Forest and Wood Futures

AN ACTION AGENDA TO PURSUE THE VISION FOR AUSTRALIA'S FOREST AND WOOD PRODUCTS INDUSTRY

Wood - natural and renewable

- **Wood continues to be one of the most desirable and environmentally friendly resources for uses ranging from construction and furniture to paper and packaging materials.**

- **Wood is a renewable resource – and far less energy is required to make it than alternatives such as metals, concrete and plastic.**

- **Trees provide a range of environmental benefits as they grow – from reduced soil erosion and salinity control to carbon sequestration.**

- **World demand for wood continues to increase, particularly in the Asia Pacific region with its increasing population and living standards.**

- **Australia, with its abundant land resources and high standards of environmental management - both for native forest and plantations - is well placed to take advantage of these emerging opportunities for commercial, social and environmental services.**

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31 May 2000

Forest and Wood Futures

AN ACTION AGENDA TO PURSUE THE VISION FOR AUSTRALIA'S FOREST AND WOOD PRODUCTS INDUSTRY OF:

Maximising sustainable and profitable activity for tree growing, value adding and marketing of Australian forest and wood products.

Industry Strengths and Weaknesses

The Australian forest and wood products industry - based as it is on a natural and renewable resource - is on the threshold of a positive future; a future which holds promise of significant growth in resources and processing capacity, regional development, job creation and environmental services which will benefit all Australians.

Already, Australian production of forest-based products is a significant contributor to the Australian economy. Particularly is it important to the wellbeing of many rural communities around Australia.

The three principal wood-based sectors (forest growing and harvesting, wood manufacturing, and paper production) had an industry gross value added of more than $5 billion in 1998-99, contributing around 1% to national domestic product. In the same year the industry paid $2 billion in wages and salaries, with direct employment estimated at 80,000 and indirect employment at about 194,000 [1].

The industry's impact in regional Australia is more pronounced. 186 towns have a forest dependency above 5% (being the number of people directly employed in forest-related industries as a proportion of the total working population). Of these, 104 towns have a dependency in the range of 5-10%; 35 towns have a dependency of more than 20% and 5 towns have a dependency of more than 50%. When indirect employment effects are taken into account, it is clear that the industry plays a crucial role in the economic and social health of rural and regional Australia.

Australia has the third highest area of forest per capita in the world. It also has the skill and finances to produce a wide range of forest products, as confirmed in the report: "The Need for Change – Positioning Australia's Forestry Industry for the Changes/Opportunities for Tomorrow", prepared in February 2000 for the Action Agenda (available on www.affa.gov.au/ffid/final-report.pdf).

However, as noted in that report, despite its undoubted potential, one of the most conspicuous features of the Australian forest and wood products industry is that while the volume of traded forest and wood products is about equal, the value of imports well exceeds that of exports. In 1998-99, Australia imported $3.3 billion of forest and wood products (largely high value products such as pulp, paper and sawn timber products) and exported $1.3 billion (largely lower value products such as woodchips and roundwood).

[1] Based on multipliers taken from the West Victoria Comprehensive Regional Assessment (Volume 1)

Industry Impediments and Opportunities

A wide range of analysis used as input to the development of the Action Agenda for the Forest and Wood Products Industry has highlighted:

- the impediments to improving the industry's performance; and
- priority issues that need to be addressed by industry and government.

These analyses echo, in large part, submissions received from industry stakeholders in early 1999, which began the Action Agenda process.

Consequently, there is a high degree of consensus across industry stakeholders as to the imperatives that need to be addressed in order to:

- overcome structural and other impediments; and
- create sustainable long-term competitive advantage for the industry.

In August 1999, a Stakeholder Workshop identified six broad themes considered vital in dealing with those impediments and in pursuing emerging opportunities.

In identifying these themes, stakeholders acknowledged that certain issues - such as the introduction of the New Tax System (and associated business tax reform) - while clearly of great importance to the forest and wood products industry, should not be addressed as core issues by the Action Agenda. There was general consensus that as these matters are being considered through other more wide-ranging forums, the industry is best served by active participation in those forums. Nevertheless, where specific issues require particular attention, they have been included in the Action Agenda.

Six Focus Groups, comprised largely of industry representatives, were established after the Stakeholder Workshop to examine each of these themes. The Focus Groups reached the following conclusions:

Credibility of Forest Operations and Products

There is a growing demand for assurances that timber and fibre products are :

- sourced from sustainably managed forests; and
- fit-for-purpose in accordance with defined technical standards.

