

Submission by Heather Kenway re discussion paper: Abatement incentives prior to the commencement of the Australian emissions trading scheme.

Your discussion paper specifically excludes ‘uncovered sector’ activities from consideration in developing the AETS at this stage.

I suggest that it would be well worthwhile considering the scope for early emission abatement in the case of native forestry on the following grounds:

- that intensive logging of native forests is responsible for substantial emissions – the latest research suggests up to 20% of Australia’s total annual CO₂ emissions, and possibly more;
- that continuing to log native forests at current rates (both old growth and regrowth) reduces our current and future capacity to sequester CO₂, thus making the task of reducing fossil fuel emissions all the more difficult now and in the future;
- and that the times involved in recovering the carbon storage in native forests that is lost through logging are well beyond the times within which scientists tell us we must take action to reduce emissions, e.g. it can take 50 years to recover 75% capacity in SE NSW.

Moreover current logging practices not only affect the climate by causing emissions; they are also making the forested areas drier and the forest soils less productive, and reducing the quantity and quality of associated water supplies, thus aggravating the impact of climate change. To ignore these aspects at an early stage of considering abatement incentives is to overlook the opportunities available to achieve early abatement outcomes.

In saying this I am not arguing that forestry should be included in the ETS that will be developed to deal with fossil fuel emissions. But I would suggest that it should be an important part of supplementary measures for dealing with climate change; that its scope for creating new income and employment streams through protection and rehabilitation of degraded forests should not be overlooked, and that there are advantages in considering early action rather than putting the sector aside until after the fossil fuel arrangements are put in place.

Proposals for the development of more adequate measurements of emissions from and sequestration of CO₂ in forests will, I understand, be made by scientists who have expertise in this area.

The specific forestry measures that could be put in place at an early date are:

- facilitating the early transition from native forest logging for the export woodchip industry into plantation supplies; this industry is responsible for over 80% of Australian CO₂ emissions from native forestry, and plantation hardwood (which is capable of being managed on a carbon neutral or low emission regime) is now available to substitute for virtually all requirements if a national approach across States is taken;
- removing the Commonwealth and State subsidies to the native forest sector that are hindering that transition.

Contrary to claims from some industry and union representatives, the economic and employment impacts would not be great: the softwood sectors are vastly more important. A Commonwealth/State agreement on removing subsidies and a restructuring package for this small segment of the total timber industry would be appropriate.