

WA Forest Alliance
City West Lotteries
House
2 Delhi Street
West Perth WA 6005

29th March 2011

Committee Secretary
House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry
PO Box 6021
Parliament House
CANBERRA ACT 2600

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Dear Sir or Madam,

WA Forest Alliance submission

The WA Forest Alliance (WAFA) is an umbrella organisation for some 20 groups based throughout the south-west of WA and in the Perth area that work on issues relating to forest use and management in this State.

WAFA welcomes the opportunity to make a submission to the House of Representatives Committee on Agriculture, Forestry, Fisheries and Resources inquiry into the current and future prospects of the Australian forestry industry.

We address in particular the following terms of reference:

- Environmental impacts of forestry
- Carbon sequestration
- Biomass.

Win-win outcomes that balance environmental costs with economic opportunities can be achieved by transferring wood production from native forests to sustainably managed farm forestry. The transition needs to be carefully planned and managed, with assistance provided to workers and communities temporarily disadvantaged by the change,

Little forest in WA

There is only a small area of forest left in WA (1 per cent of the State). This is down from 2 per cent at the time of European occupation. WA's forests are primarily located in the south-west of the State, while extensive woodlands occur in the east and north, together with some remnant rainforest patches in the north Kimberley. WA's south-west forests are dominated by the unique and endemic tree species: karri, jarrah, tingle, tuart and wandoo. The almost totally cleared wheatbelt region of WA was once covered by wandoo, jarrah and salmon gum woodlands.

Permanent loss of forest continues because of clearing, mostly for housing and infrastructure. Mining, especially strip mining for bauxite, fragments and destroys forest ecosystems, making full restoration difficult, if not impossible. An expansion of bauxite mining in south-west forests is a real threat.

Very little old growth forest in WA

There is very little old growth forest left in the south-west of WA – only 15 per cent of the region's remaining forests. As a result of the Gallop Government's 2001 'Protecting our old growth forests' policy, old growth forest as identified by foresters is now protected. The rest has been logged either selectively or by clearfelling.

All major WA forest tree species in decline

All major WA forest trees species (jarrah, karri, marri, tuart, wandoo) are in decline because of the cumulative and interacting impacts of:

- Climate change (greatly reduced rainfall since 1970)
- Fungal pathogens (*Phytophthora* spp, *Armillaria*, *Quambalaria* spp.)
- Insect pests (leaf skeletoniser)
- 150 years of overcutting using destructive and wasteful logging techniques
- 60 years of frequent, extensive prescribed burning, mainly to protect the timber resource.

Government, forest managers and industry refuse to acknowledge the crisis confronting WA's forests (including their 'productive capacity' as defined by foresters) and the implications of this crisis for the future use and management of our forests.

Forest fauna at risk of extinction

Fauna species once common across large areas of WA are now found only in the forest region. In this, their last refuge, many are endangered and at increasing risk of extinction (cockatoos, numbats, woylies).

Not including bats, there used to be 27 species of native mammals in the jarrah forest.¹ A recent survey found only four.² Nine forest mammal species are on WA's endangered species list.³ Four are listed as endangered on the Commonwealth list of threatened fauna.⁴

There are 26 species of native fauna (birds and mammals) found in WA's south-west forests that need hollows in standing trees to nest and breed. These hollows take hundreds of years to form, and the mature trees that develop these hollows have been removed, and continue to be removed, across large areas of our forests by clearing, logging, mining and repeated burning.

¹ Nichols, O.G. and Muir, B. (1989). Vertebrates of the jarrah forest IN *The jarrah forest: A complex Mediterranean ecosystem*. (Ed. B. Dell, J.J. Havel and N. Malajczuk), Kluwer Academic Publishers, Dordrecht.

² Kabay, D. (Unpublished, 2009). Monitoring for Wungong catchment forest thinning project. KPI 11 Fauna. Water Corporation, Western Australia.

³ Forest fauna listed in WA's Wildlife Conservation (Specially Protected Fauna) Notice 2010 Published 23 February 2010.

⁴ Forest mammals on the *Environment Protection and Biodiversity Conservation Act* list of threatened fauna as at November 2009.

Cat and fox predation is another major factor in the decline of WA's forest fauna. This predation is facilitated by logging and prescribed burning through the removal of protective vegetation.

Section 38 of the Commonwealth *Environment Protection Biodiversity Conservation Act 1999* states that Part 3 of the Act does not apply to certain RFA operations. This means that WA's forests are denied the protection offered by the EPBC Act. However, since the WA Regional Forest Agreement has not been complied with almost from the day it was signed and is virtually a dead letter, sections 38 to 42 of this Act should be repealed.

Overcutting continues

The Forest Management Plan 2004-2013 allows continued extraction of unsustainable amounts of logs albeit at lower levels and from a smaller area of forest than under previous management plans. However, the current plan is based on old rainfall data that do not take account of the decline in rainfall since 1990.

Logging native forest for low value products

Native forests can no longer support a high value (sawlog) logging industry. Gunns Limited has closed its three WA jarrah sawmills because of the poor quality of sawlogs. As a result of decades of overcutting and mismanagement there are now only a handful of native forest sawmills operating in WA, down from the 230 plus that were operating 50 years ago.

In 2009-10, only 21 per cent of total jarrah log volume and 13 per cent of total karri log volume sold by the Forest Products Commission became sawn timber. The rest became charcoal and commercial firewood (jarrah) or woodchips (karri) (see Attachment 1).

The Government and the government forestry agency (the Forest Products Commission) plan to continue operating a native forest logging industry based on low value, low quality products: jarrah for charcoal; karri and marri for ongoing export woodchips; potentially jarrah, karri and marri for 'biomass' to be burnt to produce electricity. This last use is specifically permitted under the Commonwealth *Renewable Energy (Electricity) Regulations 2001*, where the definition of 'wood waste' includes biomass from native forest where a Regional Forest Agreement is in force.