There is a clear need to address this demand in order to maintain access to traditional markets and to provide access for future growth to new overseas markets. This will require international acceptance of certification schemes that attest to the quality and specifications of products as well as the sustainability of the forests from which these products are derived. Such acceptance will need to be based on the establishment of equivalence to and recognition by other international approaches to both types of certification.

Therefore, credible, verifiable statements on the sustainability and quality of wood production from individual forest ownerships (both public and private, native forest and plantation) are required which can then form the basis for establishing equivalence with other international approaches to forest certification and labelling.

Further, there is a need to enhance the community's awareness of the benefits that accrue to all Australians through a vibrant, properly managed forest and wood products industry. The industry currently plays a key role in providing a range of wood and paper products to Australian markets with attendant employment and community benefits, particularly in rural and regional Australia. The community also needs to be made more aware of the industry's potential to provide a wide range of environmental services and non-traditional wood products. For example, the use of forest residues for renewable energy production has exciting potential in Australia.

Intelligence Development and Diffusion

There are deficiencies in the availability of fundamental resource and market intelligence to Australian industry that adversely impacts on investment and market development opportunities. The deficiencies are largely as a result of market failure, collection problems and concerns about maintaining commercial confidentiality.

Without adversely impacting on confidentiality, there is a clear need to:

- establish a consolidated forest and wood products industry database to provide a set of publicly available core data covering resource (land, inventory and management), processing, market and socio-economic information;
- establish an appropriate mechanism for the on-going collection and collation of that information; and
- identify the appropriate means for the dissemination of this and other intelligence.

Product Development and Innovation

Exciting opportunities exist for:

- developing new products for wood, paper and cellulose in large and niche, traditional and non-traditional markets;
- using the inherent environmental benefits of wood as a support for both innovation and market development;
- developing wood use outside the solid timber, reconstituted product and paper areas (eg. in renewable energy and green chemical production); and
- developing suitable uses for low rainfall species for both economic and environmental benefits.

Development of a more holistic understanding of the concept and process of 'innovation', not just in R&D, but also in commercialisation, product differentiation, management, marketing and financing, was also seen as essential. Such innovation will be crucial in ensuring increasing supplies of wood are effectively utilised.

Market and Investment Promotion

Product development must go hand-in-hand with more effective international and domestic marketing.

There is a clear need to develop a National Market Development Strategy to deliver a national focus to enhancing the demand for timber through domestic market growth, import replacement opportunities and greater access to export markets.

The ability to take advantage of such opportunities will particularly depend on access to an investment stream that is comfortable in supporting the industry on a long-term basis, conscious of the environment within which the industry operates. Consequently, there is a need to develop an integrated approach to facilitating investment in domestic timber growing and processing, particularly on a regional basis.

Human Capital

As the Australian forest and wood products sector does not inherently have a competitive advantage in terms of access to technology or exclusive markets, the human capital available to the industry will play a significant role in determining the industry's future.

While there is already a substantial investment being made by both industry and government to develop the industry's human capital, there is significant scope for refinement and further development of the education and training infrastructure available to the industry. Further, there is a need for more effective promotion of the benefits to be derived through increased investment in the development of the industry's human capital, including:

- development of a 'Learning Culture';
- better responses to training and development needs; and
- better awareness and treatment of occupational health and safety issues.

Coordination and Collaboration

The forest and wood products industry can achieve considerable advantages at a national, state and regional level through better collaboration and coordination; not only between the different sectors of the industry, but also between industry and governments.

To this end, the Focus Group recommended the establishment of a Forest Products Council to provide a forum for the interchange of advice and information between governments, industry and other stakeholders at a national level.

It also sought continuing support for regional bodies to provide the base for improved co-ordination of forest and wood products industry activities on a regional basis.

Further, the effects of globalisation have dramatically increased the need for smaller Australian firms along the whole supply chain to collaborate to achieve the necessary scale and resources to compete successfully in international markets. The Focus Group, therefore, made recommendations supporting the creation of, and improving the networking and communication between, co-operatives.

Public Policy Framework within which Industry Operates

To ensure actions proposed by Focus Groups were consistent and properly integrated, a Steering Committee selected from stakeholder nominations assessed them against their contribution to a clear sector industry vision that takes into account the broader public policy framework within which it will operate.

The forest and wood products industry in Australia has been the subject of much public debate and government review over the past 15 to 20 years. Issues such as the use of forest and wood resources, recycling, adding further value, ecologically sustainable forest management, competitiveness and occupational health and safety have been subject to scrutiny during this time period.

