



Submission by the South East Region Conservation Alliance (SERCA) on draft legislation on the Mandatory Renewable Energy Target scheme currently under consideration by the COAG Working Group on Climate Change and Water.

Summary

SERCA strongly supports encouragement of renewable energy use to achieve reductions in fossil fuels use as an important climate pollution reduction policy measure.

SERCA however strongly opposes inclusion of native forest biomass as an eligible renewable energy fuel source as proposed in the draft MRET legislation, and to any removal of constraints on wider use of native forest products for electricity generation.

SERCA proposes that the exclusions applied currently by the New South Wales and Victorian Governments should be applied nationally and extended to encompass all native forest wood material generated by industrial logging and woodchipping. These exclusions should be written into the MRET legislation. They should not depend on regulations alone.

Argument

SERCA's opposition to the Commonwealth's proposal is based on the following grounds:

1. Australia's native forests are not renewable under current logging and burning regimes. Recovery times are far longer than logging rotations allow for, and way beyond the timescales climate scientists say are required to turn around Australia's greenhouse gas emissions trajectory.
2. Inclusion of ecologically sustainable principles in framework legislation like the Regional Forest Agreements has not delivered ecologically sustainable outcomes as required in the MRET legislation. Nor has classification of operations under the Australian Forestry Standard. Nor have bans on native vegetation clearance been adequately monitored and enforced.
3. Inclusion of native forest biomass as an MRET eligible fuel source will create a financial incentive to increase deforestation and degradation of native forests, public and private, and worsen the impact of climate change and the difficulty of adaptation, especially in light of the perverse incentive to keep plantations in the ground to earn carbon credits provided in the Carbon Pollution Reduction Scheme.
4. Burning of post-logging residues on the forest floor is depriving the soils of essential nutrients, and resulting in significant declines in yield per hectare. Removal of residues for biomass burning would also result in nutrient loss and cumulatively poor yields.

5. Industry claims of carbon neutrality for the forestry industry generally and for biomass burning specifically are flawed – they depend on seriously deficient carbon accounting in Australian and global greenhouse gas accounts that ignore emissions from logging managed native forests and the fact that recovery times would take decades or centuries (if recovery is possible at all) while climate scientists are calling for very early and large cuts in emissions..
6. Native forest logging in Australia is causing far higher CO2 emissions than has been acknowledged officially to date: we now know that the forests of southeast Australia are at least three times, and some ten times, more carbon dense than the default values given to them in the National Carbon Accounting System; and that left to recover, managed native forests could sequester large additional amounts of carbon.
7. Native forest biomass burning is not clean and green: it is less efficient and far more CO2 polluting, with nastier particulates, than state-of-the-art coal-fired electricity generation.
8. Electricity generated in this way is not recognized as green by major electricity retailers, and if included in MRET will compromise their efforts to sell, and the Government's efforts to promote genuinely green energy.
9. Because of Government subsidies to the native forest sector, and particularly underpricing by the States of pulplogs for the woodchipping sector, native forest biomass will also compete unfairly with genuinely renewable energy sources like wind, solar and geothermal.

SERCA calls on COAG

- **To reject industry calls for use of a wider range of wood products for electricity generation, and instead to ban the use for electricity generation of all native forest products sourced from public and private forests;**
- **and furthermore to put in place new forest policies that recognize that native forests are far more valuable as carbon, water and biodiversity stores than as cheap supplies for export woodchips and electricity generation, and provide appropriate protection regimes and funding for them.**

Australia is badly in need of new, comprehensive forest and climate policies, outside the emissions trading elements of the CPRS. Native forests are our best terrestrial carbon sinks, self-sustaining, more carbon rich, less water hungry than plantations. Ending the intensive logging of native forests is the quickest and cheapest way of reducing Australia's carbon emissions. Australia already has the capacity to substitute plantation supplies for virtually all its export and domestic wood needs. The economic and employment opportunities are in plantations and processing sectors.

The global recession will mean jobs losses in forestry sectors in the regions and a need for retraining workers and industry restructuring. Climate policies are best served by rejecting native forest biomass burning for electricity generation, protecting native forests for their carbon, water and biodiversity values, facilitating energy conservation initiatives and new and genuinely renewable energy production in the regions, and developing training programs for displaced workers and new job seekers to work in the clean green industries the regions badly need.

Proposed native forest biomass burning in SE NSW: the case against

The Eden export woodchip mill (South East Fibre Exports) proposes to install electricity generation equipment at the mill, using as 70% of its feedstock native forest “wood waste” – a by-product of its native forest woodchipping operations.

The global market for woodchips is already feeling the impact of the global recession. Nippon Paper, the mill’s majority owner, has foreshadowed a large reduction in income in the coming year, and the Eden mill itself expects its export volumes to be reduced substantially, perhaps by 20%.

Analysis of the chipmill’s accounts and Forests NSW data obtained under Freedom of Information legislation suggest that the NSW Government’s under-pricing of pulplogs to the mill is all that keeps the mill viable. Pulplog prices have been constant in dollar terms for two decades, and in real terms they are less than half what adjustments in line with inflation would require.

