

The Changing Policy Roadmap – The Role of the OMA

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Some areas to Monitor

- Garnaut updates
- Carbon Farming Initiative and response in Vic.
- Carbon Price (Tax)
- Renewable Energy Target(s)
- Strategic Energy Initiative
- Royalties for Regions
- Regional Planning Review - State Planning Policy 2.5 and Development Control Policy 3.4

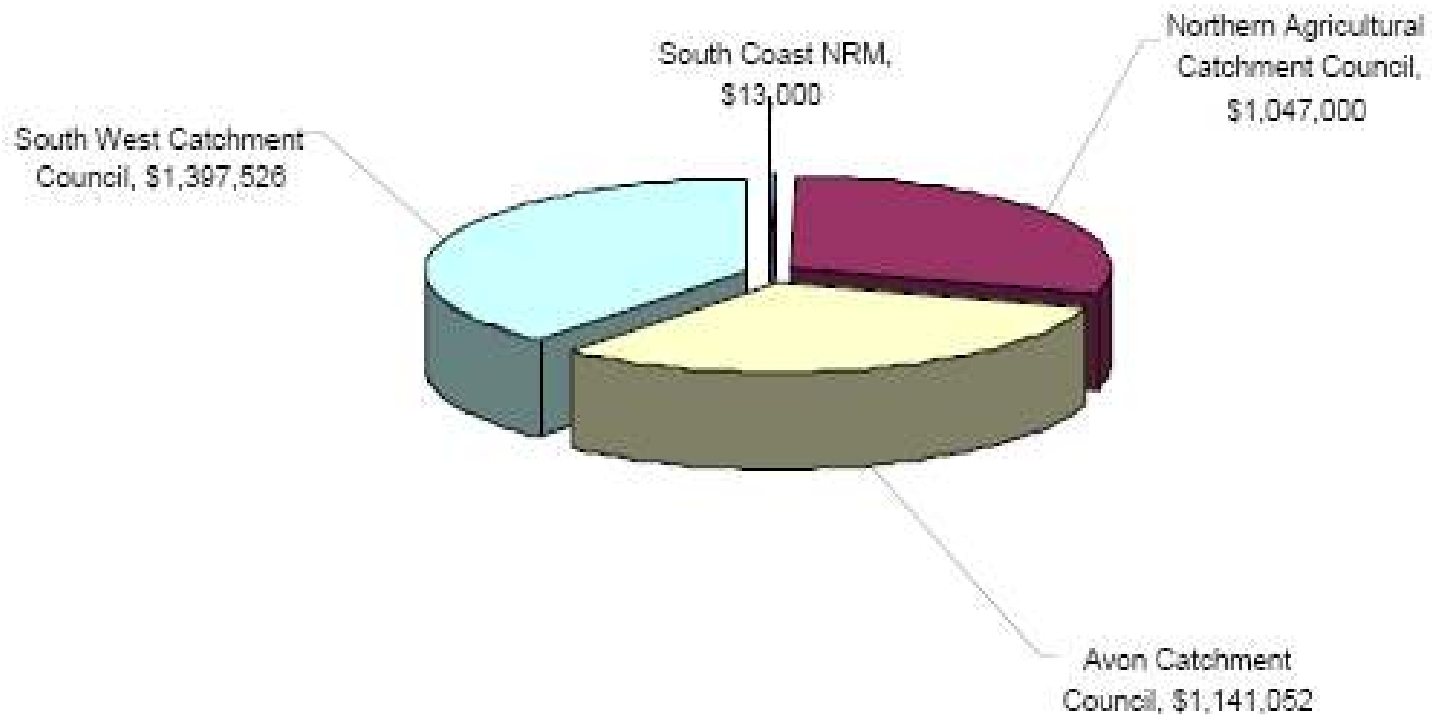
Other issues

- Energy tariffs (uniform tariff policy)
- Wind farms and the Senate Enquiry – a cautionary tale about uncontrolled markets
- CFOC and Landcare – where is it heading
- Who funds establishment of trees?
- Funding for Renewable Energy – where bioenergy and biofuels support?

