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Highlands logging halt would earn Victoria $30m a year in emissions reductions: report



**By**[**Tom Arup**](https://www.theage.com.au/by/tom-arup-hvenm)

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Stopping logging in Victoria's central highlands would drive tens of millions of dollars into state coffers if the move was included under the Abbott government's emissions reduction fund.

Fairfax Media has seen a confidential brief prepared for the federal environment minister, Greg Hunt, which found ending logging in the highland forests, north-east of Melbourne, would save about 3.2 million tonnes of carbon dioxide emissions a year.



Pillar: CO2 emissions saved from ceasing logging could be turned into revenue under the Abbott government's $2.55 billion emissions reduction fund. *CREDIT:PAUL ROVERE*

The central highlands forests are home to Victoria's endangered animal emblem, the Leadbeater's possum, along with other threatened species, and have been a heated conservation battleground for many years.

Any CO2 emissions saved from ceasing logging could be turned into revenue under the Abbott government's $2.55 billion emissions reduction fund – the central pillar of its climate change policy. But first a set of rules – called a methodology – would need to be approved.

With a methodology in place, state governments could then bid cuts to logging into the fund and, if successful, receive money for protecting the CO2 stored in the trees not cut down.

If winning projects were paid $10 per tonne of CO2 under the fund – about the rate some modelling has estimated – then stopping logging in the central highlands could reap Victoria $30 million a year on the figures briefed to Mr Hunt. Large projects are expected by informed observers to attract contracts of at least seven years.

The brief to Mr Hunt also says halting highlands logging would achieve 5 per cent of the emissions cuts needed to meet Australia's carbon reduction target for 2020.

A spokesman for Mr Hunt said the minister has previously raised avoided deforestation as a potential form of carbon abatement, but would not speculate on individual projects.

"We are concerned about Leadbeater's possum and emissions," the spokesman said.

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The spokesman said jobs were important and the Victorian government would need to consider the implications if it was to put forward a proposal.

Any dollar figure was purely hypothetical, he added, because all projects would have to pass tests, including having a methodology and competing with other projects on cost under an auction system.

Mr Hunt's spokesman said the brief – written last year by academics from the Australian National University – was part of a range of research undertaken to look at different emission mitigation sources.

At the 2014 state election Labor promised to create a new forest industry taskforce, which it is understood will consider carbon alongside the protection of jobs and wildlife.

Labor had flirted with supporting a new national park for the highlands forests at the election, but reportedly backed down at the behest of the CFMEU, which represents forestry workers.

A spokeswoman for Victorian Environment Minister, Lisa Neville, said the minister had recently met Mr Hunt and had asked her department to work with its federal counterpart to explore opportunities for Victoria through the emissions reduction fund.

The central highlands is one of two primary logging areas overseen by state-owned timber company VicForests, which made a $3.4 million profit in 2013-14. VicForests' spokesman David Walsh said wood was far more carbon friendly than other building materials and the impact of replacing local timber products with non-renewable materials needed to be considered in any carbon discussion.

The highlands are also strategically important to industry because the timber harvested helps feed to the Maryvale paper mill.

The brief for Mr Hunt says there is ample plantation resource to meet all of the mill's needs, but notes the viability of the mill shifting away from native timber could be affected by several factors including transport costs.



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