Since 1992, the National Forest Policy Statement (NFPS) has provided a clear public policy framework within which Commonwealth, State and Territory Governments, on a bipartisan basis, are committed to realising the full range of benefits that forests can provide now and into the future.

As part of the NFPS, governments have agreed to work towards the goal of developing an internationally competitive and ecologically sustainable forest and wood products industry. In accordance with that goal, governments are "committed to providing certainty and security for existing and new wood products industries to facilitate significant long-term investments in value-adding projects in the forest products industry" (pg 17, NFPS).

By its very nature, the NFPS centres on the role of governments, given that they are major or sole suppliers of wood, energy, road, rail and port service, and also regulate taxation regimes, environmental requirements and labour relations. Since 1992, therefore, the emphasis has been on government actions to overcome impediments to the sector's performance (for example, through such activities as the Regional Forest Agreement (RFA) process, National Competition Policy reform, taxation reform and removal of tariff and non-tariff barriers).

In particular, the RFA process and on-going work in developing internationally recognised sustainability indicators, has placed Australia at the forefront of world best practice in sustainable forest management. Further, initiatives such as the Wood and Paper Industry Strategy (WAPIS), the Farm Forestry Program (FFP) and Plantations for Australia: the 2020 Vision (Vision 2020) have been directed to addressing a number of the issues arising along the whole of the production chain (ie. from native forest to plantations, from growing to processing). These initiatives, and the public policy from which they flow, also take into account the diminishing government role in resource ownership and supply.

Action Agenda Vision

In the light of these developments and in partnership with government, stakeholders believe the domestic forest and wood products industry is now in a position to pursue the vision of:

> ***"Maximising sustainable and profitable activity for tree growing, value-adding and marketing of Australian forest products".***

In committing to this vision, industry and other stakeholders recognise:

- Australia's public and private forests (including plantations) generate a diversity of wood and non-wood products and services, the benefits of which are not always recognised by the Australian community;
- forestry operations in Australia must be, and must be clearly demonstrated to be, environmentally and economically sustainable;
- future viability of the industry will depend on its ability to compete in both domestic and overseas marketplaces; and
- an innovative and co-operative approach is necessary to optimise the potential of the industry in traditional and non-traditional areas.

The Action Agenda for the Forest and Wood Products Industry – "Forest and Wood Futures" – therefore has been designed to provide an overarching environment within which sustainable competitive advantages can be pursued by the industry.

The market-driven focus of this Action Agenda is a natural progression from previous initiatives, which have concentrated largely on fundamental 'supply-side' issues. 'Demand-side' initiatives, encompassing such issues as value adding and market development, now need to be advanced so as to take advantage of opportunities emerging from these earlier initiatives.

Further, the Action Agenda is based on the principle that the forest and wood products industry consists of complementary sectors. Clearly, there are different and, at times, conflicting issues facing those sectors. However, the Action Agenda is designed to provide an important vehicle by which all components of the industry can be galvanised behind a common purpose, as it provides a framework that allows for differences within and between those sectors to be considered.

Equally, all Governments party to this Action Agenda will adopt, wherever possible, a 'whole of government' approach to the issues raised under the Action Agenda. Indeed, both government and sectoral interests will work towards developing a framework of nested strategies at the national, state and local level to facilitate implementation of the Actions.

As such, the Action Agenda has been developed in full recognition of initiatives already under way at Commonwealth, State and regional levels for various sectors of the industry, The Action Agenda is therefore designed to complement, not duplicate or cut-across, these initiatives.

Strategic Imperatives to Achieve Vision

Under the Action Agenda, twelve strategic imperatives have been identified that industry and other stakeholders believe need to be addressed to achieve this vision, with the following attendant benefits:

1. Develop and implement an Australian Forestry Standard (AFS)
    - *Will facilitate additional capacity through improved returns to industry by increasing access to, and higher premiums from, markets that require forest products to be certified as being sourced from sustainably managed forests.*

