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Construction, Forestry, Mining and Energy Union (CFMEU) Garnaut Submission

By Michael O'Connor, National Secretary,
CFMEU Forestry & Furnishing Products Division

The CFMEU is committed to action to combat and control climate change. It is essential to recognize the urgency of ensuring sustainable forest management if the impact of deforestation and allied illegal logging is to be halted.

It is essential too to recognize that human factors – the lives and economic welfare of workers and communities that is interrelated to labour conditions and opportunities – must be taken into account. These key stakeholders must be included with industry, government and civil society in planning and implementing strategies which ensure ongoing forests with sustainable management and development.

Any approach which ignores the role of people and communities when strategizing to confront climate change will fail.

CFMEU understands and supports the position of regional trade union partners and communities. At the UN Conference on Climate Change in Bali, December 2007, CFMEU urged world delegates to listen to the reality of workers and to strategise in ways which included their concerns with all other key stakeholders.

Sustainable forest management is essential. Sustainable forest management (SFM) cannot succeed without recognizing the needs and valuable input of labour forces. Simplistic, 'one size fits all' approaches of locking up forests without considering the needs of local owners and communities are problematic and have little or no chance of success in any sustainable way.

SFM is a system for the integrated management and on-going use of land, water and living resources on forest lands. At a strategic level SFM is a framework to ensure that forest based environmental resources are managed in a manner that they continue to produce the goods and services required to support sustainable livelihoods for people at global, national and local levels. At an operational level SFM is implemented through criteria (specific goals, practices and processes targeted for geographically defined SFM regimes) and indicators (activities periodically measured to track success in achieving criteria). Australian forests are managed consistent with SFM frameworks.

The Bali "roadmap" explicitly identifies deforestation as one of the activities to be addressed over the next 2 years in finalizing a post 2012 international agreement to succeed the first phase of the Kyoto Protocol. The current levels of GHG emissions from deforestation and degradation comprehensively over all the World's forests could be considered as a failure to implement SFM practices to support our livelihoods in the short and long term.

Other activities identified in the Bali "roadmap" to "enable the full, effective and sustained implementation of the (Climate Change) Convention" include adaptive approaches to manage negative impacts of climate change, deployment of climate friendly technologies, expanded role for clean development mechanisms and financing options.

At least five interrelated arguments can be made to support Australia working collaboratively with regional neighbours to mainstream sustainable forest management regimes for their forest lands:

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1. Capture the benefits of reduced GHG emissions. It is estimated that approximately 20% (approximately 1.7 B tonnes) of annual GHG global emissions are released by unsustainable management practices of tropical forests with Indonesia and PNG, our nearest neighbours, accounting for around 43% of these emissions.

The significance of GHG emissions from deforestation is evident when you consider that when not accounting for deforestation Indonesia has a very low per capita emissions (3 tonnes per person), while with inclusion of impacts of deforestation actions Indonesia's per capita emissions are just below those of European countries (14 tonnes per person).

Unsustainable practices involve excessive deforestation for agriculture, degradation through unsustainable logging practices including illegal logging, inappropriate use of fire, over-grazing and excessive conversion of native forests to plantations for wood, fibre, and energy (eg palm oil plantations).

It is interesting to note that many of the forests in developed countries, including Australia, are currently net absorbers of carbon dioxide (CO₂) due to natural and planned forest re-growth following earlier clearing to support agriculture, industry and infrastructure for increasing populations. During their development phase these countries would have been significant emitters of CO₂. Much of the deforestation in developing countries is the result of activities to support livelihoods (eg agriculture, housing and industry), in addition to supplying products such as paper to developed countries.

2. There is increasing evidence that it would be prudent to act sooner rather than later to capture gains from SFM. The major impacts of climate changes appear to have been significantly underestimated in both terms of timing (earth heating up much quicker than expected leading to melting of ice sheets and rising sea levels) and severity of impacts (more frequent and severe drought, floods and bushfires). These concerns are reflected in work of Dr James Hensen – a NASA Scientist who brought to attention of US Congress in the 1980s the adverse impacts of global warming caused by human activity – that a target of 350 ppm CO₂ in the atmosphere should be the base. This target compares with the pre-Industrial Revolution concentration of 275 ppm CO₂ in the atmosphere with work of IPPC recommending a target of 450 ppm by 2050. Today there are 385 ppm of CO₂ in the atmosphere.
3. The mainstreaming of SFM regimes is consistent with accounting for all interventions in a forest's carbon cycles and will provide evidence to rectify an anomaly with Kyoto Protocol.

Under the Kyoto Protocol the benefits of retaining carbon in existing forests are excluded. The thrust of Kyoto Protocol, in terms of forest management, is to account for changes in carbon stocks associated with reforestation and afforestation of land. This exclusion of native forests has perverse impacts in terms of generating on-going investments in retained forests particularly in developing countries.

