

## **Submission on Australia's Participation in the Kyoto Protocol**

# **“The Carbon Scandal”**

### **Native Forest Network Southern Hemisphere**

Submission presented by Tim Cadman MA on behalf of NFN Southern Hemisphere

### **Summary**

This submission focuses on NFN's concerns over current plans to sequester carbon in plantations as a response to excessive atmospheric pollution created as a result of modern industrially-based consumerism.

NFN's principle areas of concerns are:

- 1) That monoculture tree farms are being promoted by industry – and supported by government – as a response to global warming.
- 2) That native forests – a significant carbon sink in themselves – will be lost for the establishment of tree farms, thus creating further carbon pollution through clearing and burning
- 3) That current plantation establishment is rampant, unplanned and driven by market forces – not environmental sustainability
- 4) That carbon “sequestration” schemes have ignored the ecological impacts of intensive management of native forests in favour of wood production and corporate profit

### **Plantations as a response to global warming.**

*“The idea that a specified fragment of wooded land can ‘offset’ a specified amount of industrial carbon dioxide emissions depends of false assumptions about calculatability. Large-scale ‘offset’ plantations, instead of mitigating global warming, could even make it worse. In delaying the transition to a more equitable distribution of emissions and more sensible energy regimes, such plantations could result in an increased amount of avoidable carbon emissions both from industry and from the land. Forestry, therefore, should not be integrated into climate negotiations. Policymakers must separate the issue of emissions reduction from that of carbon sink protection measures.”*

(Lohmann, Harry, “The Carbon Shop: Planting New Problems”, World Rainforest Movement, Montevideo, 1999, p. 20)

Federal and State governments have been captured by the forest industry view that carbon can be “sequestered” in plantations that will be logged at a later stage for corporate profit. Instead of seeing the value in maintaining standing native forests – in particular old growth forests – as a means of keeping large amounts of carbon in a fixed state, state and federal governments are encouraging deforestation via the National Forest Policy.

The Federal government is now trying to use the Kyoto Protocol as another means of supporting the timber industry by encouraging "carbon sequestration" through plantation establishment. The federal environment minister Robert Hill has been very vague about ensuring that no plantations are established --and exchanged for credits-- at the expense of native forests.

NFN is of the view that one of the most effective means to reduce carbon emissions is to end the wasteful practice of clearfelling and burning native forests for low-value products such as woodchips. In addition to the massive amounts of carbon that are released through the initial logging of forests and subsequent so-called "regeneration burning", woodchips themselves are converted into disposable commodities such as paper that ends up in waste incinerators or rubbish dumps, thus contributing to increased carbon emissions in a short space of time.

A far better response to increased atmospheric carbon pollution is to maintain native forests on a landscape level and promote the restoration of existing cleared and/or degraded native forests. These forests should be left in the ground and not converted into carbon polluting "fibre farms".

Loss of native forests is leading to carbon pollution, environmental degradation and social unrest.

Australia's Regional Forest Agreement has led to an intensification of logging in Australian native forests. Part of this intensification agenda is the substitution of native forests by plantations. This is having enormous environmental and social impacts.

There is growing opposition to current plantation management in Tasmania. This has come to a head in a number of areas.

\* Huntsman Valley, Great Western Tiers. This area has been intensively managed for eucalypt pulp logs by BORAL, NORTH and Forestry Tasmania for twenty years. Overclearing, especially on steep slopes (and the insistence of planting up and down instead of along contours) has produced over thirty major landslides. The largest slip is actively eroding and flushing sediment into the River Tamar, blocking it at times. The Tamar flows through Launceston and is N. Tasmania's largest river system. The Launceston City Council has to date spent over \$70,000 dredging the river. Legal advice indicates that both private landowners and statutory bodies could be prosecuted under state planning acts and for damages as a result of these unsustainable operations. Further details can be found at

<http://www.green.net.au/riverofshame>

\* Attacks on Plantations. There have been a number of significant attacks on plantations recently, including arson and uprootings. The most recent uprootings occurred in the north and the south of the state and represented the loss of several hectares. So concerned was Forestry Tasmania that it demanded a Government inquiry into the affair. However, the inquiry failed to probe the issue more deeply and inquire into community opposition as this was not in the interests of promoting Tasmania as a safe investment environment.