Resource Development

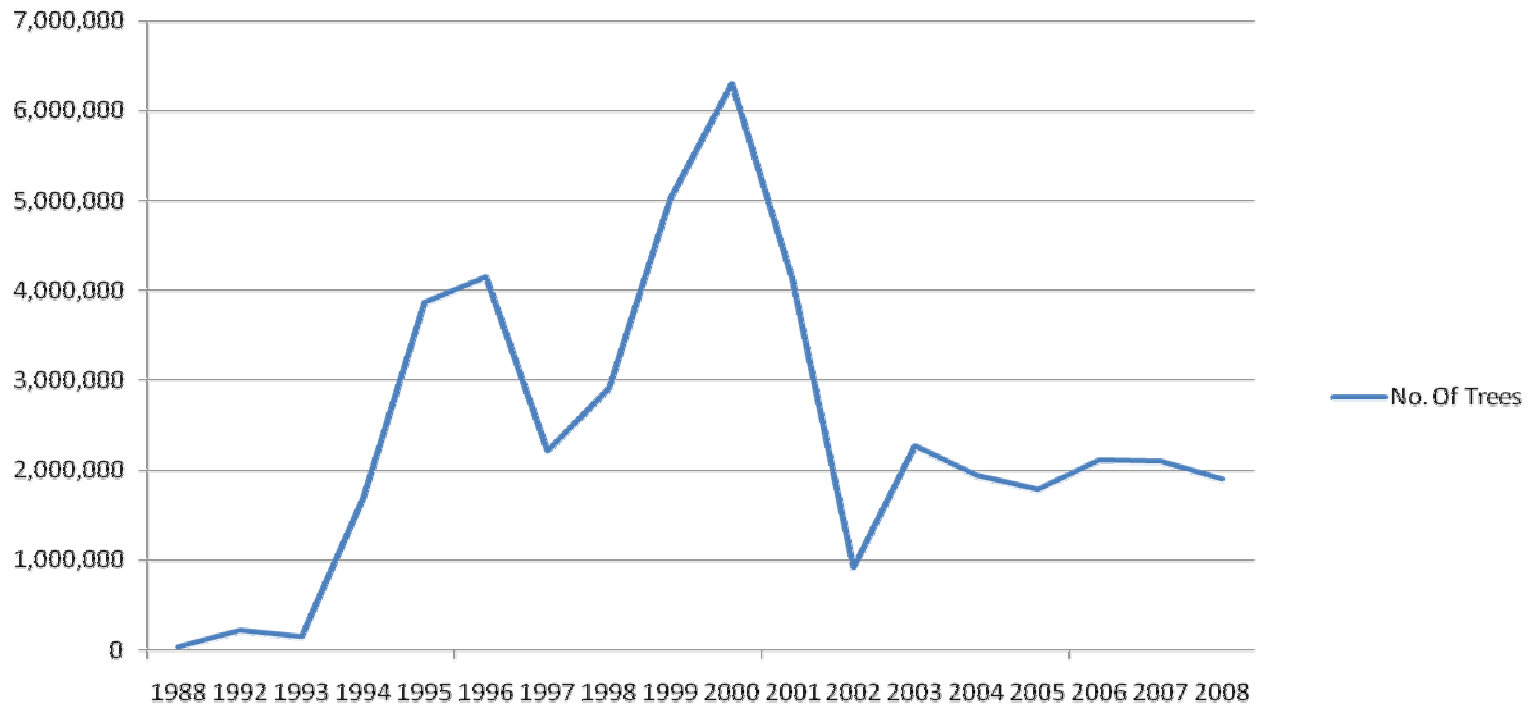
NRM has and will be a key stakeholder

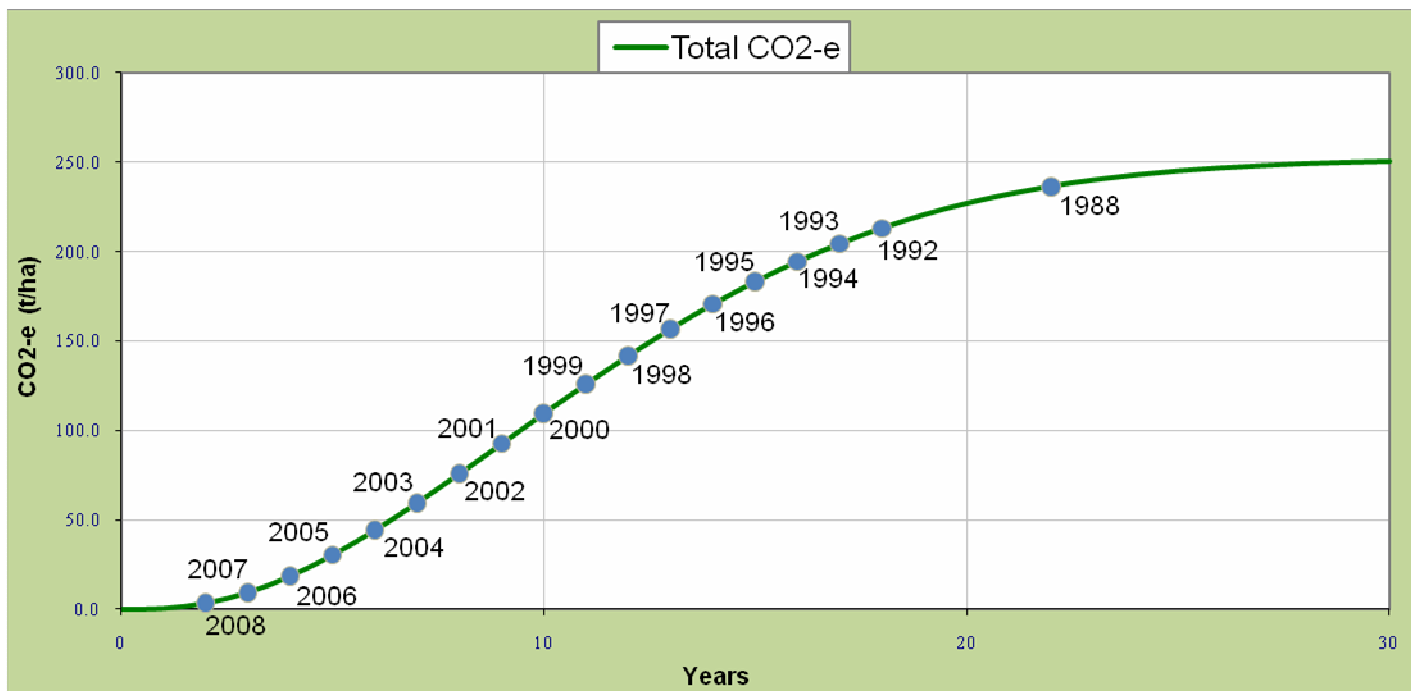
**Public NRM investment into WA mallee industry through NRM groups
July 2005-June 2008**