2. Promote international acceptance of environmental and product certification schemes
    - *Will raise value-adding opportunities through improved returns to industry by raising the international profile of Australian product produced from sustainably managed forests and to accepted quality standards.*
3. Improve community awareness
    - *Will increase the level of domestic consumption of forest and wood product by substituting wood for other less environmentally- friendly materials (such as steel, aluminium and concrete) and reducing the proportion of wood products imported.*
4. Establish and maintain a consolidated forest and wood products industry database
    - *Will rationalise, expand and modernise the collection of resource and market information, thereby reducing costs of collection, increasing opportunities for smaller industry operators to market their products and improving productivity by providing benchmarking information.*
5. Encourage an innovative framework to enhance product development and utilisation
    - *Will improve returns to industry and improve regional employment by raising the level and scope of demand for forest and wood products and reducing production costs.*
6. Ensure the views of the forest and wood products industry are fully considered when developing policies on environmental issues
    - *Will improve returns to industry by expanding the effective market for environmental services of forests, reducing sovereign risk and increasing investment in the forest products sector.*
7. Pursue an integrated approach to market development
    - *Will improve productivity and capacity in the industry by reducing both opportunity costs of not gaining access to markets and costs associated with duplication of activity.*
8. Pursue an integrated approach to investment development
    - *Will increase the size of, and improve the returns to, industry by better-directing investment and facilitating world-scale processing opportunities with resultant cost reductions and increased employment opportunities.*
9. Ensure co-ordinated education and training arrangements are responsive to industry needs
    - *Will improve returns to industry by increasing labour and management productivity and increasing employment of appropriately skilled workers.*
10. Improve occupational health and safety performance
    - *Will improve returns to industry and its employees by improving working conditions and reducing compensation costs and premiums.*
11. Improve linkages at national level
    - *Will help to improve the efficient functioning of national forest and wood products markets and reduce administrative impediments at the State and Commonwealth level.*
12. Improve linkages at a regional level.
    - *Will help to improve the efficient functioning of regional forest and wood product markets and reduce administrative impediments at the State and local government level.*

The numbering of these Strategic Imperatives does not indicate the relative merits of each. They are all considered equally important elements of a package directed to achieving the industry’s vision.

Specific Actions

In the following pages, stakeholders in the industry have identified specific actions to address each Strategic Imperative. In turn, each action has been assigned a driver(s), projected timeframe, expected outcome(s) and funding arrangements.

Funding Arrangements

To date, stakeholders have put considerable time, effort and resources into developing the Action Agenda, through submissions, attendance at the Workshop, Focus Group deliberations and Steering Committee activities.

This type of commitment will need to continue if the Action Agenda is to be implemented effectively. This is evident in the fact that the funding arrangements proposed for most of the actions are not prefaced on the need for significant new funding initiatives; rather, they focus on doing things better under existing funding arrangements.

Nevertheless, certain actions have the potential to require significant additional funding. While these actions have been the subject of consideration throughout the Focus Group and Steering Committee process, the determination of detailed costings and funding sources of such actions has yet to be settled. This is not surprising, given that in many cases such details cannot be finalised until preliminary work under specific actions has been undertaken. For example, the costings for implementation of a National Market Development Strategy cannot be assessed until that Strategy has been developed. Indeed, the relative costings of actions that might be taken under that Strategy will be a relevant consideration in determining the scope of the Strategy itself.

Consequently, while endorsement of the Action Agenda from all stakeholders is being sought at this time, it is understood that certain actions will be subject to further detailed costings to determine whether significant new funding initiatives are required. If general stakeholder endorsement to the Action Agenda is given, it is proposed that the Forest Products Council (FPC) will be established as soon as possible, with one of its immediate tasks being to make recommendations concerning costings and funding sources for relevant actions.

When those recommendations are forthcoming, stakeholders will be given the opportunity to specifically endorse those costings and funding commitments.

Strategic Imperative 1

Develop and implement an Australian Forestry Standard (AFS).

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
1.1 Develop AFS in an open, balanced and transparent manner through a process accredited by Standards Australia.	AFS Steering Committee (comprising Department of Agriculture, Fisheries and Forestry – Australia (AFFA), National Association of Forest Industries; Standing Committee on Forestry (SCF); Plantations Australia; Australian Forest Growers; Standing Committee on Conservation; and Construction, Forestry and Mining Employees Union.)	July 2001	Provision of a credible, verifiable statement on the sustainability of wood production from individual forest ownerships (both public and private, native forest and plantation). Basis for voluntary forest management certification in Australia. Extension of Australia's framework for the measurement and delivery of sustainable forest management through broadly accepted criteria and indicators	Funding from sponsors within driver group.
1.2 Forest Products Council (FPC) *(see Action 11.1)* and Ministerial Council on Forestry Fisheries and Aquaculture (MCFFA) to endorse AFS.	AFS Steering Committee	September 2001	Endorsement of AFS by industry and governments.	Through existing funding.
1.3 Trial implementation of the AFS.	AFS Steering Committee	December 2001 to December 2002	'Fine-tuning' of AFS and demonstration how it works, particularly for small-scale owners.	**1.3** and **1.4** FPC to determine costings and recommend appropriate funding sources
1.4 Develop and implement a communications and marketing strategy to promote the AFS	AFS Steering Committee	Commence December 2001	Framework to promote wide take-up and acceptance of AFS (target groups would include retailers, consumers, forest owners, managers, and processors).	
1. 5 FPC and MCFFA to endorse implementation of communications and marketing strategy	AFS Steering Committee	December 2002	Commitment by industry and government to promotion of AFS.	Through existing funding.

