

Media Release

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Carbon key to securing more trees in the ground

Global demand for fibre-based products continues to grow, putting increased pressure on South Australia's forest industries to plant more trees in the ground to meet our current and future fibre needs.

"The Emissions Reduction Fund (ERF) provided a new pathway for industry to work with farmers to realise this growth opportunity, whilst meeting the agricultural sector's carbon reduction ambitions," said Nathan Paine, Chief Executive Officer, South Australian Forest Products Association (SAFPA).

"With our forests producing countless essential products in our day-to-day lives, we need urgent action to get more trees in the ground, particularly with global fibre demands expected to quadruple by 2050," Mr Paine said.

The Green Triangle forestry estate in our state's South-East has shrunk by about 30,000 hectares over the past decade which is on top of almost 20,000 hectares lost on Kangaroo Island over the last couple of years. This is in large part due to challenging water policy settings in conjunction with economic conditions which have inhibited replanting in some areas along with the 2020 Kangaroo Island bushfires.

"SAFPA's top priority is to immediately halt the loss of any more estate by ensuring every tree harvested can be, and is, replanted in conjunction with the implementation of policies that ensure the growth of the forest plantation estate.

"It is important we collaborate with other primary industry groups to secure partnership opportunities where farmers plant productive trees on their farms which will not only deliver a carbon kick for the farmer and log for mills, but also improve farm productivity and generate regional economic activity.

The Green Triangle Forest Industries Hub commissioned a University of South Australia report titled, [*"Unlocking Opportunities for Plantation Forestry Expansion in the Green Triangle: The Role of the Emissions Reduction Fund"*](#), a valuable report which provides evidence on the potential role emerging carbon markets could play in future forestry expansion, based on the Emissions Reduction Fund (ERF).

"This report indicates that a carbon price of \$50 per tonne of CO₂e, could potentially unlock up to 120,000 hectares of new greenfield plantation estate across the Green Triangle," Mr Paine said.

"This would not just provide certainty to the over 21,000 people directly and indirectly employed by forest industries but would unleash a tsunami of new private sector domestic manufacturing investment meaning more jobs and more prosperity for our regions and our state.

"While the current carbon price is hovering around \$30 per credit, we only need to look at the equivalent prices in New Zealand and Europe to see that this value is likely to increase as we move to a decarbonised economy. SAFPA looks forward to working with primary producers to secure a solution that benefits all," Mr Paine said.

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Media Contact: Nathan Paine, CEO (m) 0448 445 177 (e) nathan.paine@safpa.com.au