspectives

On Tuesday morning, conference delegates were treated to a range of national and international plenary speakers who gave their point of view on climate change from a range of industry and international platforms.

John Sutton, National Secretary CFMEU gave the Australian union perspective of what climate change means for forestry, wood, paper and timber products workers in Australia.

Annabella Rosemberg, Environmental Co-ordinator for the International Trade Union Confederation, advised delegates that trade unions have a double role to play in regards to climate change - to position themselves in the discussion from a global workers' perspective and to promote the integration of the labour agenda in those debates.

The Hon. Sir Allan Kemakeza, Minister of Forestry for the Solomon Islands spoke about the forestry industry within his country. Sir Kemakeza said that due to the prior destruction of forestry in the Solomon Islands, the current government is encouraging reforestation.

The Solomon Island Government is mindful of the livelihood and welfare of its people and even though the government is putting in measures to scale down the logging industry, it is encouraging forestry workers into the

CPR scheme to influence international frameworks.

That forest management must continue encouraging sustainable practices in our region to reduce deforestation and bio-energy needs to be identified as a priority area for research and deployment of new technology.

Jim Henneberry, Executive General Manager of Australian Paper outlined the importance of the pulp and paper industry to the Australian economy.

The pulp and paper industry supports market based approaches to climate change policies and has demonstrated a commitment to continuous environmental improvement:

Mr Henneberry spoke of the regional importance of the forest, wood products and pulp and paper sector. The Australian paper industry supports the Government commitment to carbon pollution reductions but calls for a model that reduces emissions and avoids job losses and carbon leakage.



Ms Rosemberg speaks to delegates at the Climate Change Conference.

Ms Rosemberg outlined a number of effects climate change will have on employment including climate-induced disruptions, the effect adaptation measures will have and the effect emissions' reduction efforts will have on employment.

Ms Rosemberg called on delegates to ensure that green jobs are decent jobs and that these are made available to those who need them the most.

downstream processing of timber. Linda Sewell, CEO of HVP Plantation called for a single industry position on the issue of climate change. In regards to pulp and paper,

Ms Sewell argued that the industry needs to maintain their competitiveness in order to secure the viability of the entire forestry supply chain.

Reforestation will require workable methods to capture potential contribution of new forests. Harvested wood products need to be included in the domestic

Summary of Tuesday's working groups

'Tropical Forests, Sustainability and Carbon Management'

Early Tuesday afternoon was broken up into a range of working groups. Working Group One looked at the Bali Roadmap and Australia's Climate change plans.

The session stressed the importance of sharing a global vision to reduce emissions. Forestry's inclusion in a post-Kyoto agreement is a major and active issue which needs to be resolved in the short-term and all stakeholders in the industry need to be actively involved in the process if they want satisfactory outcomes.

'The Future of Forestry in Australia'

Working Group Two looked at the future of forestry in Australia. Dr Philip Polglase and David de Jongh gave an overview of the current opportunities for sustainable forestry in Australia.

discussion of community impact from proposed changes.

Andrew Morton, Jim Adams, Scott Whicker and Stephen Hawkins highlighted the importance of the emphasis being on sustainability while at the same time not exporting carbon production.

Currently most pulp and paper ventures do not qualify as Emissions Intensive Trade Exposed (EITE) industries under the current CPR scheme settings (as they don't meet threshold levels for compensation) and will have to purchase carbon credits to offset emissions.

The industry has already demonstrated a commitment to continuous environmental improvement and has continued to invest in capital to maintain competitiveness and improve their environmental footprint.

likelihood of a global emissions trading scheme and the role of forests and forestry.

'An examination of Australian building policy and how it assumes the sustainability of some products over others - regardless of the evidence.'

Working Group Two was an examination of Australian building policy and how it assumes the sustainability of some products over others. Professor Rod Keenan, Dr. John Davidson and Dr Fabiano Ximenes explored the lifecycle carbon advantages of timber over other building products.

