

27 May 2015

Greg Hunt- the Minister who kept his promise

Minister for the Environment, the Hon Greg Hunt, has today introduced legislation into Parliament amending the Renewable Energy Target (RET).

Chief Executive Officer of the Australian Forest Products Association (AFPA) Mr Ross Hampton said, "In a time of significant cynicism about politics it is great news to be able to applaud a Minister on keeping two key promises. The Renewable Energy Target legislation keeps faith with forestry and forest product industries in two vital ways. Our large manufacturing companies, such as sawmills and pulp and paper making enterprises, have had their status as significant energy users operating in a globally exposed trading environment recognised, and appropriately fully offset from the beginning of the 2015 compliance year".

"The second issue of interest to our sector was the use of forestry and sawmilling residues and offcuts from native forest operations for renewable energy credits. The Government promised at the last election to re-instate this provision as it had been removed by the Labor/ Greens Government in 2011. The provision existed for the ten years prior to that with no adverse consequences. Minister Hunt today made good on that promise. We now look to the Senate to pass the legislation in full."

The relevant extracts from the Minister's speech to Parliament and the legislation are here:

Assistance to emissions-intensive trade-exposed industries:

"This Bill will increase support for all emissions-intensive trade-exposed activities to full exemption from all RET costs, that is, from the costs of the original target as well as the costs of the expanded target. A full exemption will protect jobs in these industries and ensure they remain competitive."

"2.11: The Bill provides for full exemptions to apply in respect of the whole of the current compliance year (2015) as well as for all subsequent years."

Reinstating biomass from native-forest wood waste as an eligible source of renewable energy:

Consistent with our election commitment, this Bill reinstates native forest wood waste as an eligible source of renewable energy under the RET, basing eligibility on exactly the same conditions that were previously in place under the ALP. One of the objectives of the RET is to support additional renewable generation that is ecologically sustainable. We are reinstating native forest wood waste as an eligible renewable energy source because there is no evidence that its eligibility leads to unsustainable logging or has a negative impact on Australia's biodiversity. Burning wood waste for electricity generation is more beneficial to the environment than burning the waste alone or simply allowing it to decompose. Its inclusion as an eligible energy source is another contribution to the target."

AFPA represents forest growers, harvesters, and manufacturers of timber and paper products.

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