Because WA has so little forest, what is left is under severe stress and native forest has more important values than being used to burn to produce electricity, this regulation should be amended to remove native forest biomass from the definition of 'wood waste' so that it is not an eligible renewable energy source under the *Renewable Energy (Electricity) Act 2000*.

No carbon accounting in WA forestry

The huge carbon storage potential of native forests⁵ is not taken into account in WA, nor is the loss of carbon due to logging, mining and burning.

WA plantations grown for export woodchips

There is a very large area of plantations in WA, mostly bluegum grown for export woodchips, not sawlogs (see Attachment 2). There are environmental and financial

⁵ Brendan G Mackey, Heather Keith, Sandra L Berry and David B Lindenmayer (2008) *Green Carbon, The Role of Natural Forests in Carbon Storage*, ANU E Press.

problems with these plantations, which were largely established for tax-minimisation purposes under Managed Investment Schemes.

WA virtually self-sufficient in timber

WA has enough timber to supply virtually all its needs from plantations.⁶ The most recent figures, provided by ABARE in November 2010, show that in WA in 2008-09, only 12 per cent of whole logs and in 2007-08, only 30 per cent of sawnwood came from native forests (see Attachment 2).⁷

In this era of globalisation, no State should aim for self-sufficiency in timber. To meet any shortfall, WA could import plantation softwood from New Zealand or the eastern states, or hardwood that is fully certified as sustainably produced.

Government logging agency unviable

The government logging agency, the Forest Products Commission (FPC), is in disarray and has recently been significantly downsized. It has been losing money for many years but hides the losses behind creative accounting (for example, changing the value of native forest standing timber from \$0 in 2000 to approximately \$110 million in 2010). Despite government pressure on the FPC to increase returns from native forest logging, the prospects of this occurring are virtually zero even if it does manage to find a buyer for Gunns' logs or start up a new biomass industry, both of which will be vigorously opposed by the community.

Serious new threat

Many Western Australians are alarmed by plans for a major new bauxite mining industry based in the south-west of WA and potentially involving strip mining of large areas of public and private native forests. Bauxite Resources Limited, which is largely Chinese-financed/owned, is proposing a major mining and alumina refining operation. WA's jarrah forest already has the largest concentration of bauxite mining in the world. Two multinational corporations, Alcoa and Worsley Alumina, have already strip mined some 20,000 ha of jarrah forest and, with approved expansions, will continue to strip mine about 1000 ha/yr for another 35 years. No new mining should be allowed in WA's forests.

Conclusion

For the above reasons, all clearing, logging and thinning of native forests in WA should stop as soon as possible, and wood production should be based on sustainably managed farm forestry.

The Federal Government should repeal sections 38 to 42 of the *Environment Protection and Biodiversity Conservation Act 1999*, which exclude RFA forests from protection under the Act. It should also amend the definition in the *Renewable Energy (Electricity) Regulations 2001* of 'wood waste' and delete 'biomass from a native forest' in order to remove native forests as an eligible renewable energy source under the *Renewable Energy (Electricity) Act 2000*.

Yours sincerely,

(Dr) Beth Schultz

⁶ Ajani, J. (Unpublished. 2011). Australia's wood and wood products industry situation and outlook. Working paper.

⁷ Australian Bureau of Agricultural and Resource Economics – Bureau of Rural Sciences (2010). Australian forest and wood products statistics, March and June quarters 2010

On behalf of the WA Forest Alliance

Attachment 1 Where WA native forest timber goes 2009-10

Jarrah logging 2009-10

Total jarrah logs

305,312 tonnes

Jarrah sawlogs

175,582 tonnes

Recovery rate 37%

Value added, structural timber and railway sleepers

64,985 tonnes

= 21% of total logs

Sawmill residue, waste and sawdust

110,597 tonnes

= 36% of total logs

Industrial firewood and charcoal logs

129,730 tonnes

= 43% of total logs

Karri logging 2009-10

Total karri logs

197,666 tonnes

Karri sawlogs

61,533 tonnes

Recovery rate 43%

Value added and structural timber

26,459 tonnes

= 13% of total logs

Sawmill residue, waste and sawdust

35,074 tonnes

= 18% of total logs

Chiplogs

136,133 tonnes

= 69% of total logs

In 2000-10, only 21% of the total amount of all jarrah logs and 13% of the total amount of all karri logs sold by the Forest Products Commission ended up as sawn timber.

Source: Forest Products Commission, Annual Report 2009-10

The Forest Products Commission has confirmed the recovery rates.

Attachment 2 Important statistics

In 2009 in WA there were:

- 311,800 ha of broadleaved plantations (almost entirely privately-owned Tasmanian blue gum for export woodchips); and
- 110,900 ha of coniferous plantations (almost entirely FPC owned and mostly radiata pine with some pinaster).

In 2008-09, WA produced:

- 4 95,000 m³ of broadleaved native forest logs;
- 2,590,000 m³ of broadleaved plantation logs;
- 1,009,000 m³ of coniferous logs (all plantation).

Only 12% of WA log production came from native forests; 88% came from plantations.

In 2007-8, WA produced:

- 99,200 m³ of broadleaved sawnwood (almost entirely native); and
- 220,800 m³ of coniferous sawnwood (all plantation).

Only 30% of sawnwood produced in WA came from native forests; 70% came from plantations.

In 2009 WA exported sawnwood (both broadleaved and coniferous), logs and woodchips. WA also exports medium density fibreboard (MDF).

Source: Australian Bureau of Agricultural and Resource Economics – Bureau of Rural Sciences (December 2010) *Australian forest and wood products statistics*, March and June quarters 2010.