\* Pressure groups. Opposition to plantations has moved beyond the environmental sector and now includes a significant range of the rural community, particularly dairy farmers and local councils. Meander Valley Council has successfully challenged the development of Private Timber Reserves twice, forcing the Government to change the legislation for the establishment of PTRs. Burnie City Council is having to deal with the loss of rate payer base. NORTH Ltd for example owns about 40% of Burnie municipality and pays approx. \$150,000 vs the other ratepayers (about \$12 million). A recent news story on "Stateline" (I have a copy) details the opposition of dairy farmers to plantations because of the devaluation of properties adjoining tree farms and the social isolation caused by wall to wall plantations located in the middle of once-thriving rural communities.

A group "Communities Over Plantations" has now been formed in the north of the state, and does NOT constitute an environmental pressure group, rather a traditional rural community group.

### **Threatened Species and High Conservation Value Forests**

\* There has been considerable opposition to Forestry Tasmania's clearance of forest habitat in the north east of the state for softwood and hardwood plantations, and these have been bitterly contested. Of particular concern has been FT's attempts to cover up the inappropriate management of threatened species habitat as outlined in the Threatened Species Management Manual. A good example of this obfuscation was provided by the logging of CC 158d near Weldborough. This area represented a regional population of the Simons stag beetle and North East highland snail. Management guidelines recommend against clearfelling, hot burning and alienation to plantations, which was what district forest Brian Farmer allowed to proceed.

Current political attempts by FT to influence the Scientific Advisory Committee SAC (and hence the Minister, David Llewellyn) to delist the snail (as it is getting in the way) have to date failed. The snail remains on the list and the SAC has expressed its concern over the Chair's attempts (Mick Brown, FT) to proceed with the delisting without adequate information. An analysis of the habitat data by the Tasmanian Conservation Trust (collected as part of the RFA) shows that adequate habitat for the snail has not been set aside. (This is another good example of how the resource/conservation arms of the RFA are not adequately interfacing).

This opposition in the north east will continue indefinitely as the community are up in arms. Other campaigns have now been generated in the area and FT has recently been enjoined over its poor roading of a historical track, bulldozed to gain access to further plantation sites on threatened species habitat.

Both NORTH Ltd and BORAL and Gunns are associated with the loss of habitat in NE Tasmania. It would be entirely inappropriate for carbon sequestration to be associated with plantations that have been established at the expense of native forests and threatened species. Furthermore, the loss of carbon as result of burning the forests prior to plantation establishment at the very least makes any sequestration carbon neutral over the life of the plantation, at the worst carbon negative.

### **The carbon trading scam**

The points raised in the section above formed the basis of a submission to Tokyo Electric Power Corporation (TEPCO) prepared by NFN. TEPCO is part of the Mitsubishi corporate empire. Mitsubishi Paper Mills have established a joint venture with NORTH Ltd to establish over 23,000 ha. of tree farms on agricultural land. It is more than likely that native forest will be cleared as part of this joint venture agreement. It is also possible that TEPCO will in fact be offsetting its carbon emissions via plantations established on erstwhile native forest.

It appears that TEPCO itself has placed all its trust in NORTH Ltd and apparently has developed no independent monitoring provisions to ensure this will not be the case. Indeed, the responses to NFN's submissions to TEPCO to date have been far from satisfactory on this front, and indicate that TEPCO has placed all responsibility with NORTH Ltd and also has no detailed understanding of the complexities associated with carbon sequestration:

*Thank you very much for your e-mail, dated 29 February, 2000, regarding the Australian plantation projects.*

*TEPCO has positively promoted the preservation of nature as one of the foremost management priorities in environmental policy. We will continue to make our best endeavors to promote environmental awareness. Based on the concept above, we are seeking ways for sequestration of carbon and we appreciate your comments.*

*For more information and inquiries regarding the plantation project in Tasmania, please contact the following: External Relations Manager, NORTH FOREST PRODUCTS, Telephone: 03 6221 1111, Facsimile: 03 6221 1108*

