



Media Release

30.6.05

COUNCIL EXTENDS PINE BRANCH TO GOVERNMENT

The Southern Wood council is concerned that the way the government is managing the Kyoto protocol carbon credits will impact negatively on the southern forestry industry, council spokesman Phil De la Mare said today.

In recent years there has been a very rapid drop off in new planting in the region which had been through a planting boom in the 1990's. That planting boom saw many thousands of hectares of Kyoto forest being established by forestry companies and private landholders alike.

The government has miscalculated the future growth of the industry and was expecting the level of new planting and replanting to provide a base for future credits.

"The proposed carbon accounting system coupled with weak timber markets means that the industry has little incentive to replant. Given the economic conditions present for the industry, and the nationalisation of carbon credits, this trend is likely to continue and harvesting could outstrip replanting within a few months."

"Instead of the southern landscape being blanketed in environment enhancing trees it could be hillsides of stumps."

"The irony is that the way the government is applying the credits means environmentally damaging competing construction supply industries such as cement and steel will be shielded while the forestry industry gets no benefit from cleaning the environment.

“It will also leave the industry wide open to competition from cheap international timber imports from non-Kyoto countries.”

“Forestry essentially provides the country with natural filters to enhance air quality and slow the rate of global warming yet the governments current initiatives only hinder our vital industry.”

“Not only does the industry lose its credits, but it incurs additional and significant costs in energy, transportation and operating costs, Mr De la Mare said.

Forestry makes a significant economic contribution to the southern region. 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.

The SWC recognizes the challenges of global warming and is prepared to do all it can to improve New Zealand’s position.

In the meantime, we see the government dishing out emission units to its State Owned Enterprises, who in turn are cashing them up overseas, when our own local industry is struggling to wade through the red-tape to get these very same units which its own industry generated.

” While the council understands that there is a high level of frustration in the industry which has led to the recent Forest Owners Association action against government Kyoto officials, members believe that the only way forward is for industry and the government to start looking at more equitable mechanism to slow down the rate of global warming.

”To that end the SWC is currently working on a carbon accounting exercise that will clearly demonstrate that the emissions from our sawmills and downstream facilities are more than adequately covered by the carbon credits our forest estate has generated locally. The exercise will also show the net carbon balance of the sector demonstrating how much of a positive contribution the southern forests are making to the carbon equation.

”It is expected the results of that exercise will be known in approximately 10 weeks and the council looks forward to presenting the findings to government.

“To ensure our children will face a cleaner, greener tomorrow we need the government to talk to us today.” Mr De la Mare said.

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

For further information contact SWC communications advisor Tina Nixon on 0272232789.