



Media Release

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Time for Government to back Forestry for the Future

The Southern Wood Council is calling on the government to recognise the environmental net benefit delivered by the southern forestry industry in the light of a new study by leading primary industry expert Peter Sligh.

Council spokesman Phil Taylor says the Peter Sligh Consulting Ltd study shows that despite heavy on-processing of timber in the region, the industry is providing more environmental benefits than impacts. In effect, the carbon sinks significantly outweigh emissions.

“If you weigh the emissions from forestry activities with the carbon caught up in the plantations, the forestry industry absorbs carbon to the tune of 13 to 1 over the first Kyoto commitment period,” Mr Taylor says.

“The effect of forestry is to provide the country with natural filters to enhance air quality and slow the rate of global warming – but current government policy only hinders this vital industry”.

“Politicians can assist the industry by recognising and supporting the myriad of external benefits – not just the domestic jobs and wealth creation we deliver, but the industry’s contribution to the environment and the fight against climate change.”

The Sligh Report shows that forestry provides a large part of solution to the problem of growing emissions in dirty industries. But Mr Taylor says that far from

helping forestry to be part of this solution, Government policy appeared to be treating it as part of the problem.

“Instead of being encouraged, we are lumbered with some heavy financial penalties by way of increased taxes on petrol and electricity. To rub salt into the wound, the Kyoto carbon credits the industry creates will be expropriated by the Government and used to offset emission-belching industries like cement and steel that directly compete with wood. It is leading to a crisis of confidence in the plantation-forestry investor community, driving new plantings to zero.”

He said the government had failed to understand the extent of the crisis of confidence in the industry and, consequently, had miscalculated the future growth of the industry, wrongly expecting the level of replanting to provide a base for credits.

“The current credit system, coupled with weak timber markets, means that few are prepared to replant. Given the economic conditions present for the industry, and the nationalisation of carbon credits, harvesting is now outstripping replanting, which is an environmental as well as economic catastrophe.”

He said forestry had made a significant economic contribution to the southern region over the years. A recent Economic Impact Assessment found the industry directly employs in excess of 2,400 full time equivalent workers, and generated \$264 million in real GDP for 2003.

“That contribution is now at risk,” Mr Taylor said. ““The government needs to take positive action to help turn the industry around, by recognising its external benefits. The future of the forestry industry and the future of the country’s environment depend on some innovative thinking.”

Mr Taylor said SWC hoped to discuss future options with the government and has sent a copy of the Sligh report to Forestry Minister Jim Anderton and Environment Minister David Benson-Pope and Climate Change Minister, David Parker

- Further information on the Sligh Report, the region’s forestry industry and the Southern Wood Council can be found on www.southernwoodcouncil.co.nz

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