4. Experience gained from implementation of SFM will increase the likelihood that developing countries will have greater confidence and rewards to negotiate a global carbon management regime incorporating national targets. A key problematic issue at the Bali Conference was the setting of binding commitments on reductions and/or targets for GHG emissions to provide a much clearer and stronger framework for managing global GHG emissions. CFMEU recognizes that it is important to remember that GHG emissions have some impact on global climate independent of where they are generated, hence the necessity for a global approach to accounting for and management of emissions.



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5. Mainstreaming SFM will enhance the capacity and confidence of the international community to design and implement effective legal, policy and institutional frameworks for achieving commitments “nationally appropriate mitigation” (for developed countries) and actions (for developing countries) which are “measurable, reportable and verifiable”.

Leadership by Australia in mainstreaming SFM regimes in collaboration with our neighbours will provide knowledge and experience in developing the required legal, policy and institutional frameworks. These frameworks would also reduce opportunities for predatory practices of sections of the timber industry, including opportunities for illegal logging.

Capturing the potential benefits of the economic, social, environmental, cultural and political impacts of mainstreaming SFM requires an integrated and comprehensive system to manage the complex interactions between investment, innovation and implementation of SFM regimes at global, national and community levels.

Investment and innovation

In terms of investment the UNFCCC recent report “*Investment and Financial Flows to Address Climate Change*” (October 2007) estimates additional investment and financial flows of about US \$21 B would be needed in 2030 to capture the benefits of SFM in managing climate change. Additional investments include \$US 12 B for reducing deforestation and forest degradation in developing countries to zero in 2030, \$US 8 B for implementing SFM to enhance the ability of forests to act as sinks for carbon storage, and \$US 0.1–0.5 B for afforestation and reforestation.

Within an evolving legal, policy and institutional global framework for SFM, CFMEU would be confident that stronger and variable relationships between national governments, corporate investors, international organisations and forest industry would unlock the additional investments and financial flows required to capture reductions in global GHG emissions currently generated by unsustainable forest management practices.

Further, investment in SFM could deliver significant reductions in global GHG emissions in the shorter term (pre 2012), thus providing time for the role and targeted impact of other policy instruments (eg emissions trading and low emission energy technologies) to be finalised for post 2012 when the Kyoto Protocol is expected to be replaced by a new framework resulting from Bali “roadmap”.

CFMEU recognizes that capturing the positive impacts of SFM to reduce GHG emissions will also require more innovative approaches to overcome short term incentives associated with current practices with technology, management, business systems, governance, marketing and financial risk management. A key component of innovation will have to be new ways of doing business to integrate the benefits and rewards from SFM within local and regional economies in order to deliver healthy and equitable livelihoods for people and maintain and restore environmental health at local, national and global levels.

Current approaches – rich forests and poor people

Current structures for reducing forest degradation and deforestation in developing countries are project based often supported by grant funding operating in a top down manner.

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Developing countries often perceive these projects as diverting international funds from their aspirations for social development and economic growth by constraining their potential for growth through “locking up” forests and increasing debt through failure of governance arrangements to deliver goals of the project.

The current debate regarding the efficacy of Reducing Emissions from Deforestation and Degradation (REDD) mechanisms offered by developed countries to developing nations as a means of reducing global GHG emissions from their forests captures these concerns.

Developing nations do not want “rich forests, poor people”. Regional concerns have been clearly articulated and must not be ignored. CFMEU urges that the inclusion of developing nations and the workers and communities in countries of Asia Pacific be taken seriously.

Mr Tracker Tilmouth, a delegate of the Construction, Forestry, Mining & Energy Union (CFMEU) and a senior Aboriginal Australian leader attending the Bali Conference commented:

“Indigenous people and workers have united at this conference in our opposition to proposals and programs that would restrict workers and communities to remain impoverished and not benefit from sustainable development. We have to move away from the age old colonial policies of through your poverty, you can remain pure. We are not museum pieces, whose lives are never to change and circumstances can never improve. Workers and indigenous people are entitled to improve our livelihoods and sustainable forest management plays a key role in that.”

Mrs Beatrice Dindillo, the National Secretary of the Papua New Guinea Timber and Construction Workers’ Union added:

“Asia Pacific forestry unions assert that sustainable forest management must include labour, social, cultural, economic, governance and financial criterion, as well as ecological criteria.”

Ms Rulita Wijayaningdyah from the Federation of All Indonesian Wood, Forestry and General Workers’ Union: “Unions understand that incentive packages as a trade off for ‘locking up’ forests are not sustainable and will not, on their own, be successful. We know that these approaches lead to hidden deforestation activities. Successful reserving systems only arise in conjunction with other environmental measures, sustainable and local industry development and comprehensive social policy and program developments that promote proper livelihoods, decent work and poverty reduction.”

