

Dr Judith Ajani says the proposed emissions trading scheme could have a "devastating" effect on wood harvesting.

The Government's proposed emissions trading scheme could have a devastating effect on Australia's wood processing industry, as plantation owners rush to the carbon market and forego wood harvesting, according to researchers from The Australian National University.

The research by ANU Forest Economist Dr Judith Ajani and Mathematician Dr Peter Wood is presented in their joint submission to the Commonwealth Government's Carbon Pollution Reduction Scheme Green Paper.

The submission says that logs account for just half of the carbon in a plantation, so at carbon prices as low as \$10 per tonne of CO₂, hardwood plantation owners are likely to earn more revenue growing carbon than wood.

The researchers said such an outcome will devastate wood processing in Australia. Plantations currently supply 80 per cent of the processing industry's raw material and generate most timber industry jobs. Large areas of maturing plantations are also poised to boost significantly Australia's hardwood chip exports.

Dr Wood, who developed the paper's mathematical model said: "Our aim was to investigate whether plantation owners were likely to get more money for wood or for carbon under the Government's proposed emissions trading scheme.

"If logging shifts from plantations back to native forests, Australia's net greenhouse emissions will increase. This is because native forests are more carbon dense than plantations and the proportion of useable wood is lower," he said.

Dr Ajani said that they had identified a fundamental land-use mismatch in the green paper.

"Native forests, the less efficient resource for forestry industry competitiveness, are tagged for wood production with lost opportunities for the job they do best – carbon storage. Whereas plantations, the less efficient and less reliable resource for carbon storage, are tagged for carbon storage with lost opportunities for the job they do best – wood supply," she said.

The researchers recommend that plantations be excluded from the emissions trading scheme and call on Government to undertake an urgent inquiry into the value of native vegetation in climate change mitigation following the recently released report by ANU scientists: *Green Carbon: The Role of Natural Forests in Carbon Storage*.

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