The session provided delegates with an understanding of the importance of wood as a carbon store. A range of information is now available through research being undertaken on life cycle analysis (via landfill testing).

'Forest Bio-energy Solutions for Australia's Energy Needs'

Dr Stephen Schuck, Dr John Raison and Dr John Turner provided delegates in Working Group three with the latest research and opportunities for developing a major industry sector in bio-energy and bio-fuels from forest biomass in Australia.

Bio-energy is a well established and mature industry, especially in Europe and there is significant untapped potential for Australia.

Figure 4: Forestry's contribution to Australia's 2020 emissions reduction target



Both speakers demonstrated that forestry can remain competitive in most regions across Australia in the future. Ably contributing to carbon abatement through plantation development as well as utilising existing wood waste for bio-energy.

There are further far-reaching community impacts resulting from any loss of economic activity and employment in this sector, well beyond just those impacts directly associated with any venture that may close.

'Maintaining Competitiveness of Australian Industry'

Working group three gave an in-depth analysis of the impact that the Carbon Pollution Reduction (CPR) scheme on Australia's pulp and paper manufacturing industry with industry case studies and a

'Global Perspectives on Emissions Trading'

Working Group One was comprised William V. Street Jr, Annabella Rosemberg, Elizabeth de Carvalhas and Rulita Wijayaningdyah gave global (USA, France, Brazil and Indonesia) perspectives of existing and planned emissions trading schemes, the



Ms Jane Bartier, Ms Melissa McEwen and Ms Beth Lyon



Mr Scott Whicker addresses delegates



Mr Craig Smith, Ms Jane Bartier and Ms Julie George



Mr Bill Street addresses conference delegates



Mr Bruce Hale and Ms Edwina Heyhoe



Conference delegates



Mr Tracker Tilmouth, Mr Jim Adams and Mr Michael O'Connor



Conference delegates



Mr Philip Dalidakis and Mr David DeJongh



Mr Michael Hartman, Mr Michael O'Connor and Mr Alex Millar

Bio-energy, biofuels and global sustainability

International leaders discuss bio-energy, biofuels and sustainability issues from a global perspective.

Wednesday's Plenary speakers gave interesting perspectives of bio-energy, biofuels and sustainability issues from a global perspective.

Elizabeth de Carvalhaes (Brazil) discussed the importance of forestry for Brazil, in particular because of issues around world food security and the importance of protecting the Amazon Rainforest.

Brazil has significantly progressed their forestry industry (100% of the wood produced comes from planted forests) to become a major part of their GDP and exports.

These forests are planted on land not fit for agriculture. In particular, Brazil has invested substantially in productivity, so that they don't have to use more land that should be used for agriculture.

Brazil has researched heavily into climate and soil, research, organised the private sector and spent time developing a highly qualified labour force.

Brazil has also invested heavily in various technological advances in genetics, biotechnology, high quality raw material, socio-environmental planning and the sustainable management and rotation of forests.

Due to societal pressures with employment in the 1970s, Brazil invested heavily in the production of bio-fuels.

The food versus fuel debate does not apply to Brazil as the Brazilian sugarcane production is largely invested in reclaimed pasture land no longer fit for agriculture, thereby generating environmental, economic and social benefits.

Biofuels can help reduce greenhouse gas emissions as sugar-ethanol plants produce their own thermal and electric energy through bagasse burning and selling the excess electricity to the public grid.

Over 100 countries could supply biofuel to 200 nations, this would help alleviate reliance on using fossil fuels.



Ms De Carvalhaes discusses the important role forestry has in Brazil.

Bill Street gave a US woodworkers perspective on climate change and forestry. His presentation stated that it is impossible to mitigate greenhouse gases without addressing the issues of forestry, forest products, forest dependent peoples and workers.

Mr Street noted that these issues should be dealt with by our industry. That collectively we need to educate the general urban public about what role forestry plays in climate change and help them understand the connection between forests and cities.