Strategic Imperative 2

Promote international acceptance of environmental and product certification schemes.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
2.1 Explore and develop a voluntary mechanism for international cooperation on forest certification.	AFFA – lead agency	On-going	International acceptance of forest practice certification schemes.	**2.1 to 2.6** Work in 2000-01 from existing funding arrangements. FPC to determine costings and recommend appropriate funding sources for additional work.
2.2 Enhance scientific underpinning of sustainable forest management.	AFFA and SCF	On-going	Improve applicability and confidence in criteria and indicators of sustainable forest management.	
2.3 Develop mutual recognition agreements (MRAs) with other forest practice certification schemes.	AFFA	On-going	Greater international acceptance of sustainability of Australian forest and wood products.	
2.4 Support Joint Accreditation System – Australia and New Zealand (JAS-ANZ) in developing product certification MRAs with other countries.	AFFA, Department of Industry, Science and Resources (DISR), JAS-ANZ, National Timber Development Council (NTDC)	**2.4** and **2.5** Over 4 years	Gaining international acceptance of Australian forest products. Assist international marketing by overcoming technical barriers to trade.	
2.5 Ensure appropriate recognition of the role of JAS-ANZ accredited bodies in marketing, government procurement policy and Building Code of Australia.	AFFA, DISR, JAS-ANZ, NTDC and Australian Building Codes Board		Wider domestic understanding and application of JAS-ANZ.	
2.6 Explore the role of JAS-ANZ and any other relevant bodies in relation to internationally acceptable accreditation of forest certification schemes.	AFFA, DISR, JAS-ANZ	On-going	Possible accreditation model for adoption/development	
2.7 AFFA to lead international discussions with relevant involvement of Department of Foreign Affairs and Trade (DFAT).	AFFA	On-going	Consistent approach by Australia to international negotiations.	Through existing funding.
2.8 AFFA to report progress to MCFFA and FPC.	AFFA	On-going	Stakeholders fully informed of developments.	Through existing funding.

Strategic Imperative 3

Improve community awareness.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
3.1 Develop and implement a National Community Awareness Plan.	FPC and Ministerial Council on Forestry, Fisheries and Aquaculture (MCFFA)	Develop plan by July 2001	Enhanced community awareness of Australian multiple values and community benefits of forests and forest and wood products	**3.1 to 3.2**, Funding for development phase from industry and stakeholders, with State and Commonwealth funding from existing funds. FPC to determine implementation phase costings and recommend appropriate funding sources.
3.2 Develop and implement Regional Community Awareness Plans from the National Plan.	Action 3.1, Timber Communities Australia and industry associations	Develop plans by December 2001	Regional factors taken into account in implementation of National Plan.	
3.3 Review progress on implementation of Community Awareness Plans.	FPC and MCFFA.	December 2003	Evaluation of effectiveness of regional plans.	FPC to determine costings and recommend appropriate funding sources.
3.4 Encourage the establishment of, or strengthen, regional forums.	See Action 12.1	Ongoing	Increased awareness of regional forest issues, including farm forestry. Regional strategies to reflect shared outcomes of value-chain approach	See Action 12.1

