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Date: 18th February 2012

The Hon Robert Oakeshott
Australian Parliament House
Canberra

Dear Rob

Burning of forest biomass

You might recall that several years ago we met in your Port Macquarie Office, with John Jeayes, to discuss concerns over the plantation industry. History has shown that our concerns were well founded, a fact that I mention here in the hope you will take the following arguments seriously.

Specifically, I refer to the letter you circulated explaining your decision that will allow wood-fired electricity generation to receive credits under the Renewable Energy Target.

You base your arguments on the findings of the “Standing Committee's” Inquiry into the Australian forestry industry titled “*Seeing the forest through the trees*”, and recommendation 16 which states: “*The Committee recommends that, under any version of the RET (or similar scheme), bioenergy sourced from native forest biomass should continue to qualify as renewable energy, where it is a true waste product and it does not become a driver for the harvesting of native forests*”.

While the “true” waste argument put forward by the timber industry appears sound, we point out that this was the very same argument put forward in support of the wood-chip industry which has seen massive forest degradation in southeastern NSW, and it is the down-turn in that industry that is now driving the bioenergy push.

We also have major concerns, resulting from years of experience in the forests, that such legislation would see salvage of large amounts of low grade timber from defective and hollow-bearing trees which would previously have been seen as uneconomic.

The current decline in numbers of hollow-bearing trees (habitat trees), is a major factor contributing to biodiversity loss across Australia. For over 150 years we have logged all healthy trees, leaving none to replace the old trees that provide homes for a wide range of unique wildlife, which are succumbing to old age, fire, wind, lightning strike, land-clearing and perceived OH&S reasons. We have now reached a critical point where a third of all our land-based threatened species are tree-hollow dependent and the primary cause of their steady decline towards extinction is loss of habitat.

Before taking the “Standing Committee's” findings and recommendations too seriously it is important to note the following statement from its report, which admits that the matters raised in, “*submissions that have simply criticised the industry and called for an end to particular kinds of forestry have not been included in the report.*” As a result, unsustainable logging, supply shortages, illegal logging activity, and dieback resulting from over-logging and bad post logging management, get no mention in the Report.

Likewise the 'motherhood statement that: *“Forestry operations must be carried out in accordance with the principles of **ecologically sustainable management**”*, should also be taken with caution. It is widely acknowledged that current practices are anything but sustainable as is evidenced by the following quotes, including the first from a letter to yourself and Peter Besseling from:

1. The Institute of Foresters of Australia – Letter to Rob Oakeshott, 2009:

*“In NSW the adopted forest strategy is to **unsustainably cut** the available public native forest through to 2023 at which point hardwood plantations are proposed to be available to make up the very significant shortfall in logs. Unfortunately, the species mix and rate of plantation development in NSW post 2000 makes this unachievable”.*

Then there are other reputable quotes including from:

2. Dailan Pugh, OAM, Regional Forests Agreements negotiator, July 2011.

“Timber volumes were intentionally committed above the estimated sustainable yields in north-east NSW by both the FAs and RFA.

The fact that Forests NSW appears to have drastically overestimated the available timber volumes, is simply compounding the problems now being faced (see below).

3. The Environmental Defenders Office – Executive Summary, of its report - **“COMPLIANCE FAILURES IN THE PUBLIC FORESTS OF NEW SOUTH WALES”**, July 2011.

“It is clear that native forests are not being managed in a way that complies with the principles of Ecologically Sustainable Forest Management (ESFM) and the conservation of biodiversity.”

4. The Victorian Department of Primary Industries - “Economic Policy Settings in the Forest and Timber Industry – An inter-jurisdictional comparison”, May 2008.

“There is concern that Forests NSW will not be able to meet commitments in Wood Supply Agreements with the current forest areas allocated for commercial forest production. This is evidenced through the fact that Forests NSW is purchasing private native forest resources to meet current commitments.”

5. The NSW Auditor General - “2009 Performance Audit”:

a) *To meet wood supply commitments, the native forest managed by Forests NSW on the north coast is being cut faster than it is growing back.*

b) *The North Coast region has been unable to meet its species commitment since 2004 for blackbutt (the North Coast's most logged species, at 24%).*

c) *current yield from native forests in the north coast is not sustainable in the long term.*

Short supply of timber to Boral saw NSW taxpayers foot a compensation bill of \$500,000 in about 2006, and the same company is currently in court demanding further compensation for non-supply rumoured to be in the region of \$¾ Billion.

It is important to understand the definition of the principle of Ecologically Sustainable Forest Management as defined in the Integrated Forests Operations Approval. It is this:

“Ecologically Sustainable Forest Management is defined as the management of forests so that they are sustained in perpetuity for the benefit of society, by ensuring that the values of forests are not lost or degraded for current and future generations.”

The pressure of attempting to meet the unrealistic wood supply contracts to companies such as Boral, has seen the following:

1. Forests NSW has already been found guilty, or are currently charged over several counts of illegal logging of rainforest, and endangered forest communities in our region of the north coast of NSW, despite these forest communities being protected. Unlike your claim (Section 5), that these communities are safe, they are in fact being destroyed.
2. Virtual clear felling of native forests is now occurring, with Forests NSW claiming that, because they have been logged previously, these are “regrowth forests”. At Wedding Bells State Forest, near Coffs Harbour, we found these heavily logged areas replanted with Blackbutt seedlings.
3. Forests are being over-logged, with some areas seeing 80% of basal area removed from forests that were heavily logged only a decade earlier (the Integrated Forests Operations approval allows the logging of an average of no more than 40%). Forests NSW is getting around this prescription by only logging part of each compartment, to meet the 'average' 40% limit, but then come back in a relatively short time and log the remainder. At Clouds Creek, the time span between logging those remaining areas was less than 2 years.

Other issues:

We are not familiar with the situation that you quote, relating to Australian Solar Timbers (AST). However, while the claim that AST wishes to cut costs by using timber waste to reduce electricity costs, they would certainly have no concern about Kempsey's supply demands on the electricity grid. If that was any sort of concern, the AST shed roofs would be covered with solar panels.

There are a number of approved cogeneration plants already in place, and in fact we understand that the cogeneration unit at Grafton's Big River Timbers, was installed with significant financial assistance from the Federal Government.

We have no concern about the burning of mill waste to produce electricity, particularly when that waste is burned anyway, but to allow forest waste is out of the question for the reasons stated above.

A few years ago there was a proposal for a wood fired power station (WFPS) for Grafton. The economic viability of a WFPS hinges on the ability to secure long term wood waste contracts. They consume huge volumes of wood because it is a low quality low energy fuel. The plant proposed for Grafton needed 280,000 cubic metres of fuel every year, which is a greater volume than the total saw log production of the upper north east region. The proposal eventually failed because of an inability to obtain long term contracts.

Overseas experience is that WFPS operators use the excuse of a fuel shortage to get permission to burn just about anything you can think of like native forestry waste, ag waste, industrial waste and building waste. What you end up with is a highly contentious industrial incinerator. Wood waste shortages can be caused by wet weather and a downturn in the economy. The atmospheric pollution caused WFPS is enormous, producing a range of toxins over and above carbon dioxide, so it is not surprising that these types of pollution industries are always proposed for low socio-economic areas like Kempsey and Grafton.

We hope these comments will help persuade you to drop your proposed amendment.

Yours sincerely
John Edwards
Clarence Environment Centre