

FAQ: Burning native forests for power

"To sum [it] up, the plan can't lower emissions but could increase them, it will displace other forms of renewable energy and sabotage the operation of the large-scale [Renewable Energy Target scheme], and it could cost millions. For bad policy, it is hard to beat"

Andrew Macintosh, Associate Director, ANU Centre for Climate Law & Policy

Federal Independent MP Rob Oakeshott has tabled a notice in parliament to disallow a regulation titled *Renewable Energy (Electricity) Amendment Regulations 2011 (No.5)*, a key part of the multi-party climate agreement. The regulation is an important part of the climate agreement as it would stop native forest wood waste being accredited as renewable energy under the Renewable Energy Target (RET).

This is not a small question of whether or not a handful of native forest-based power plants receive renewable energy certification. It is fundamentally a choice between transitioning Australia's forest industry onto an economically and ecologically sustainable footing or simply extending the life of the failing native forest logging industry, destroying precious habitat and vital carbon stores. It is a choice between providing support to real renewable energy such as wind, solar and geothermal or an out-dated, environmentally destructive industry.

Below is a Q&A to explain why, and to address some of the correspondence the Independent's have had with constituents about the motion.

Q: Only 'waste' native forest wood will be used, so this couldn't become a driver of native forests logging, right? (Mr Oakeshott says "not one more tree would be cut down" because of the motion)

A: Wrong. Rob Oakeshott's motion would mean the Federal Government would be providing financial subsidies for burning native forests as 'renewable energy'. This is a financial incentive to log Australia's remaining native forests. If Rob Oakeshott's motion passes, the government subsidy the logging industry would receive is so significant that the logging industry says it "could constitute up to 50 per cent of the income stream."^[1]

According to ANU economist Judith Ajani, "[o]pening native forest wood to the energy market will turn the economically and environmentally desirable trend decline in native forest logging into increasing logging levels."^[2]

The argument that native forest biomass relies on only 'waste' product is identical to the rationale for export wood chipping, which expanded rapidly from the late 60s and early 70s. Far from simply using a waste product, export wood chipping became the main driver of native forest logging and hence environmental damage and community conflict.

Furthermore, the legislation does not adequately define what is 'waste' within a native forest or logging operation. The forest industry identifies standing trees as waste! (Any references for this?) These trees constitute the majority of timber removed from the forest in many cases. The industry definition of waste as standing trees allows any timber that is not extracted for 'high value' uses (such as?) to be classified as waste. Furthermore, it is widely recognised that without a market for the so-call 'waste', native forest logging is not financially viable.

GETUP LTD
ABN: 99 114 027 986

PO Box A105
Sydney South, NSW, 1235
info@getup.org.au
www.getup.org.au

The logging industry is proposing to build massive, industrial scale power plants to burn large areas of native forests. In Tasmania there is currently a proposal by Forestry Tasmania to build a native forest power plant to burn around 330,000 tonnes of native forest per year. ^[3]

Q: But, won't regulation ensure that burning native forest for power doesn't become a driver of forest destruction?

A: The conditions that Mr Oakeshott refers to in relation to biomass energy are unenforceable constraints that do not prevent industrial logging for biomass. There have been similar constraints supposedly applied to the wood-chipping industry for 30 years - which have allowed for the clear-felling of forests throughout Australia and export of millions of tonnes of woodchips.

Q: If burning native forests for power does become classed as 'renewable' could it impact on government support for wind, solar and geothermal?

A: Yes. The renewable energy legislation is capped, which means there are a set number of renewable energy certificates. As Andrew Macintosh, Associate Director of ANU Centre for Climate Law & Policy explains ^[4]:

"The second hole in the independents' plan is that allowing forest biomass projects to access to RECs will not increase the amount of renewable electricity generation. This is because the LRET scheme sets a mandatory amount of renewable electricity that must be generated each year. Because of this, the only thing allowing native forest wood waste into the scheme will achieve is to displace other forms of renewable electricity. Rather than having wind, hydro or some other form of renewable electricity, we'll get native forest biomass. So, contrary to what is so often claimed, burning native forest biomass won't displace fossil fuel-based electricity generation and won't increase renewable generation."

Q: What's the impact of burning native forests on tackling climate change?

A: Australia has the most carbon-dense forests in the world ^[5]. When these forests are logged and burnt, that carbon is released into the atmosphere and only a portion is reabsorbed over several decades when trees regrow. This results in large carbon pollution emissions.

Recent research on biomass-driven native-forest harvesting in the North America journal *Nature Climate Change* showed that, after assessing all harvest and energy generation emissions, bioenergy was worse for the climate than fossil fuel generation in 80 per cent of the regions studied ^[6]. While direct extrapolation is not possible, little research has been done on quantifying potential native forest biomass emissions in an Australian context.

Q: Aren't forestry operations in Australia ecologically sustainable?

A: Logging in Australia is threatening water catchments, carbon stores and the critical habitat of wildlife.