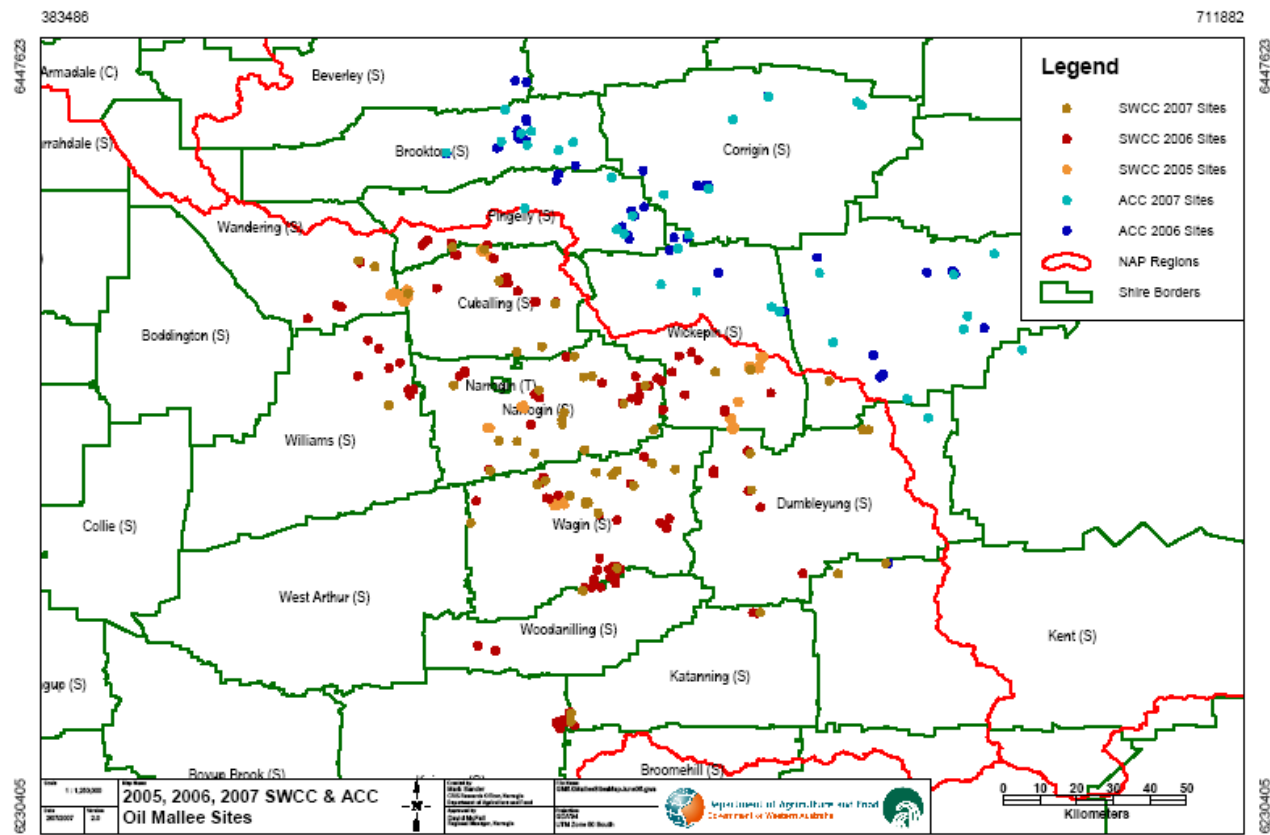
The pattern of mallee planting

No. Of Trees per Year
From 1988 to 2008





Building on previous initiatives



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Linking other objectives to carbon mitigation...

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The potential of greenhouse sinks to underwrite improved land management