Strategic Imperative 4

Establish and maintain a consolidated forest and wood products industry database.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
4.1 Determine scope of core database (resource, processing, markets and socio-economic) and level of aggregation (national, state and/or regional).	**4.1 to 4.5** FPC and MCFFA (with Australian Greenhouse Office (AGO) and Rural Industries Research and Development Corporation in relation to **4.4**)	March 2001	Determination of a core set of data to assist investment, marketing, management and planning decisions.	Through existing funding.
4.2 Establish appropriate mechanisms for the collection and collation of information.		September 2001	Collection of accurate and relevant data that overcomes concerns about the commercial confidentiality of information.	**4.2 to 4.5** FPC to determine costings and recommend appropriate funding sources (eg user pays, industry and/or government contributions).
4.3 Determine funding and administrative arrangements to ensure that core data can be collected and made available in perpetuity.		December 2001	Data collected in the most effective and efficient manner to ensure its longevity.	
4.4 Establish forestry biomass database.		December 2001	Database of existing and potential wood resources for energy production in Australia. Data to assist investment decisions in new markets for wood waste to meet national electricity target of an additional 9500GWh by 2010.	
4.5 Determine appropriate means for the dissemination of information.		March 2002	Readily accessible and technically advanced database, particularly in view of the sometimes isolated nature of the sector. Opportunities to develop e-commerce.	

Strategic Imperative 5

Encourage an innovative framework to enhance product development and utilisation.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
5.1 Review, and implement where appropriate, outcomes of Innovation Summit Implementation Group action plan.	FPC and DISR	Within 12 months of plan's release	Support to industry to facilitate an innovative culture, not just in R&D, but in areas such as management, value-adding, product differentiation, marketing and financing.	Through existing funding or Innovation Summit process.
5.2 Promote alternate wood uses, including use in bioenergy, green chemicals.	FPC and MCFFA	July 2001	Demonstration of utility of existing forest products in alternative applications. Ongoing support for Biomass Taskforce and International Energy Agency's Bioenergy Program.	**5.2 and 5.3** Through existing funding arrangements FPC to recommend additional targeted funding if existing funding deficient in any area.
5.3 Promote environmental and economic benefits of trees in areas of low rainfall and land degradation.	FPC and MCFFA	July 2001	Demonstration of broad range of benefits of afforestation and reforestation in areas affected by salinity, erosion, etc.	
5.4 Establish more effective consultative framework to ensure R&D efforts are properly targeted, integrated and disseminated.	Research providers and customers	January 2001	Use of R&D funding and dissemination of results provided at most effective and efficient level, thereby facilitating product development and utilisation.	Through existing funding.
5.5 Increase investment in R&D & commercialisation of new processes, including greater utilisation of AusIndustry programs.	Industry, research providers, AusIndustry	On-going	Greater up-take of product development opportunities.	Through existing funding.
5.6 Increase Commonwealth support for the Forest & Wood Products Research and Development Corporation (FWPRDC), including dollar for dollar funding.	Minister for Forestry and Conservation	August 2000	Commonwealth support for R&D in the forest and wood products sector on an equal footing with other primary industries.	Through FWPRDC review process.
5.7 Develop "one-stop-shop" for information on assistance for product development initiatives.	Industry, DISR, research providers	March 2001	Enhanced awareness and up-take of assistance for product development initiatives.	Through existing funding or funds allocated to other Actions.

Strategic Imperative 6

Ensure the views of forest and wood products industry are fully considered when developing policies on environmental issues.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
6.1 Provide an on-going avenue for industry's views on greenhouse and other environmental issues to be made known to relevant policy makers.	**6.1 to 6.3** FPC, through linkages with MCFFA, Ministerial Council on Greenhouse, AGO and Minister for Forestry and Conservation.	On-going	Public policy that fully takes into account the views of the industry.	**6.1 to 6.3** Through existing funding.
6.2 Provide input into policies promoting wood and non-wood partnerships of tree crops.		On-going	Promotion of tree planting in areas that are not commercially viable on the basis of timber production alone. Fully explore the potential of timber for other markets such as carbon, salinity and biodiversity credits.	
6.3 Co-operate actively with industries in other countries to ensure more logical carbon accounting rules are adopted internationally.		On-going	Review of current methodologies that treat carbon in wood as completely released to atmosphere at the time of harvest.	