An audit of NSW logging operations by the NSW Auditor-General concluded that the forests of North-East NSW were 'being logged faster than they could regrow'. Even the Institute of Foresters of Australia admits that "In NSW, the adopted forest strategy is to unsustainably cut the available public native forest". In Victoria in 2009, VicForests were found to be logging illegally in East Gippsland at Brown Mountain where trees older than 550 years old were logged, and the logging of old growth forest continues in Victoria. Furthermore:

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ABN: 99 114 027 986

PO Box A105
Sydney South, NSW, 1235
info@getup.org.au
www.getup.org.au

- In New South Wales an area of high value old growth forest was recently logged at Girard State Forest. ^[7]
- In South-East NSW an area described as the home of the most critical population of koalas in Australia is being logged. ^[8]
- In Western Australia, the Environment Protection Agency has said that Jarrah forests are being logged so unsustainably that they are at risk of permanent ecological collapse. ^[9]
- In Tasmania logging continues in old-growth forests, including areas both Federal and State governments have said should be protected.

Despite attempts in Australia to regulate logging of native forests, in most States large-scale industrial logging is causing irreversible environmental damage.

Q: "Australia has a trade deficit in wood and paper products of \$1.9 billion, exporting \$2.48 billion, and importing \$4.4 billion. In 2010-2011, we imported 846,000 cubic metres of sawn timber, 487,000 cubic metres of wood based panels, 1.89 million tonnes of paper and paperboard, and 233,000 tonnes of wood pulp."(Rob Oakeshott, in a letter to concerned constituents) Isn't this a good reason to subsidise logging native forests?

A: The assumption in this argument is that the trade deficit in wood products presents problems for the Australian forestry industry. Whilst value-adding should be pursued in the interests of regional employment and industry viability, Mr Oakeshott makes no claims as to why this trade deficit is negative or surmountable, and does not address issues in regards to international industry competitiveness.

As recognised by the House of Representatives Forestry Inquiry relied upon by Mr Oakeshott to support his position on biomass:

"The National Forest Policy Statement does not set out self-sufficiency as a goal; rather, it speaks of an 'internationally competitive and ecologically sustainable wood production and wood products industries' which will provide 'national and regional economic benefits. Current policy does not explicitly aim for self-sufficiency, but rather emphasises the potential for growth in the industry". ^[10]

If the argument is to be made that the deficit can and should be remedied, it must be noted that the trade deficit is one of income and not volume. In 2010-11, 90% of our sawn timber imports were of pine from places like New Zealand, Canada and Europe. Whilst Australia imported 233,000 tonnes of wood pulp in 2010-2011 we actually exported over 5 million tonnes of woodchips ^[11]. The failure of wood and paper production in Australia is the result of an emphasis on large volumes of low value products, like woodchips, and a government and/or market failure in regards to downstream processing and value-adding. Biomass will continue this trend by entrenching a low-added-value, commodity approach to forestry.

Q: So if Rob Oakeshott's proposed changes to the climate act do not pass parliament, will that stop the burning of native forests and plantations to generate power?

A: No. Burning plantation timber to generate power is currently classified as 'renewable' and would remain so. That means electricity produced from plantation timber would count towards Australia's renewable energy target (RET) and would receive government subsidies. Burning native forests would not be counted as renewable if Rob Oakeshott's changes do not pass. However, this would not prohibit native forest wood from being burnt to generate power – it just means doing so would not receive a government subsidy.

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PO Box A105
Sydney South, NSW, 1235
info@getup.org.au
www.getup.org.au

[1] Peter Mitchell, CEO, South East Forest Exports. ABC 7:30 Report <http://www.abc.net.au/7.30/content/2010/s2928932.htm>

[2] Judith Ajani (2012) Oakeshott's call for wood-powered electricity means more logging. The Conversation. <http://theconversation.edu.au/oakeshotts-call-for-wood-powered-electricity-means-more-logging-5370>

[3] <http://www.forestrytas.com.au/regional-dev>

[4] Andrew Macintosh (2012) Oakeshott, Windsor biomass burner scheme Pythonesque. Associate Director, ANU Centre for Climate Law & Policy. Crikey.

[5] Brendan Mackey, Heather Keith, Sandra L. Berry and David B. Lindenmayer [2007] Green Carbon: The role of natural forests in carbon storage. ANU. <http://epress.anu.edu.au?p=56611>

[6] Tara W. Hudiburg, Beverly E. Law, Christian Wirth, Sebastiaan Luyssaert. **Regional carbon dioxide implications of forest bioenergy production.** *Nature Climate Change*, 2011

[7] North East Forest Alliance <http://nefa.org.au/audit/Girard/>

[8] Nature Conservation Council NSW (2011) Critical south east koala population under immediate threat from logging. <http://www.nccnsw.org.au/media/critical-south-east-koala-population-under-immediate-threat-logging>

[9] **Environment Protection Agency (EPA) Forest audit finds jarrah logging unsustainable,** <http://www.ecovoice.com.au/eco-news/830>

[10] Seeing the forest through the trees: Inquiry into the future of the Australian Forestry Industry, House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry, 2011, p20.

[11] ABARE 2011. Australian Forest and Wood Product Statistics. Pages 4-6