TCA Limited
National Office
1st Floor 24 Napier Close
DEAKIN ACT 2600
PO Box 289
DEAKIN WEST ACT 2600
Ph: 02 – 6282 2455
Fx: 02 – 6282 2314
Email: jim.adams@tca.org.au
http://www.tca.org.au
ABN 33 008 665 736

Timber Communities Australia Comments to Professor Ross Garnaut's Discussion Paper on an Emissions Trading Scheme

Introduction

Timber Communities (TCA) Australia is a national community based organisation representing individuals, families and their local communities that depend on the sustainable management of productive natural forests and tree farm plantation resources, to create and maintain social , economic and environmental well being for this and future generations of Australians.

This representation extends to an extensive grass roots membership and branch network that reaches into all of our Nations State and Territories.

TCA aspires to a philosophy of productive conservation which generates the highest high level of interest in the present issues surrounding climate change and green house emissions, it is from this interest that I provide the following submission to the above mentioned paper.

Introduction

Wood and timber products including paper are essentially stored carbon. Apart from a small amount of energy required to transport and process wood, it is a carbon-positive product. Wood is the only truly renewable, sustainable, carbon-positive product available – alternative products such as steel, aluminium, plastic and concrete are highly energy-intensive and their production emits significant amounts of carbon.

TCA supports an emissions trading scheme (ETS) that recognises the true role of forestry in removing carbon from the atmosphere, locking it up in long-lived products and regenerating the forests to absorb more carbon from the atmosphere. However, TCA is concerned that some issues may not be adequately taken into account in the development of an ETS. TCA's major concerns are outlined below.

Plantations and native forests

There has been a suggestion by some environmental groups that the native forest sector should be treated differently from the plantation sector in the development of an ETS. Proponents of this suggestion 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. They ignore that fact that 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. In addition, when the forest is regenerated it removes additional carbon from the atmosphere. Thus, any short-term release of carbon during harvesting operations is likely to 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.

Subdividing the forest industry into various sectors is artificial and if applied to an ETS would lead to ambiguities, difficulties in definitions and complexities in administration. This would be contrary to principle number 4 in the Garnaut Review's ETS discussion paper which states that an ETS should be "simple in design, efficient in operation, and easily comprehended by market participants and the wider community."

TCA 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 to remove timber production from all native forests in Australia.

TCA is pleased to note the comment is the Garnaut Review's ETS discussion paper (page 28) that inclusion of forestry emissions in an ETS requires assessment and measurement of carbon sequestered in long-lived timber products and that the review is considering submissions that have been made on this matter by Australian industry.

Forests and fires

Simply banning timber production from native forests does not mean that the carbon is stored in the forest in perpetuity. Forest fires are a fact of life in Australia and the emissions from forest fires can be significant. It has been estimated that during the 2002-03 bushfire season 130 million tonnes of CO_2 was released due to high intensity wildfires – an amount equivalent to one quarter of Australia's reported emissions.

TCA supports the view of the Institute of Foresters of Australia in its submission on the Garnaut Review's Issues Paper No. 1 *(Climate Change: Land Use – Agriculture and Forestry*) that improved fire prevention and fire management are vital in reducing greenhouse gas emissions.

Forestry and agriculture

Current greenhouse gas abatement schemes lump forestry and agriculture together. TCA believes the two industries are quite different and should be considered separately in discussions about an Australian ETS. The Forest Industries Association of Tasmania (FIAT) made this point very clearly in its submission on the Garnaut Review's Issues Paper No. 1. In summary:

- there is considerably less diversity in forestry than there is in agriculture;
- forestry crops are generally routinely measured to estimate the standing volume of wood;
- it is easier to generalise regarding the stored carbon in a forest crop than it is to generalise regarding the storage and emissions of greenhouse gases in a diverse agricultural context;
- forestry crops generally take much longer to reach harvest age than agricultural crops – plantation forests are harvested on a rotation of 8 to 35 years while native forest are often harvested on rotations of 60 years or more;
- forestry is highly regulated by governments;

- the sustainability of Australian forestry is increasingly being internationally recognised through certification schemes such as the Australian Forestry Standard.

The difference between forestry and deforestation

Page 27 of the Garnaut Review's ETS discussion paper considers land use change and forestry together. TCA argues that sustainable forestry, as practised in Australia, is not land use change. 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.

TCA suggests that an ETS should clearly differentiate between forestry (which is not land use change as it does not result in a loss of forest cover) and deforestation (which is defined by the Australian Greenhouse Office as the deliberate, human induced removal of forest cover and replacement with pasture, crops or other uses).

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

The Stern Report 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. Sterns states that "if the timber is used in long-lived wooden products it actually conserves carbon during the product lifetime."

Embodied energy

TCA 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, as FIAT pointed out in its submission on the Garnaut Review's Issues Paper No. 1 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 under the ideology of reducing emissions. It is essential that the same inconsistency is not repeated in the development of an ETS.

Trade distortions

The Garnaut Review's ETS discussion paper notes that "trade distortions might arise where competitor countries do not impose similar constraints on emissions.

Carefully calibrated payments to affected Australian producers can correct the distortion."

Australia exports significant amount of forest products. TCA suggests that the forest industry may be one of the industries that need to be considered for compensation to correct a distortion in international markets particularly in the paper manufacturing sector.

Conclusion

TCA supports the principles proposed by the Garnaut Review for the introduction of an ETS in Australia. However, TCA suggests that the above issues need further consideration if an ETS including the timber and forests sector is to be fair and effective.

TCA is in favour of the forests and timber industry sector in its entirety being included within an ETS as soon as can practically be achieved.

JIM ADAMS
Chief Executive Officer
Timber Communities Australia