Strategic Imperative 7

Pursue an integrated approach to market development.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
7.1 Develop and implement a National Market Development Strategy .	FPC and Austrade (given the latter's role in co-ordinating and advising on the development of export development programs across Commonwealth agencies).	Develop by July 2001	Increased demand for Australian forest and wood products through domestic market diversification, import replacement opportunities and accessing potential export markets. An umbrella strategy, that takes account of existing industry (eg National Timber Development Program), Commonwealth (eg Supermarket to Asia, Austrade) and State (eg Timber Promotion Council) programs/initiatives. Determination of whether a dedicated Trade Commissioner for the industry is needed.	Development costs through industry, State and Commonwealth government contributions. FPC to determine implementation costings and recommend appropriate funding sources
7.2 Examine possibility for Joint Australia-New Zealand marketing strategy for pine products.	Australian and NZ governments and Australian and NZ industry	January 2001	Increased international market penetration of pine products sourced from Australia and New Zealand.	Dependent on result of current scoping study and Action 7.1.
7.3 Maintain the National Timber Development Program.	Action 7.1, industry and FWPRDC	On-going	Maximisation of domestic utilisation of forest and wood products.	Through R&D levies.
7.4 Government to assist in ensuring that Australian products are not unfairly disadvantaged by overseas standards.	AFFA and DFAT through WTO and APEC activities (see also Strategic Imperatives 1 and 2).	On-going	Australian forest and wood products able to compete on an equal footing in international markets.	Through existing funds or funds provided under other Actions.

Strategic Imperative 8

Pursue integrated approach to investment development.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
8.1 Develop and implement a National Investment Development Strategy that takes into account commonalities of, and differences between, particular industry sectors.	FPC and Invest Australia.	December 2001	Co-ordinated approach to the facilitation of domestic and overseas investment in the forest and wood products industry. Provision of clear, sector-specific guidelines to encourage investment, particularly in relation to further processing opportunities.	Development costs through industry, State and Commonwealth government contributions. FPC to determine implementation costings and recommend appropriate funding sources.
8.2 Improve regional infrastructure through better linkages between industry and local, State and Commonwealth Governments.	FPC, MCFFA, AFFA and Dept of Transport and Regional Services (DoTRS).	On-going	More effective regional infrastructure planning and development. Greater regional investment in forest and wood products industries.	Through existing funding.
8.3 Legislate to provide planting and harvesting security for growers and better publicise such legislative changes.	State and Territory governments.	January 2001	Tree owners secure as to future access to, and use of, resource.	Through existing funding
8.4 Legislate to provide support for Regional Forest Agreement outcomes	Commonwealth, State and Territory governments	July 2001	Greater certainty for investors that government parties will comply with RFA outcomes.	Through existing funding.
8.5 Provide transparent market information.	See Strategic Imperative 4.	March 2002	Information base to allow a complete evaluation of timber production as a potential investment.	Through Vision 2020 and Strategic Imperative 4 funding.

Strategic Imperative 9

Ensure co-ordinated education and training arrangements are responsive to industry needs.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
9.1 Improve integration of the industry's education and training framework.	**9.1** to **9.3** FPC, Forest and Forest Products Employment Skills Company (FAFPESC); Australian National Training Authority; State Industry Training Boards; Dept of Education, Training and Youth Affairs; Dept of Employment, Small Business and Workplace Relations; industry associations and unions	On-going	Strengthened National/State Forest Industries Training Advisory Board (ITAB) network. Improved linkages between TAFE, Universities, school system and professional bodies.	**9.1** to **9.3** Through existing funding, although FPC will consider costings and recommend funding sources if existing funding is considered inadequate.
9.2 Better marketing of the education and training framework to industry.		On-going	Strengthened intermediary role for industry associations in promoting informal and formal learning; facilitating training & education services for members; & supporting National and State ITABS in providing information to industry Improved access to available Training Packages. Better developed 'business culture' in training organisations. Acceptance by industry that training is an investment.	
9.3 Foster development of management skills.		On-going	Industry better able to respond to market shifts, develop new products, adopt new technologies and address commercial, regulatory and social pressures for improved performance.	

Strategic Imperative 10

Improve occupational health and safety (OH&S) performance.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
10.1 Convene a National OH&S Forum to develop a Strategy to improve industry's OH&S performance.	**10.1** to **10.4** FPC and relevant Ministerial Council(s), National Occupational Health and Safety Commission, State WorkCover authorities, industry associations, unions, FAFPESC	March 2001	Consideration of proposals including establishment of a National Workers Compensation Scheme, alternative insurance arrangements, general regulatory arrangements including those applicable to farmers and private property plantations.	**10.1 to 10.4** Development costs through funding by participants. FPC to determine implementation costings and recommend appropriate funding sources.
10.2 Strengthen role of industry associations as OH&S intermediaries.		On-going	Facilitation of OH&S training & education services for members in OH&S, leading to improved corporate productivity and competitiveness.	
10.3 Review effectiveness of timber industry Codes of Forest Practice in achieving OH&S compliance.		September 2001	Most effective OH&S compliance arrangements through evaluation of Codes of Practice compared to other types of OHS service delivery.	
10.4 Develop industry specific national reporting system and maintain Industry Reference Groups.		On-going	Provision of accurate data to assess OH&S performance.	

