

21st March 2011

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

SOUTH COAST ENVIRONMENT GROUP SUBMISSION

The South Coast Environment Group (SCEG) welcomes the House of Representative's committee on Agriculture, Forestry, Fisheries and Resources inquiry into the challenges and opportunities facing the forestry industry.

This is a critical time for the industry and SCEG believes that innovative and forward looking leadership at a state and federal level is necessary to ensure that the inevitable change to the sector is environmentally, economically and socially beneficial.

The South Coast Environment Group is of the view that the future of the industry is in sustainably managed farm forestry plantations. There is a pressing need for the industry to be fully restructured out of native forest logging and for significant investment to be made into the farm forestry plantation sector. The commercial trend in Australia and around the world is in this direction and in order to provide assurances and resilience to affected communities, governments need to lead these changes. Gunns Ltd.'s recent exit from native forest logging in WA, and its moves to do this around the country illustrate this point. Furthermore, the fact that the company was unable to secure a buyer demonstrates that in Western Australia investors are not seeking to enter the industry. This is a clear indication to the industry, the associated communities, and governments that the native forest logging sector of the industry is closing in favour of more sustainable and therefore reliable alternatives.

Innovation and sustainability

The farm forestry and plantations sectors require increased research and development investment. Government subsidies worth many millions of dollars have created an unfair price advantage for native forest products over plantation sourced wood products.

Sustainably managed farm forestry plantations have the potential to provide true resilience to the communities associated with the timber industry as well as all the country's timber needs.

Government investment into this sector will enable the industry to develop milling and joinery techniques (among other innovations) which will further the capacity for diversification and value adding.

Carbon and Climate Considerations

It is now understood how significant the role is that native forests in Australia are playing in storing carbon and mitigating the risks posed by climate change. Protection of the country's native forests presents a cost – effective and immediately available opportunity to contribute meaningfully to climate change policy and planning.

Native forests play a critical role in climate regulation. They represent the largest bank of terrestrial ecosystem carbon¹

¹ Saugier, B., Roy, J. & Mooney, H.A. (2001) Estimations of global terrestrial productivity: converging toward a single number? *Terrestrial Global Productivity* (eds J. Roy, B. Saugier & H.A. Mooney), pp. 543–557. Academic Press, San Diego, CA.

A major 2008 study undertaken at the Australian National University has demonstrated that protecting the eucalypt forests in the South Eastern part of the country and therefore retaining the 25.5 Gt of CO₂ they are now known to be storing, is equivalent to avoiding 460 Mt of CO₂ emissions per year for the next 100 years. That is equivalent to reducing the greenhouse gas emissions released in 2005 by 24%².

Concurrently in Western Australia, declining rainfall (among other factors) is resulting in concerns about the sustainability of logging in the jarrah forest³ and mill owners are reporting that poor quality timber is having significant impacts on their productivity.

In 2010 the South West of WA experienced the driest April to October on record and as at November, Perth had received just over 50% of its long-term average rain fall. WA's two driest years in the past 135 have been recorded in the last four years⁴. The CSIRO's 2010 study into water and climate change has found that the worst case scenario is that there will be a further 49% reduction in mean annual surface water yield by 2030⁵

The decline in rainfall (25% since the mid 1970s)⁶ is affecting tree growth rates and ecosystem recovery after logging. It also points to the reality of the impacts of anthropogenic climate change. The forests and therefore the native forest logging industry are affected by this impact. Simultaneously, native forests left standing are contributing to climate change mitigation, by storing vast quantities of carbon and sequestering atmospheric carbon dioxide.

Carbon Accounting of Native Forest Logging

The logging lobby presents a case that when a forest is logged the carbon is stored in the timber products produced, and also that forests regrowing after logging sequester more carbon from the atmosphere providing increased carbon storage potential. It is necessary when analyzing these claims to consider the processes and end products of logging and also the time taken to capture carbon from the atmosphere.

In 2008 – 09 only 11% of the total amount of karri logs sold by the FPC became sawn timber (with the longest carbon lifespan) and 74% of the logs were chip logs for paper production⁷. Nationally, less than 5% of the CO₂ generated during logging is stored in durable timber products⁸.

Also, following logging the crowns, branches, roots and stumps of the trees as well as the mid storey species such as banksias and sheoaks are burnt to clear the area and provide an ash bed for tree seedlings. This coupe burn releases vast amounts of carbon into the atmosphere. A study undertaken by Forestry Tasmania showed that over 200 tonnes of carbon were released per hectare during post logging burns in Tasmania. Also unaccounted for is the soil carbon which is released after logging. Another major source of emissions from the industry is transport which is also unaccounted for by proponents. Logs require transport to mills and export of timber products overseas remains a major factor in the Australian industries.

Recovery of carbon stores in forest after logging exceeds timeframes which can be considered meaningful from a climate change mitigation point of view. The average length of time for a forest to return to 90% carbon carrying capacity after logging is 152 years and after 53 years the

² 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.

³ http://www.epa.wa.gov.au/docs/3264_Rep1362FMPaudit7910.pdf

⁴ Cook, G. (2010) *A very dry year in Western Australia*. WA Climate Services Centre, Bureau of Meteorology

⁵ <http://www.csiro.au/partnerships/SWSY.html>

⁶ *ibid*

⁷ Schultz, B. (Unpublished 2010) *Where WA native timber goes* (source Forest Products Commission Annual Report 2009) Conservation Council of WA

⁸ Blakers, M. (2007) *Forests: vital for climate protection* Green Institute Working Paper 2. www.greeninstitute.org.au

average forest has recovered only 75% of its carbon storage⁹. Left standing the carbon carrying capacity of native forests is far superior. There are also significant benefits to be realized from allowing logged forests to recover to their full storage potential.

Native Forest Biomass: burning wood from native forests to generate electricity

This concept is outdated and ill conceived. It is not in the social, economic or environmental interests of the state or the country for this industry to be developed. If this practice does commence in WA conflict and controversy will surround it. The broader public will react against it as a reincarnation of the woodchipping industry, which was also falsely sold to the public as a waste utilization industry, and the communities associated with the timber industry will again be negatively impacted by poor resilience planning.

The future: opportunities and resilience

Native forest logging can not continue in perpetuity. This isn't news. In 1977 the Forests Department predicted that at the then current rate of cutting, the hardwood sawlog resource was likely to be exhausted in 25 years (General Working Plan No. 86, p 66 – 67). Since then the South West has experienced a 25% reduction in rainfall, among other changes in climate, as well as the spread of Phytophthora dieback and other factors which have negatively impacted on growth rates and ecosystem health. There is no doubt that change to the industry is inevitable and that restructure is required.

The SCEG asks the committee to look dispassionately at the reality of the industry. The future is in sustainably managed farm forestry and the sooner and more completely that the necessary restructure occurs the better for all concerned.

We trust that the members of the committee conducting this timely enquiry will consider the long-term and ecological ramifications of its recommendations and we look forward to your report.

Yours sincerely,

Jess Beckerling
Chair
South Coast Environment Group

⁹ Roxburgh, S.H., Wood, S.W., Mackey, B.G, Woldendorp, G. & Gibbons, P. (2006) Assessing the carbon sequestration potential of managed forests: a case study from temperate Australia. *Journal of Applied Ecology* 43, 1149 – 1159.