Going forward, sustainable forest management must have recognition for the rights and tenure of indigenous peoples and forest dependent communities and labor standards.

They must balance the provision of goods and services and provide practical active management regimes.

Effective carbon mitigation strategies will need to address deforestation/afforestation issues, restoration of degraded forest lands, carbon-intensive products versus sustainably produced long lived wood products and ways to enhance the resiliency of forests to adapt to climate change.

Sustainable forest management and conservation offer the best and most unique efficiencies linking climate mitigation, adaptation and sustainable development to address climate change.

It is imperative that all understand that sustainable forest management can provide healthy productive forests, robust rural livelihoods and the broadest and most economically, environmentally and socially effective means to address climate change globally.

Forest products provide clear advantages to other materials as they store carbon, are renewable and contribute to meeting society's expanding energy needs.

It is important that forest certification becomes a unifying force between the climate change community and forest products institutions, unions, corporations, and non governmental environmental organisations.

Summary of Wednesday's working groups

'Tropical Forests, Sustainability and Carbon Management'

On Wednesday morning, Beatrice Dindillo (PNG) and Zoe Harkin (Australia) gave delegates in Working Group One a presentation on the role tropical forests can play in carbon sequestration.

Reducing emissions from deforestation and forest degradation (REDD) has been suggested as a possible method to fund forest conservation and help poverty alleviation efforts while fighting climate change.

In particular, the session looked at new opportunities that sustainable forest management in the Asia Pacific region can achieve, with the right mix of policy and action, while also focusing on the role of the worker.

'Measuring & Reporting Forest Carbon – The key to forestry's inclusion in the Carbon Pollution Reduction scheme'

Andrew Dickinson and Michael Wood provided an overview of measuring and reporting on forest carbon. Measuring and accounting methods will be critical for the industry's involvement in the CPR scheme, however these methods need to be practical and low cost.

There are benefits in including Australia's native forests in a CPR once appropriate rules are developed. The industry needs to focus on developing these rules and recognise the characteristics of native forests.

There is a need for industry to develop and secure our position on native forests and carbon so we can effectively participate in the debate.

'Accounting for Reforestation in the Carbon Pollution Reduction Scheme'

With reforestation proposed for inclusion in Australia's Carbon Pollution Reduction scheme, Sven Rand, Nick O'Brien and Nick Cameron provided the session's delegates with an outline of required accounting and the viability of CPR from forest managers' perspectives.



Mr Tracker Tilmouth presented on climate change outcomes for Australian communities

The session highlighted that there may be significant economic drivers for new plantations however there may not be significant benefits for existing plantations, even if Kyoto compliant.

'Climate Change Outcomes for Australian Communities'

The role of Australia's forest industries in providing sustainable solutions for Australia's regions and communities, this session included case study of Indigenous Australian opportunities.

'Challenges to Forestry's Participation in the Carbon Pollution Reduction Scheme'

Explores the details of how Australia's forests can be included in the Carbon Pollution Reduction scheme, the domestic and international challenges and the work to be completed. Includes industry responses

'Sustainable Employment in Global Forest Industries'

Both Mr Hartman and Mr Yuson's presentations dealt with the issue of employment and skills and education training within the forestry industry. Mr Hartman's presentation looked at the various definitions of green jobs and what a green job really is.

In particular, green jobs will need to be sustainable jobs and therefore provide

career pathways and skill development opportunities. He noted that the forestry industry is ideally placed to capitalise on the forthcoming opportunities in the green job arena however there is a risk to jumping on the 'green jobs' bandwagon.

Mr Yuson's presentation focused on the importance of green jobs as being decent work for all employees. Jobs that do not discriminate, use forced or child labour, give job security, unionisation, decent wages and good working conditions.

These activities should reduce environmental impact and lead towards environmentally, economically and socially sustainable enterprise and economies.

You can download most of the presentations discussed here from:

www.forestworks.com.au