Strategic Imperative 11

Improve linkages at a national level.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
11.1 Establish a Forest Products Council (see recommended composition and terms of reference of FPC at Attachment A).	Minister for Forestry and Conservation and AFFA.	As soon as possible	An effective forum for the interchange of advice and information between governments, industry and other stakeholders at a national level. An effective vehicle to ensure greater co-operative linkages are forged along and across industry sectors. Responsible for completion of specific tasks under the Action Agenda.	Establishment costs to be funded by contributions from governments, industry and stakeholders represented on FPC. FPC to determine running costs and recommend appropriate funding sources.
11.2 Develop linkages with Action Agendas in the Furnishing, Building and Construction, Printing, Renewable Energy, Australian Liquefied Natural Gas, Environment Management and Aquaculture industries.	FPC, AFFA and DISR	On-going	Forest and wood products industry more responsive to developments in important market sectors. Broader understanding and acceptance by other industries of the potential uses of forest and wood products.	Through existing funding.

Strategic Imperative 12

Improve linkages at a regional level.

Action	Driver(s)	Timeframe	Expected Outcomes	Funding Arrangements
12.1 Encourage development of regional forest and wood products forums	FPC and MCFFA	January 2001	An effective base for the co-ordination of forest and wood products sector activities at a regional level, bearing in mind the excellent work currently being undertaken by many Regional Plantation Committees. An effective focus for linkages with other regional groups.	Through existing funding in 2001-02. FPC to determine costings and recommend appropriate funding sources for on-going support.
12.2 Support the development of State consultation processes with FPC.	MCFFA and FPC	January 2001	Effective co-ordination to achieve relevant actions.	Through existing funding.
12.3 Government to assist in the promotion and education of network structures and frameworks.	DoTRS, DISR and AFFA, and through other Actions (see Actions 3.1, 4.1, 4.4 and 12.1).	On-going	Industry and regional development through more effective utilisation of resources and skills.	Through existing funding or funding provided under other Actions.
12.4 Improve the network of local government councils involved in planning processes for plantation development, farm forestry and processing investments.	FPC, regional forums, Vision 2020, SCF.	On-going	Facilitate rational, consistent approach to local government issues such as roads, rating and planning approvals.	Through existing funding .
12.5 Provide seed funding for a limited term for new co-operatives.	DoTRS, DISR, AFFA, State agencies.	January 2001 to December 2003	Facilitation of development of co-operatives through seed funds for regional resource inventory, exploration of market possibilities and assistance to begin trading.	Through existing funding in 2001-02. FPC to determine costings and recommend appropriate funding sources for on-going support.
12.6 Support networking and communication between co-operatives.	DoTRS, DISR and regional forums (see also Actions 12.3 and 12.4).	On-going	Smaller Australian firms better able to utilise necessary scale and skills to compete in international markets.	Through existing funding in 2001-02. FPC to determine costings and recommend appropriate funding sources for on-going support.

Attachment A

PROPOSED COMPOSITION AND TERMS OF REFERENCE OF FOREST PRODUCTS COUNCIL

Forest Products Council

Minister (Chair)

Members: Minister to choose one nomination each from nominations received from these groups:

- Australian Forest Growers
- National Furnishing Industry Association
- Plantations Australia
- Pulp and Paper Manufacturers Federation of Australia
- Regional Committees
- Timber Communities Australia
- Local Government Association
- National Association of Forest Industries
- Pine Australia
- Plywood Association
- Standing Committee on Forestry
- FWPRDC, CSIRO
- Unions
- Timber Merchants Association

Working Groups

Formed at the direction of FPC to undertake specific tasks, such as those prescribed under the Action Agenda.

FPC Secretariat –
provided by AFFA

FPC Terms of Reference

1. To provide a national forum for the interchange of advice and information between governments, industry and forest and wood product sector stakeholders.
2. To provide a vehicle to promote greater cooperative linkages along and across the production chain.
3. To provide advice to the Minister on the implementation of the Action Agenda, incorporating the Wood and Paper Industry Strategy.
4. To establish ad hoc or standing working groups Council requires to assist its activities (such working groups may include persons who are not members of the Council).
5. To undertake specific tasks allocated under the Action Agenda.
6. To meet 2 times each calendar year, with additional meetings as are requested by a majority of Council.
7. To consider its future functions, if any, after 4 years.
8. To utilise the FPC Secretariat as needed.