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^c Tony Beck Consulting Services, GPO Box 237, Canberra, ACT 2601, Australia

^d Bureau of Rural Sciences, GPO Box E11, Kingston, ACT 2604, Australia

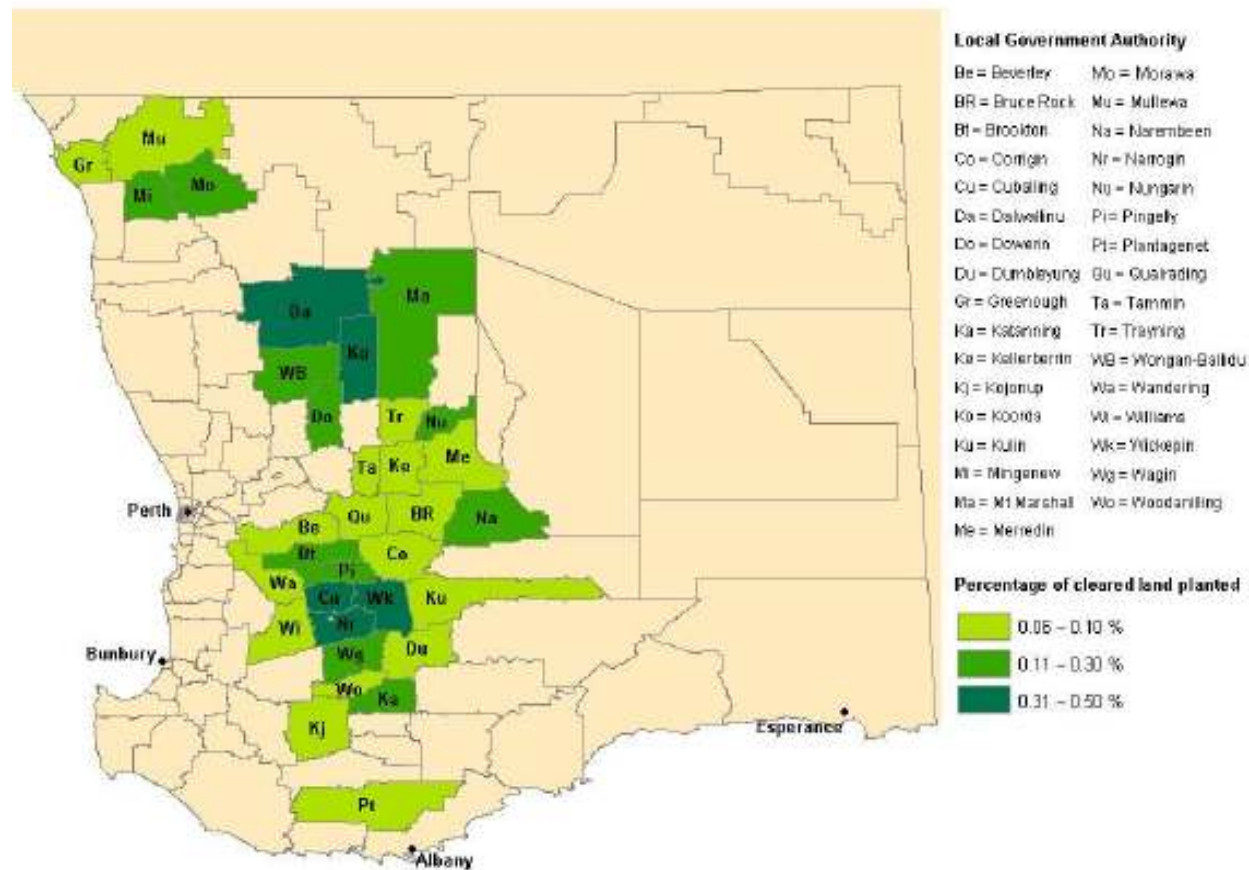
^e CSIRO Plant Industry, GPO Box 1600, Canberra, ACT 2601, Australia