TEPCO

The fact that environmentally perverse outcomes are likely under federal government policies is evident in the “Greenhouse Challenge” programme. Under this scheme increased destruction of the ecological integrity of remnant native forests in exchange for carbon sequestration “credits” is actively encouraged:

*The company employs an experienced qualified forester to supervise treatments and conduct timber and carbon inventory activities.*

*Intervention treatments to be trialed are:*

- *Regrowth spacing utilising stem injection;*
- *Enrichment planting and fertilising; and*
- *Adoption of intensive selection silviculture recognising the ecological and structural diversity in forests*

*Intervention treatments will be applied to all future harvesting coupes as required by site conditions, regrowth spacing will be applied retrospectively to regrowth less than 20 years old covering approximately 800 hectares*

(Greenhouse Challenge, “Greenhouse Challenge Vegetation Sinks Workbook, Version 1.0, 1998, p. 37)

From an environmental standpoint this is nothing more than elaborate “newspeak” for poisoning trees, using chemicals to encourage growth and degrading the natural processes of a forest recovering from decades of human abuse. Once again it completely ignores the fact that natural forests left to their own devices can provide a significant storehouse for carbon on a landscape level, whilst providing a range of other ecological services.

### **Global free trade and the destruction of Australia’s forest ecosystems – negative impacts of plantation establishment**

By the end of this financial year, approximately USD\$5 billion will have been invested in the establishment of plantations in Australasia. This has resulted from the deregulation of the forest industry via the RFA process.

The Australian community has had no say whatsoever in these schemes. Foreign corporations, largely from the United States are investing huge amounts of money in plantation establishment. In the case of Tasmania, it appears that joint venture agreements have effectively handed over the ownership of public assets to private companies for terms of up to 70 years. This is also the case in Victoria, where a US life insurance company, John Hancock, now owns 150,000 ha. of publicly-owned plantations.

The following are a number of anecdotes collected by NFN in Tasmania that are a matter of grave concern:

- 1) Corporations are targeting prime agricultural land for establishment, not degraded farmland;
- 2) Property prices in rural areas are falling due to the conversion of farmland to non-agricultural uses
- 3) Other industries are being negatively impacted by this proliferation of chemical tree farms, e.g. Tasmania's burgeoning organic sector
- 4) Some landowners are being intimidated by forestry employees and politicians into selling their land at reduced rates
- 5) Some rural townships are simply closing down as residents leave, thus exacerbating the existing crisis facing rural Australia.
- 6) Plantation prospectuses are grossly exaggerating the benefits of carbon sequestration as an additional economic benefit to pulp production whilst completely ignoring the fact that the principle of carbon sequestration is not even currently recognised by international scientists and policymakers. The federal government is complicit in this cover up, and is currently seeking to preempt international processes by playing a "numbers game" with countries supportive to its position.
- 7) Due to the federal government's new capital gains tax provisions companies can write off 150% of the costs associated with the destruction of agricultural infrastructure on the farms they have purchased (i.e. dairies are being bulldozed, farmhouses buried in huge pits, dams being filled). This is depreciating rural Australia's agricultural assets.

Many people are completely unaware that foreign companies are ultimately calling the shots. They are continuing to try and develop dialogue with state forestry corporations who are not making it clear that they are no longer responsible for resolving the concerns of the public.

NFN has written to and had a number of telephone conversations to one such investment company, Grantham Mayo van Otterloo Renewable Resources, who have an investment fund of USD\$1.5 billion for Australasia. This company, via a third party forest manager (Rayonier) will be establishing plantations on both native forest (approx. 40,000 ha.) and prime agricultural land (approx. 15,000 ha.). Despite concerns raised, this company has not responded to NFN.

This is all part of the federal government's "Plantations 2020 Vision". However, establishment is occurring in secret. The public is not being made aware of what companies are planting nor where they are planting. State forestry corporations are complicit in this. It is also highly likely that these companies will be using their plantations as potential carbon "sinks", despite the enormous carbon pollution that will result from their establishment and ongoing pulp production.

Unless this committee takes action to deal with these problems before the end of this financial year, it will be too late.