Throughout the Bali Conference, forestry unions spoke out with unified positions to national delegations to ensure that workers needs be heard. In particular, unions have demonstrated that to play an effective role in reducing CO² emissions, stakeholders including workers, unions, communities and indigenous landowners must have their interests and needs addressed.

Mr Tony Kagovai, National Secretary of the Solomon Islands National Union of Workers said:

“Many national delegations have been very responsive to the union view that the very broad concept of sustainable forest management can deliver significant ecological and social and community outcomes. To make this happen, all stakeholders, especially workers, unions and local communities have to be involved throughout. That’s the only way to guarantee sustainable outcomes like consistent and reliable incomes for workers and communities.”

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Further, elements of the debate concerning the efficacy of REDD approaches in terms of on-going benefits to local communities, mirrors the debate regarding the efficacy of Australian Government's CEDP (Community Employment & Development Program) for indigenous people. In particular, in terms of impacts associated with the payment of "sit down money" versus participation in long term economically viable real jobs. Positive long term economic, social and environmental health will be directly related to level of "real" jobs.

Australia can do better

- One dimensional approaches such as clamping down on illegal logging through stricter law enforcement and bans by importing countries can often have unintended consequences. As pointed out in recent Report by Centre for International Forestry Research (CIFOR), *Justice in the Forests*, uncoordinated clampdowns "could often do more harm than good to many rural communities". CIFOR is an internationally respected research organisation focussing on improving the well-being of forest-dependent people and survival of the World's tropical forests.
- CFMEU believes that one area of innovation Australia should consider is incorporating the carbon sink benefits on implementing SFM and flow-on carbon storage impacts of various wood and paper products from our neighbours' tropical forests as a component of Australia's emissions trading scheme currently being developed by Australian Government. (That is, design trading rules consistent with carbon life cycle analysis which captures production, product use and disposal.) Such an innovation would be consistent with the now Prime Minister, Mr Kevin Rudd's comments in the Fraser Lecture (May 2007) that "We still need to reduce our own emissions, but we can also invest in keeping the world's rainforests operating as lungs of the world" and the Labor Party's commitment to "increase aid expenditure on climate change by \$150 m over 3 years" to, amongst other initiatives, "Build capacity for avoided deforestation and better forest management in the Asia Pacific" (Media statement 24/7/07).
- Success in capturing the positive impacts of SFM requires effective implementation to distribute and account for the benefits at global, national and local levels.
- The long term worth of SFM as a tool to contribute to reducing GHG emissions requires effective and on-going on-the-ground actions (implementation), not just policy statements. Rhetoric is easy. Australia needs actions which integrate long term strategies with short term tactics.
- At global levels implementation arrangements must ensure that SFM effectively and efficiently leads to reduction in global GHG levels in a manner which is life friendly and equitable in the distribution of the vast array of social, economic and environmental outcomes. SFM for developing countries must generate access to resources to improve living standards.
- For local communities, SFM must deliver access to continuous and reliable income streams from their work in managing forests for global benefits.

At a policy level SFM is sufficiently defined to guide implementation. A strategic and internationally agreed framework for national action and agreed co-operation for the implementation of SFM is provided by the "Global Consensus on Sustainable Forest Management" developed by UN Forum on Forests (UNFF) and agreed by UN General Assembly in 2007. The Global Consensus explicitly incorporates the internationally agreed UN Millennium Development Goals in respect to raising people out of poverty and environmental sustainability.

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- One of the major impediments in mainstreaming SFM is the lack of agreed practical legal and institutional frameworks which meets the requirements of developing countries and potential investors. Australia must respond to confront this impediment.
- While technical solutions to reducing global GHG emissions through SFM are emerging, practical and agreed options to capture the monetary and other benefits in terms of positively impacting on people's livelihoods and the global environment must be advanced.

On-ground guidance on innovative and comprehensive techniques for more effectively managing the complex interrelationships between SFM, reductions in GHG emissions, investment, on-going role of forest industry and people's livelihoods could be gained by expanding the work of CIFOR beyond current focus on pilot programs into a comprehensive structure which directly links global, national and local interests.

On-going implementation of comprehensive SFM systems linked into a global carbon management regime and conducted within a framework which equitably supports the livelihoods of people who directly depend on forests – in terms of reliable access to food, income, energy and other social benefits – provides a meaningful, practical and results-based system to reduce global GHG emissions in both the short and long term for the overall benefit of global communities.

- Australia can provide the necessary leadership to capture these benefits. Australia's commitment could be further demonstrated by revision of the program priorities for the Australian Government's \$A 200 M Global Initiative on Forests and Climate Fund to more comprehensively deliver SFM regimes and systems with our nearest neighbours.

In undertaking work it is beneficial to remember that while science and economics will help refine solutions for capturing the benefits of SFM, it will be the success of political processes that will deliver the solutions.

** The CFMEU Forestry and Furnishing Products Division was represented at UNFCCC COP 13 Meeting in Bali as member of International Trade Union Confederation (ITUC).*

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