^f Ecohydrology Research Group, The University of Western Australia, Nedlands, WA 6907, Australia

^g Chemistry Centre of Western Australia, 125 Hay Street, East Perth, WA 6004, Australia

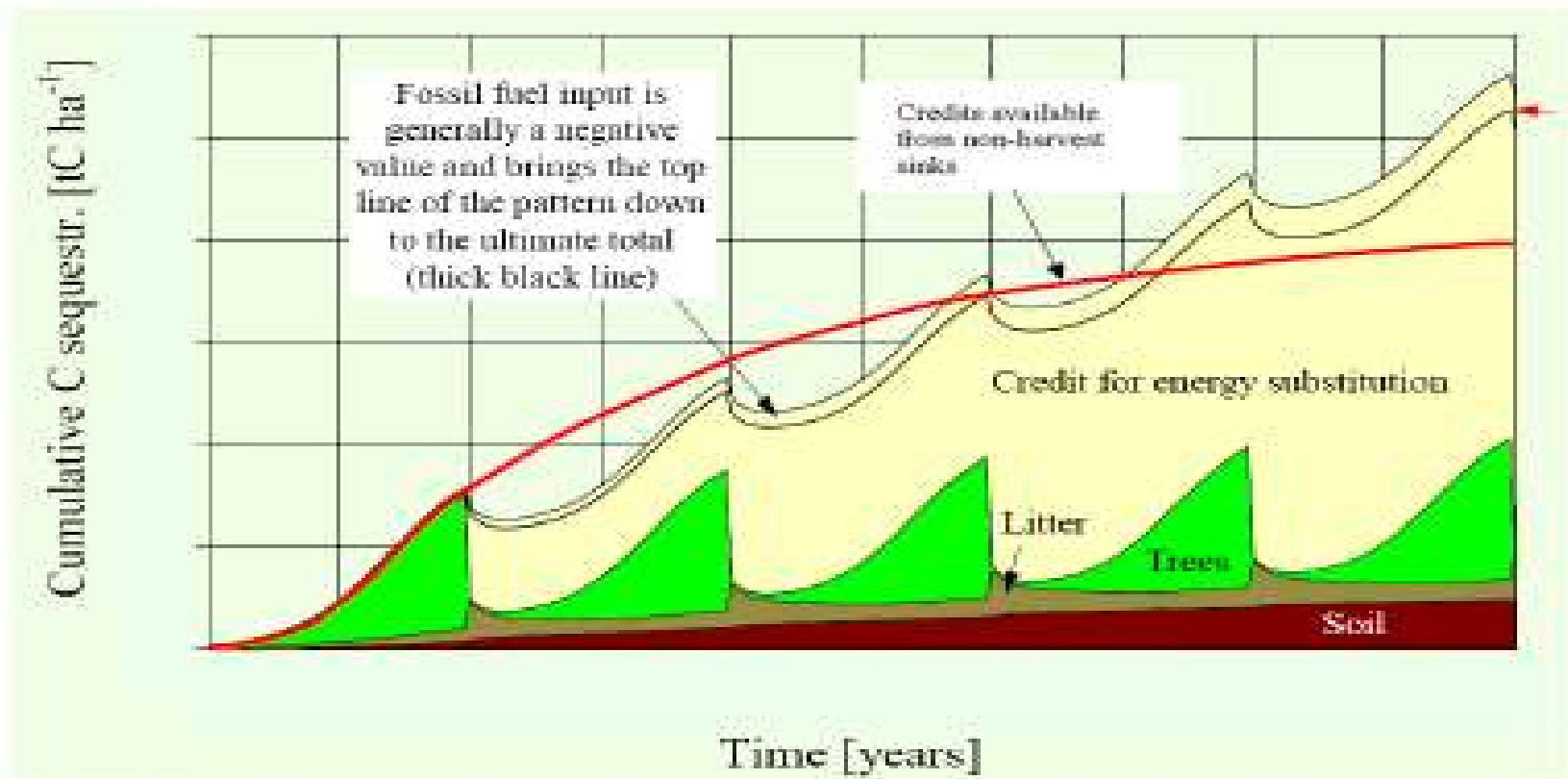
The Current Resources

