

MEDIA RELEASE

AUSTRALIAN FORESTRY FACING CRITICAL SKILLS SHORTAGE

CANBERRA, 20 May 2008

Australia's wood and paper products industry faces a critical skills shortage, which will determine its viability and success in the medium to long-term, ITC's Chief Executive Officer, Vince Erasmus, said today.

Speaking in Canberra at the Tertiary Forestry Education Summit, an initiative of the Institute of Foresters of Australia, Mr Erasmus outlined industry's perspective as part of a series of presentations.

"Australia's forestry industry is large and diverse," he said. "The skills shortage involves industry specific roles such as foresters, saw doctors, wood machinists and harvesting machine operators, as well as general trades such as electricians, engineers, fitters and truck drivers."

Mr Erasmus cited a number of reasons for the growing shortage. "The average age of tertiary trained foresters is 44 years, reflecting the lack of young people studying forestry. This is then compounded by Australia's overall ageing population and record-low unemployment rate."

"The industry is based mainly in rural and regional Australia, making the pool of labour to draw from smaller. And high wages in the mining industry also make it hard for the forestry industry to attract workers living in these areas and workers with itinerant trades and skills qualifications."

Mr Erasmus said these factors together presented significant challenges for the future, as the scale of plantations in Australia and demand for quality sustainable forestry products continues to grow. Worldwide demand for forestry products is forecast to increase by 1.2 per cent per annum until at least 2010, and domestic demand is expected to increase by 5 to 15 per cent during that time.

"ITC is committed to resolving the skills shortage together with industry partners, in order to ensure this industry is sustainable and able to continue growing to meet future demand for its products," Mr Erasmus stated. "Initiatives such as this Summit and the recent careers conference at AusTimber 2008 in Mt Gambier are important first steps. The Federal Government's announcement in the Budget last week of \$1 million for the new Forest and Forest Products Industry Skills Council is also welcome."

"We must also consider methods to compete in the broader 'War for Talent'. This undoubtedly includes consideration of how to share the training burden as an industry, so that staff at all levels are supported to develop their skills, thereby enhancing industry development. We must also seek alternative ways to access different talent pools to bring new talent into our organisations and the sector," Mr Erasmus concluded.

For further comment:

Vince Erasmus, Chief Executive Officer, phone (03) 9421-9999

For further information:

Michael Clark, Group Marketing & Communications Manager, phone (03) 9421-9999 or 0429 920 216

BACKGROUND INFORMATION

About ITC Limited

ITC Limited (ITC) is one of Australia's largest hardwood plantation forestry managers, with more than 150,000 plantation hectares under management across all mainland states. ITC is also the country's largest hardwood timber processor. The Company manages managed investment scheme (MIS) plantations established since 1992 on behalf of investors in more than 50 different plantation projects. ITC is a wholly owned subsidiary of Futuris Corporation Limited. Futuris is an ASX 100 company listed on the Australian Stock Exchange (ASX code: FCL).

