



Existing plantation supplies can and should be used for virtually all Australia's domestic and export uses. No new plantations are needed.

See the following chart by Judith Ajani, which shows clearly the looming glut of plantation timber.

For two decades or more large areas of hardwood plantations have been established, taking advantage of generous taxation concessions. As a result there will be a huge amount of plantation wood available from 2010 that could meet all but a small fraction of Australia's highest value wood needs.

Australia's Governments have a unique opportunity to protect native forests for better resilience against climate change, through improved carbon sequestration, water supply and biodiversity protection.

Policy distortions (present and proposed) that prevent or inhibit the early transition out of native forest to plantation use must be removed, including

- **Government subsidies for native forest operations that provide unfair price competition with plantation supplies and an effective subsidy for export woodchipping operators; and**
- **Provision for carbon credits for plantation 'carbon sinks' under the proposed Carbon Pollution Reduction Scheme.**

The latter will have the effect of giving a financial incentive, even at low carbon prices, to plantation owners to keep the plantations in the ground, while encouraging even more logging of native forests that are the superior carbon sinks.

The proposed measure also has no guarantee of permanent sequestration of carbon. There is nothing to stop the plantations being logged at any time, while still getting credits for sequestration prior to logging.

Political and community perceptions that impede an early transition also need to be addressed.

The regions are no longer heavily dependent on forestry for economic and employment survival. The regions are far more diverse than they were. Newer industries, including in the timber processing sector, provide the economic and employment growth areas. Many newer industries that rely on clean air and water are disadvantaged by continued forestry operations.

The influence of the Construction, Forestry, Mining and Engineering Union on the forest policies of both the Government and the Coalition Parties is constraining on necessary change, by putting sectoral interests above the national interest.

The current recession will mean jobs losses in timber industry sectors. The regions need structural adjustment packages to assist workers and regions manage the transition out of native forest logging, and also to train and retrain for new regionally based jobs as Australia moves to a new low carbon economy.