The mill therefore has a strong incentive to push for MRET eligibility for electricity from its proposed power plant, in order to bolster its failing fortunes through carbon credits. More profitable still, would be to use woodchips rather than woodchipping waste. And if, as industry claims, pulplogs are merely the by-product of sawlogging operations, would there be any limits at all on what could feed the power plant? Over 90% of logs are woodchipped, only 4% to 5% are sawlogs, but still the by-product myth persists.

Current regulations impose constraints on the wider use of native forest products for electricity generation, and these would apply under the proposed MRET legislation. Industry is campaigning for the removal of these constraints.

SERCA is strongly opposed to industry’s proposals for removal of constraints on use of native forest products.

SERCA is strongly opposed to the use of any native forest product for electricity generation. (See [Attachment A](#))

Often touted overseas models of wood-based electricity generation are quite unsuited to Australia’s geography, soils and climatic conditions.

The wood wastes from woodchipping that SEFE proposes to burn for electricity depend on continued intensive native forest logging over large and increasing areas.

The logging is ecologically and economically unsustainable now. There can be no certainty for the proposed new industry.

State forest productivity has declined sharply in recent years and the areas logged have nearly doubled to meet contracted volumes. (See [Attachment B](#)) The chipmill is seeking, with some success, to obtain significant additional supplies from privately owned forests.

Productivity from the public forests is now so low that Forests NSW is finding it difficult to meet sawlog contracts, and resorting to trucking logs from areas remote from the mills and applying a distance adjustment that keeps the landed cost to the mill fairly constant. Pulplogs from the South Coast/Southern and Tumut regions are supplementing logs from the Eden region. At the end of 2008 some Bermagui

sawlogs were trucked from the far south coast to Grafton in the north east of NSW, because veneer logs were not available from the local forests; and these logs were supplied to the mill at the same price as north east logs, despite the large travel costs incurred.

The NSW Minister for Primary Industries acknowledges that the native forest sector of Forests NSW operates at a loss even though Forests NSW pays nothing for its exploitation of the public forest resource. The NSW Auditor-General is investigating whether the agency has over-committed its wood resource and has been critical of its inadequate pricing arrangements.

In the Eden RFA area Forests NSW says there will be no old growth/multi-aged forest left by 2015. More small sawmills can be expected to close as public log supply declines and the sector is rationalized, and supply will depend increasingly on private forest logging.

Apart from the direct impact on forest productivity, this four-decades old and increasingly intensive logging regime, over large areas, that has not been modified despite long years of drought, is changing the structure of the forests, and this has consequences for the regional climate and for bushfire risk. Moist, more resilient, more fire resistant multi-aged, multi-species forest (trees and understorey) are being out-competed by single-aged stands of dominantly fire-prone tree and understorey species. We now have a greater proportion of drier, more fire-prone forests, and significant losses of the animals, birds and micro-organisms that contributed to the health of the forests pre-industrial logging. Dieback (both from Bell Miner infestations and from extended drought) is now widespread in the coastal forests. Some species, including the iconic koala, are close to extinction in the region.

The regional waterways are clogged with silt as soils from logged sites are washed down the catchments in periodic downpours. (See [Attachment C](#)) Years of drought have depleted water supplies, regrowth forests take up large amounts that would otherwise reach the waterways. Water supplies are a matter of official concern, both the quantities and the quality required for human and animal consumption and food producing industries. (See [Attachment D](#))

In these circumstances it is foolish in the extreme to continue the present logging regime, and all the more so to consider establishment of a new industry based on burning native forest product for electricity generation either as well as or instead of exporting woodchips.

Attachment A: About SERCA

Attachment B: Extract from SERCA information pack on the Regional Forest Agreements

Attachment C: Silted up waterways: Cuttagee Lake

Attachment D: Submission by Mick Harewood, prepared for the Eden RFA review, due in 2004, but still not conducted.

SERCA is an alliance of 12 conservation organisations based in the southeast of NSW

CLIMATE CHANGE IS HERE

Australia needs to change forest policies to sustain a new low carbon economy

SERCA's PROPOSALS

PUBLIC NATIVE FORESTS MANAGED FOR CARBON SEQUESTRATION, AND WATER AND BIODIVERSITY VALUES

PRIVATE NATIVE FOREST OWNERS GIVEN INCENTIVES TO CONSERVE FOREST AREAS

EXISTING PLANTATION SUPPLIES USED FOR VIRTUALLY ALL AUSTRALIA'S DOMESTIC AND EXPORT USES. NO NEW PLANTATIONS ARE NEEDED

NO NATIVE FOREST PRODUCTS FOR WOODCHIPS, ELECTRICITY GENERATION OR BIOFUELS

GOVERNMENT POLICY DISTORTIONS REMOVED

GENUINELY CLEAN, GREEN INDUSTRIES DEVELOPED IN THE REGIONS, WITH NEW INDUSTRIES, NEW JOBS AND JOB TRAINING



A rare survivor in the Mumbulla State Forest, scheduled for logging in 2009

this change is good for Australia, and it's not difficult

our Governments can make it happen, and quickly

the public does not like wood chipping our forests and is horrified at proposals to log and burn them for electricity generation

Australia has more than plentiful supplies of plantation wood that can substitute for native forest wood for almost all our timber needs, without additional plantings

new clean, green industries in the regions as well as the cities will make Australia's new low carbon economy even stronger