



Media Release

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CPRS legislation a potential fizzer for forestry

The National Association of Forest Industries (NAFI) sees little reason why members of the forest industry would participate in the Australian Government's Carbon Pollution Reduction Scheme (CPRS), based on the draft legislation released earlier this week.

"While we are supportive of the full inclusion of forestry as part of an emission trading scheme, more work is needed on the CPRS design to make this happen. Over the next few weeks I'll be looking closely at the CPRS draft legislation to see what effect it will have on the forest industry, but on first glance it does not appear to provide adequate incentive for the industry to fully participate," said NAFI CEO Allan Hansard.

"Some of the outstanding issues include the non-crediting of pre-2008 carbon sequestration from Kyoto compliant forests, legal and administrative complexities around multiple land titles and carbon pooling arrangements and uncertainty over actual carbon estimation methods to be adopted for reforestation under the supporting regulations, just to name a few.

"We know Australia's forest industries can provide over 20% of Australia's total carbon reduction target by 2020, reduce the costs to households of the CPRS and provide a low-cost solution for high emitting industries to transition to a low carbon reality. But this can only be achieved if the legislation results in practical and low cost outcomes, and at this stage, it doesn't look like the CPRS will provide that.

"Furthermore, participation of forestry in the CPRS is voluntary and it is unlikely many forestry companies will choose to opt-in until the post-Kyoto international rule sets for the industry are known – and that's not likely for several years given the status of international negotiations.

"This could potentially be a huge missed opportunity for Australia as it will be 2015 at the earliest before we are likely to see a greater participation from forestry in the CPRS.

"The Australian Government has nationalized the positive contribution of forestry in national greenhouse reporting, but appears to have provided little incentive to fully promote the commercial participation of forestry in the CPRS.

"It should be remembered that the less carbon abatement that is counted under the CPRS, the greater the cost to everyone of meeting Australia's carbon reduction targets. We'll be seeking to provide further advice to the Government on how to increase participation from the forest industry, ensuring the best possible outcomes for the Australian environment and economy," said Mr Hansard.

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