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Green Paper Submissions  
Department of Climate Change  
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## **Timber Communities Australia (Tasmania) submission to Federal Government Green Paper on Carbon Pollution Reduction Scheme**

### **About Timber Communities Australia**

TCA is a national grassroots community support group for people and communities who depend upon Australia's sustainable forest-based industries. TCA has 82 branches throughout Australia with 16 regional branches located within Tasmania.

Members include families from both regional and small communities that are dependent upon the sustainable management of our natural resources. This includes working native forests and tree farm plantations by providing long term community social and economic sustainability. The jobs provided are many and varied including forest management planning, seed collection, tree seedling nurseries, planting, pruning, harvesting and haulage, the many end uses via wood and timber processing.

This social well being benefit flows onto the many thousands of families from the broader community such as the local bakery through to the local doctor and local school teacher that also benefit from growing and managing trees for the vast range of timber products and wood fibre uses including the life long carbon storage benefits these products provide.

TCA holds to the philosophy of productive conservation and fully supports the finding of the United Nations 2007 Intergovernmental Panel on Climate Change report;

**“In the long term, a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained mitigation benefit<sup>[1]</sup>.”** [1] Chapter 9 page 543.

TCA's Tasmania's 16 regional branch members supports the Government's proposed Carbon Pollution Reduction Scheme (CPRS) but requests that in developing the details of the scheme the Government recognises the true role of forests and forestry in removing carbon from the atmosphere, locking it up in long-lived products produced from sustainable harvesting, followed by regenerating the forests to absorb more carbon from the atmosphere. This cyclic benefit is also achieved by sustainable management of tree farm plantations.

In particular, TCA Tasmania wishes to emphasise the following points.

## **1. Sustainable forestry and deforestation**

There is a tendency in carbon accounting schemes to treat land use change (or deforestation) and forestry as though they are the same.

TCA Tasmania argues strongly that sustainable forestry, as practised in Tasmania, is not land use change or deforestation. Although there may be a short-term loss of forest cover, sustainable forestry is quite clearly not a land-use change and does not result in a permanent loss of forest cover.

Deforestation is defined by the Australian Greenhouse Office as the deliberate, human-induced removal of forest cover and replacement with pasture, crops or other uses. The Government's CPRS discussion paper defines deforestation as "the conversion of forested land to an alternative, non-forest use". Clearly, sustainable forestry does not fit within either of these definitions.

Deforestation may result in net carbon emissions; sustainable forestry will result in net carbon storage.

The Stern Report<sup>1</sup> makes this distinction very clearly. Stern says that the "bulk of emissions from deforestation arise when the land is converted to agricultural production." Stern also says that "logging itself need not be a major driver of deforestation." Stern in fact identifies sustainable logging as part of the solution to the problem of carbon emissions. Stern states that "if the timber is used in long-lived wooden products it actually conserves carbon during the product lifetime."

TCA Tasmania also draws the Government's attention to a report by international scientists on the United Nations 2007 Intergovernmental Panel on Climate Change<sup>2</sup> which states that:

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<sup>1</sup>Stern, N. (2007): *The Economics of Climate Change*. HM Treasury, London

<sup>2</sup> Nabuurs, G.J., O. Masera, K. Andrasko, P. Benitez-Ponce, R. Boer, M. Dutschke, E. Elsiddig, J. Ford-Robertson, P. Frumhoff, T. Karjalainen, O. Krankina, W.A. Kurz, M. Matsumoto, W. Oyhantcabal, N.H. Ravindranath, M.J. Sanz Sanchez, X. Zhang (2007): *Forestry*. In *Climate Change 2007: Mitigation. Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change* [B. Metz, O.R. Davidson, P.R. Bosch, R. Dave, L.A. Meyer (eds)], Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA.

***“In the long term, a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained mitigation benefit.”***

TCA Tasmania also notes that the National Association of Forest Industries’ Strategy for the Australian forest industry<sup>3</sup> shows that Australia’s forests have the potential to provide 81 million tonnes of carbon dioxide abatement each year by 2020, which is around 20 percent of Australia’s total carbon abatement targets. Australia’s sustainable forest industry can therefore play a major role in reducing the impacts of climate change.

TCA Tasmania requests the Government to make a clear distinction between forestry and deforestation in the development of the CPRS.

## **2. Tasmania’s sustainable forest industry**

Much of the Tasmania’s forest industry is either certified or in the process of being certified under international certification schemes which verify its sustainability.

Tasmania’s forest managers and a significant number of private forestry companies have or are in the process of obtaining accreditation under the Australian Forestry Standard (AFS) which is recognised by the Program for Endorsement of Forest Certification Schemes (PEFC). PEFC is a global umbrella organisation for the assessment of and mutual recognition of national forest certification schemes to ensure that forests are managed sustainably. PEFC is the world’s largest forest certification scheme.

The AFS has also been recognised as a legitimate standard (AS4078) by Standards Australia after a detailed three-year assessment.

The international and independent recognition that Australia’s forest industry (including Tasmania) is sustainable provides an assurance that Tasmania’s forest industry can play an increasing role in reducing the nation’s net carbon emissions.

## **3. Plantations and native forests**

There have been suggestions by some environmental groups that the native forest sector should be treated differently from the plantation sector in the development of a CPRS. Proponents of these suggestions claim that native forests (especially old-growth forests) contain large amounts of carbon which will be released into the atmosphere when the forest is harvested.