Concentration of oil mallee plantings, 2007



Future Directions for the Industry

Cumulative sequestration via fossil fuel displacement versus non-harvest sinks



The impact of a carbon tax on uptake of biomass

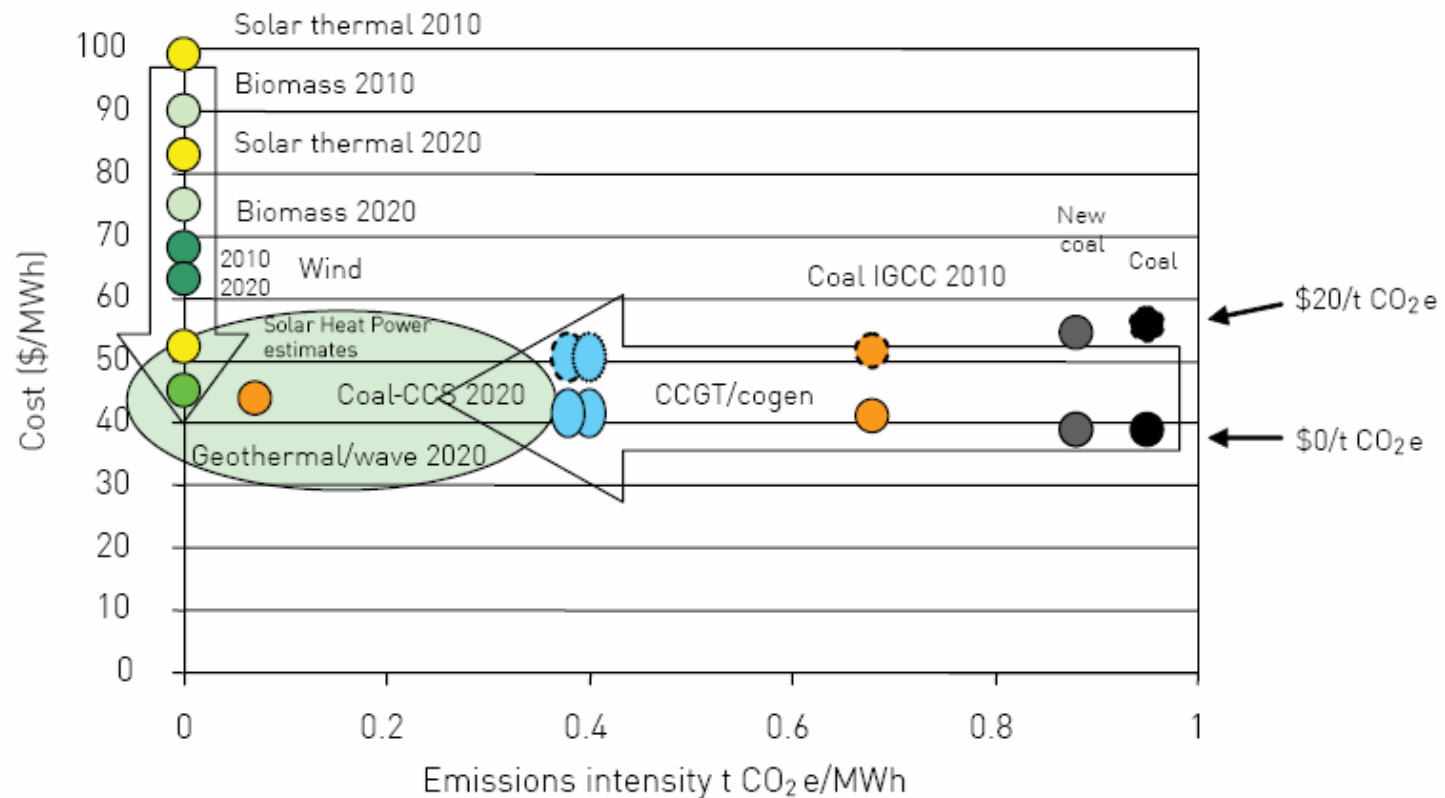
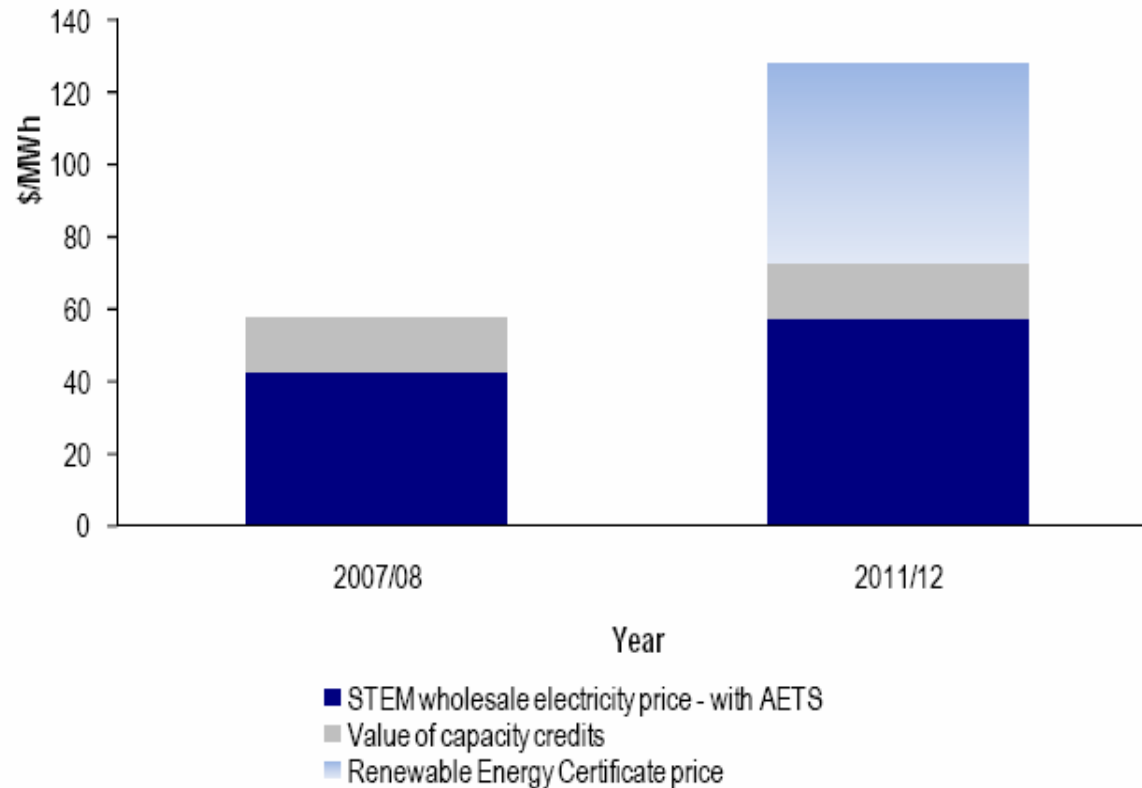


