

Asia Pacific Forest Industries Climate Change Conference

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An Integrated Industry



Emissions Trading Scheme Design

How will the rules affect the forest & forest products industry?

	Full exposure, no interim measures (-)
Pulp & Paper	Loss of markets at margin, critical scale at risk Loss of green-fields investment & mill upgrades Unviable mills shut down in medium term
Managed forests	Loss of pulplog markets & therefore profitability No replanting & reforestation, no abatement
Sawmilling	Reduced supply & increased cost of sawlogs Diminishing pool of carbon in wood products
Economic impacts	Market favours GHG intensive building products Forest fibre sourced from potential deforestation Reduced carbon storage in forests & HWP Lost renewable energy production & use

Emissions Trading Scheme Design

How will the rules affect the forest & forest products industry?

	Full exposure, with interim measures (+)
Pulp & Paper	Competitiveness maintained against imports Ability to attract new investment & upgrades Reduced emissions intensity over time
Managed forests	Healthy market demand for pulpwood & sawlogs Reforestation potential abatement option
Sawmilling	Secure supply of sawlogs, increased production Increasing store of carbon in wood products
Economic impacts	Modest growth in forests leading to abatement Increased domestic production & bioenergy use Environmental benefit from sustainable practices Timber & paper competitive in local markets

- **Pulp & Paper** – maintain competitiveness to secure viability of entire forestry supply chain
- **Reforestation** – requires workable methods to capture potential contribution of new forests
- **Harvested Wood Products** – include in domestic scheme to influence international frameworks
- **Forest Management** – encourage sustainable practices in our region to reduce deforestation
- **Bioenergy** – identify as priority area for research & deployment of new technology