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<sup>3</sup> National Association of Forest Industries (2008): *Playing a greater role in Australia’s future: A strategy for the development of Australia’s sustainable forest industries*. See website [www.nafi.com.au/NAFI\\_Industry\\_Development\\_Strategy.pdf](http://www.nafi.com.au/NAFI_Industry_Development_Strategy.pdf)

TCA Tasmania believes that these suggestions are incorrect, for several reasons.

- (i) Only a very small proportion of the native forest harvested in Tasmania is old-growth. The great majority is regrowth from previous harvesting operations or regrowth from bushfires.
- (ii) Maximum carbon uptake by a forest occurs when the forest is young and fast-growing (the age at which maximum carbon uptake occurs depends on the species and the environment). As forests reach maturity the rate of carbon uptake approximately equals the rate at which carbon is released through the decay of old trees. Thus, while an old forest may contain a lot of carbon, it will be taking little or no additional carbon out of the atmosphere.
- (iii) After harvesting, a significant proportion of the carbon continues to be stored for many years in products such as house frames, flooring, furniture and even paper. It is therefore false to claim that all the carbon removed from the forest during timber harvesting is released into the atmosphere.
- (iv) When the forest is regenerated it removes additional carbon from the atmosphere. Thus, any short-term release of carbon during harvesting operations will be countered during the life-cycle of the regenerated forest. In the long-term, forestry will be carbon-positive, regardless of whether a forest has been planted or has been naturally regenerated.
- (v) Some companies operate in both native forests and plantations. Further, some products consist of a mix of native forest and plantation timbers. It would therefore be very difficult or impossible to separate the native forest and plantation sectors of the forest industry.

Subdividing the forest industry into various sectors is artificial and if applied to a CPRS would lead to ambiguities, difficulties in definitions and complexities in administration. This would be contrary to Principle Number 4 in Professor Ross Garnaut's discussion paper<sup>4</sup> which states that any emissions trading scheme should be "simple in design, efficient in operation, and easily comprehended by market participants and the wider community."

TCA Tasmania suggests that proposals to exclude the native forestry sector from an ETS have nothing to do with carbon but are part of a broader agenda by anti forestry activists to remove timber production from all native forests in not just Tasmania but Australia as a whole.

#### **4. Embodied energy**

Any CPRS must take into account the carbon emitted during the full life cycle of manufactured products. The alternatives to timber (steel, aluminium, concrete and plastic) emit large amounts of carbon during their manufacture whereas wood requires only sunlight, water and soil to grow. It is true that some energy is required for the harvesting and manufacture of wood products but this is more than offset by

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<sup>4</sup> Garnaut, Professor Ross (2008): *Garnaut Climate Change Review Draft Report*. Commonwealth of Australia

the carbon stored in the wood products and absorbed by the regenerating forest or growing new tree farm plantation.

TCA Tasmania is concerned that some current schemes to reduce carbon emissions do not take into account the energy embodied in the production of alternative products. For example, the 5-Star requirements within the Building Code of Australia are based on the operational energy of buildings but do not consider embodied emissions or embodied energy. The Australian Building Code currently deems a concrete slab floor to meet 5-Star operational energy requirements, whilst a raised timber floor does not. Yet the embodied emissions associated with the concrete are estimated to be more than six times that of the wooden floor – it could take up to 100 years for the embodied greenhouse gas emissions in the concrete floor to be paid back through operational energy savings.

The requirements of the Australian Building Code are encouraging a shift away from timber floors towards concrete, resulting in a net national increase in greenhouse gas emissions, all with the stated aim of reducing emissions. It is essential that the same inconsistency is not repeated in the development of a CPRS.

TCA Tasmania notes that the Garnaut Review recommends that carbon stored in wood products should be reflected in carbon accounting under an emissions trading scheme as soon as reliable measurement methods are developed. He recommends that the increasing carbon content of growing forests should also be recognised and suggests that recent technological developments would seem to make that possible.

## **5. Exemptions under the CPRS**

The Garnaut Review's discussion paper notes that some industries that are highly exposed to international markets may require exemption from the CPRS or special payments to reduce the impact of the CPRS. The aluminium and steel industries have been mentioned as possibly requiring exemption or special assistance. Full exemption could mean that the large amount of carbon emitted in producing steel and aluminium would be ignored in the CPRS. At the same time, the small amount of carbon emitted in producing timber and wood fibre products would be included in the CPRS. This would make steel and aluminium cheaper and wood products more expensive under the CPRS.

It would be a very perverse outcome of the Government's CPRS if it encouraged the use of non-renewable, energy-intensive and carbon-emitting products at the expense of a natural, renewable product which requires almost no energy to produce, takes carbon out of the atmosphere and locks it up for decades or centuries in long-lived products.

## **6. Development of the CPRS**

It is not clear to TCA Tasmania how the CPRS will be administered. For example, will carbon permits be allocated to forest growers (who may have little say in how their wood will be used), or will permits be allocated to the manufacturers of wood products (who may have little say in how the forest is managed)?

For example Timbercrete is a building brick or block consisting primarily of soft wood sawdust with a small amount of binding agents. The sawdust is residue materials from the sawmilling of softwood tree farm plantations. The Timbercrete product is a permanent life long store of carbon, therefore how does Timbercrete fit into the CPRS?

TCA Tasmania is also concerned that compliance costs for forest owners could be high, particularly if annual reporting is required. An added complexity is that emissions from wildfires can be significant and are difficult for forest landholders to manage, creating risks of non-compliance.

TCA Tasmania asks the Government to consult widely as the details of the CPRS are developed so that the scheme achieves its stated objectives and the administrative costs of the scheme are minimised.

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