Figure 2 **Potential wholesale prices for firm renewable generation capacity on the SWIS**



Data source: ACIL Tasman analysis and Frontier Economics 2008, *Electricity Retail Market Review – Electricity Tariffs*, www.energy.wa.gov.au.

The Oil Mallee value chain approach

Michael Porter 'five forces' model and changes in them to indicate the attractiveness of the business.

- **Ease of entry for competitors ,**
- **Market power of suppliers,**
- **Competition between existing firms,**
- **Market power of buyers ,**
- **Availability of substitutes.**

Supply Chain Management

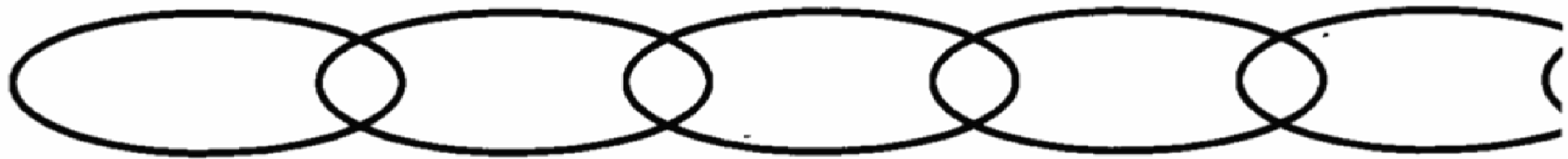
scmlearningcd@daff.gov.au

The Supply Chain Workbook

- encourages farmers to work through these issues
- recommends that participants
- negotiate these links and
- build collaborative arrangements and partnerships, to
- build confidence and greater certainty

Industry development through supply chain management.