The recent destruction of approx. one third of the remaining habitat of the Black cockatoo population of Western Victoria by plantations company Timbercorp. emphasises that something is going drastically wrong with federal environmental policy, and that the establishment of plantations as a response to global warming is nothing more than a very sick joke.

## **Sustainable Forest Management**

The current environmental management of Australia's forests and plantations is not environmentally sustainable. While companies such as NORTH have gained ISO 14000 accreditation, this is for its management systems, NOT how it looks after the forests it has destroyed for plantation establishment. In 1997/98 NORTH Ltd logged over 3000 hectares of rainforest on its Surrey Hills block to put in more plantations.

The use of exotic tree species is also not sustainable. Eucalyptus nitens does not grow naturally in Tasmania, and E. globulus is naturally restricted in its range. The use of these trees requires the use of herbicides, particularly the Triazine compounds, which are bio-accumulative, and stay in the water. The use of the wildlife poison 1080 (sodium monofluoro acetate - a central nervous and respiratory system toxin) is also unsustainable, leading to death of up to 400,000 native animals - including threatened species - annually.

Australian environmental NGOs support the concept of ecologically sustainable forest management, which is defined as follows:

"To maintain and/or restore all species of flora and fauna in their natural patterns of distribution and abundance across their natural range".

Current plans to develop an "Australian Forestry Standard" will not result in sustainable forest management. It is accepted in the introduction to Australia's Montreal protocol for sustainable forest management on a sub-national (regional) level that reliance on the RFAs as an "industry standard" and the use of (unenforceable and non-prescriptive) Codes of Forest Practice as management are not a surrogate for SFM. Furthermore, the complete lack of meaningful consultation and participation of significant stakeholder groupings (including Aboriginal and Conservation NGOs) – a significant indicator of governments' commitment to social sustainability – reveals the industry bias of this process.

## **Recommendations**

- \* That the Government further investigate the wisdom of establishing plantations as a response to global warming and their ecological merits (or otherwise);
- \* That government ensures that all timber companies do not establish plantations on threatened species habitat and prime agricultural land;
- \* That government instruct companies not to establish plantations on areas of high conservation value;
- \* That the Government urgently investigates the current tax regimes encouraging the destruction of forests and rural communities
- \* That all parties associated with plantation establishment negotiate with community and conservation interests over the extent, location and management of plantations;
- \* That all parties associated with the establishment of plantations provide a list of the locations of proposed carbon sinks so that it can be ascertained whether native forests were cleared for establishment

## **Conclusions**

It is NFN's belief that many investors are not aware of the nature of current management practices in plantation establishment. Government and forestry companies are likely to present external parties with only the best aspects of plantation establishment, not the negative environmental consequences.

There is still a raging international debate over the real value of carbon "sinks" for sequestration. Many scientists believe that the best way to store carbon is to maintain existing forest cover across the landscape (carbon sources). Clearing of forests is not an efficient way to store carbon as the forests must first be cleared then burnt. The plantations themselves are then cleared, which again leads to further emissions.

The National Greenhouse Gas Inventory has shown that carbon emissions from the forestry sector have risen since 1992, while other sectors (e.g. electricity) have declined.

A company would be in a much better situation if it was to invest in the protection of existing forest cover on private land. It should also consider the establishment of mixed forests of indigenous forest species in plantations on areas that once contained native forest, but which have been cleared by forestry operations. Those plantations would then stay in the ground, thus increasing forest cover and storing carbon indefinitely.

Under the Federal Government's "Plantation 2020 Vision" programme, 650,000 hectares of plantations will be established in Tasmania over the next twenty years. This loss of biodiversity is not ecologically sustainable, and indeed many Commonwealth and state officials are deeply worried by the mandatory target of 3 million hectares of plantations by 2020. There is evidence that threatened species on private land are being liquidated by this establishment programme, yet there are currently no monitoring/enforcement provisions to ensure this does not happen. The Forest Practices Code is only enforced on 6% of forestry operations in Tasmania for example, meaning that it is possible that there could be a rate of non-compliance as high as 94% (i.e. no one checks these operations, so who can tell what is happening there).