Input Suppliers Growers/Producers Processors Distributors Retailers



Inputs	Seed Seedlings	Land Capital Machinery Labour Transport	Transport Transformation	New applications (biochar) Technology Networks (energy)	Markets -biomass -carbon -biochar -eucalyptus oil
Status of link	Strong	Strong	Weak	Medium	Weak
Research and development priorities	Accreditation (DEC/FPC)	Design of plantings NCAT Defaults Economics	Harvesting Logistics	Growth trials (biochar) Methodology Grid connection	Market signals Policy

Overlapping Value Chains – a good approach needing
Explicit Collaboration (need to include the NRM Groups)

OMA	Advocacy, education, planting design, custodianship of planting database,	Information dissemination	Carbon and RE policy, education, government liaison.
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FFICRC		Harvester; Economics; logistics	
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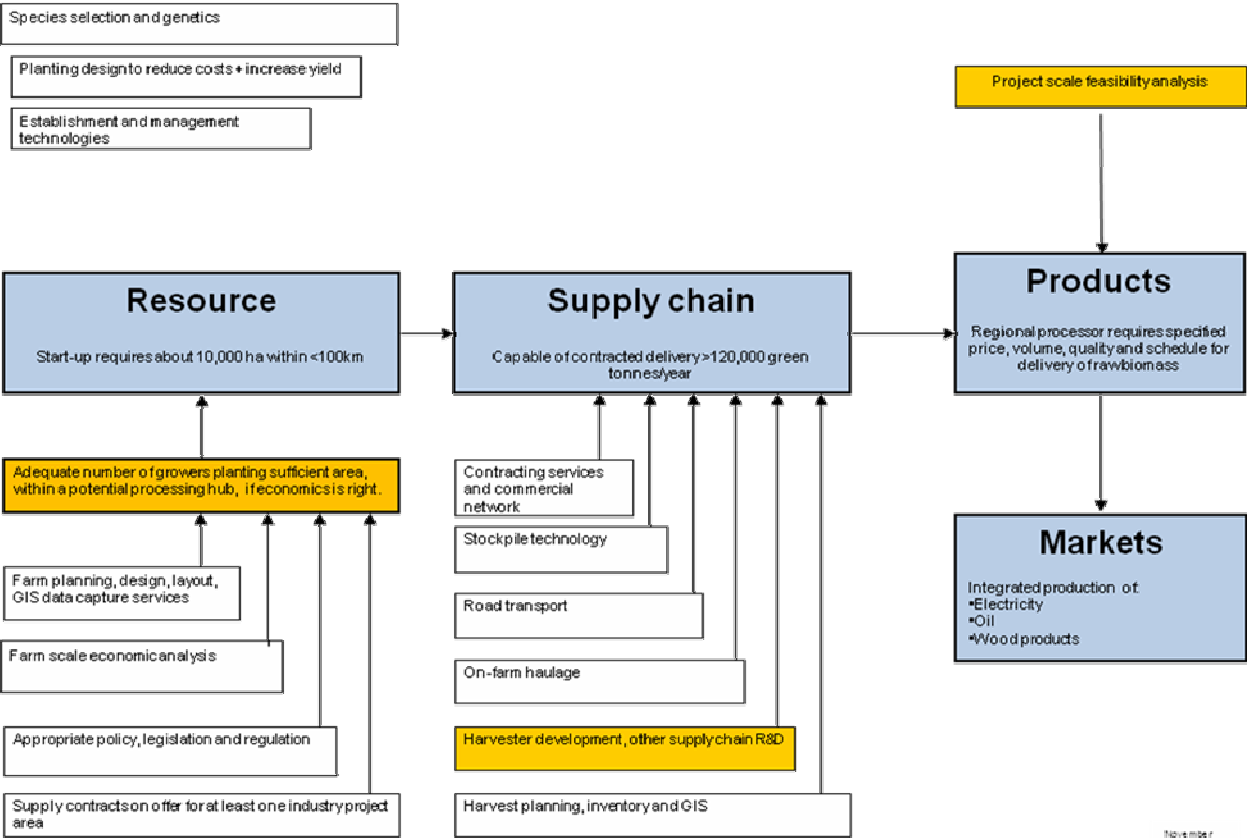
DEC	Progeny dev., NRM review	Evaluation	Logistics, applications	
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Verve	Data base review, resource verification,	Narrogin IWP; grid connection, harvester	RECs Electricity
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DAFWA		Growth data	Possible move to value adding engagement
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Curtin		Utilisation of mallee biomass	
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Woody crop industry development – from farm to market



November 2009

This is a value chain diagram reflecting the approach of DEC and the CRCFFI

Whither OMA ?

- Can represent farmers and all participants in the value chain
- Can bring participants together (like this conference)
- Can sell the message in the regions (with help of regional groups)
- Can trigger relationships (trial projects)
- Can initiate carbon and biomass Pools

OMA carbon pool

- Need partners to mitigate and understand risk
- Need to carry excess permits / credits to enable transfer of risk when members want to change direction
- Needs to represent emitters and amalgamate sellers
- Has to enforce liability when required
- May start as a cooperative but be open to change when required.