

The Institute of Foresters of Australia

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DRAFT RENEWABLE ENERGY TARGET (RET) REGULATIONS

The Institute of Foresters of Australia (IFA) welcomes the opportunity to comment on the Draft RET Regulations. The IFA is the body that represents professional foresters and forestry experts across Australia. Its membership includes persons with extensive experience in plantation management, native forest management, catchment management, policy development and sustainable natural resource management. The Institute is strongly committed to the principles of sustainable forest management, sustainable use of biodiversity, conservation and the provision of sustainable livelihoods thus placing the IFA in an excellent position to contribute to the draft regulations.

The Institute of Foresters of Australia (IFA) strongly objects to the exposure draft regulations to exclude native forest biomass as an eligible renewable energy source under the Renewable Energy Target (RET) scheme.

The IFA is generally concerned that the potential of Australian forestry to contribute to mitigating greenhouse gas emissions is not receiving due recognition or fair treatment under the Government's Clean Energy Future package. The IFA has previously made submissions on this matter including its views on the Carbon Farming Initiative.

There is a distinct lack of evidence for the changes proposed by exposure draft regulations. The change appears to be an ideologically driven attempt to curtail wood production activity in native forests and to undermine the long term economic viability of the nation's native forest industry. Flimsy justification of the proposed regulatory change centre around the potential risk that biomass utilisation poses to biodiversity and carbon.

"However, the additional incentive from the RET for the burning of native forest wood waste to generate electricity could lead to unintended outcomes for biodiversity and the destruction of intact carbon stores."

This position is at odds with the scientific evidence and with existing government forest policy and standards.

At an international level, the important role of sustainable native forest management in climate change mitigation is well recognised.

“In the long term, a sustainable management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained (carbon) mitigation benefit (IPCC, 2007).”¹

Harvested forests that continue to be sustainably managed as forest should be treated in accord with UNFCCC carbon accounting and reporting standards.

Within Australia sustainable forest management principles and practices for native wood production forests have been in place for more than a decade. All harvesting of timber in native forests is subject to the provisions of the *Environment Protection and Biological Conservation (EPBC) Act, 1999*. Within the States there is complimentary legislation for the protection of threatened species and maintenance of biodiversity. The 20 year Regional Forest Agreements were the key mechanism to ensure the EPBC Act was implemented.

The sustainable management of many of Australia’s native wood production forests is independently recognised through either the Australian Forestry Standard or the Forest Stewardship Council. To be certified under these standards requires application of best forest management standards that promote environmental values, including biodiversity.

The Rural Industries Research and Development Corporation (RIRDC) has undertaken considerable research into developing management principles and guidelines for sustainable management and assessing biodiversity of privately-managed native forests. That research would provide a sound basis for amendments to the regulation to ensure that biodiversity and other provisions are well catered for in management of the private native forest estate.

Native forests that are recognised as being sustainably managed for timber production, in accordance with existing laws and standards, should not be subject of regulations dictating the end use of the harvested timber. While ever forests are managed sustainably, existing market forces should be allowed to determine the final ‘added value use’ of the timber they produce.

The IFA believes the level of proposed intervention proposed under the draft regulations is quite extraordinary and inconsistent with the level of regulation that applies to other primary industries.

When a native forest tree is harvested for wood products it is negligent and wasteful if that tree is not fully utilised to its best end-use. The proposed restriction on utilisation of native forest biomass will directly interfere with the future market for native wood products and prevent best end-use.

The approach proposed in the draft regulations is akin to say placing a restriction on the meat and livestock industry that prevents it from selling its meat bi-products (hide, fat, blood or bones). Similarly to forest biomass, livestock bi-products have relatively low value and suffer from poor public perception, however, like biomass

their utilisation and importance to the overall economic sustainability of the industry is critical.

The National Carbon Offset Standard includes “enhanced forest management” as an eligible activity. Forest management activities, including silvicultural thinning of dense regrowth forest can improve sequestration rates, forest health and wildlife habitat value and reduce fuel hazard levels when done in an appropriate manner. A biomass market is essential for these types of activities.

“...Forest products have low embodied energy and have strong potential for greenhouse gas mitigation when used for bioenergy” (May et al, 2011).²

Utilisation of thinnings and harvested waste wood for bioenergy products avoids emissions through substitution of fossil fuels. For every green tonne of hardwood biomass utilised in electricity generation 2.8 tonnes of CO₂-e emissions is avoided (RIRDC unpublished, 2011)³.

Native forest sawmills recover around 30% of timber products from sawlogs. Therefore, by definition, 70% of the harvested log is waste timber. Currently the sawdust and some offcuts are used for energy or steam production on-site. Woodchips generated from slabs and other waste timber during the sawing process provide additional income to the sawmill enterprise. The advantage of using this material in energy production is that it avoids producing the same energy by use of fossil fuels, a win-win. Avoided fossil fuel emissions are permanent and bankable.

The IFA can envisage a perverse outcome for carbon where sawmill residues will be burnt in furnaces or open fires without producing energy, or sent to landfill where it will gradually rot and contribute to carbon emissions (primarily as methane).

Including native forest residues in the RET scheme will also provide opportunities for economic development for Indigenous communities, who manage large forest areas, particularly in northern Australia, some of which are being cleared for mining developments. That would be consistent with the aims of the Government’s Indigenous Forestry Strategy.

Excluding wood waste from building sites and furniture manufacture that originally came from native forests is highly problematic. Firstly there is no way of tracing the source of timber, especially from old buildings. Waste is generated from offcuts and trimmings in building construction and furniture manufacture, therefore the timber use has already been determined and waste is waste. The IFA considers that a consequence of this amendment to the regulation will be to discourage use of native forest timbers in building construction and furniture manufacture, which is surely a very perverse outcome.

The IFA reminds the government that the forest and timber sector is the second largest manufacturing sector in the Australia economy and the most carbon friendly. The changes proposed to the regulations both put the future commercial viability of part of that sector at risk and remove the opportunity to significantly reduce Australia’s greenhouse gas emissions without any improvement in any other measure of sustainability.

The IFA's concerns extend to the Carbon Farming Initiative where similar anti-forestry ideology exists and where direct recognition of the potential of native and plantation forestry to reduce Australia's carbon emissions is completely lacking.

In conclusion, the IFA believes that if the proposed change to the regulations are implemented the future of Australia's sustainable native forest industry will be jeopardised and a significant greenhouse gas mitigation opportunity will be foregone.



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¹ http://www.ipcc.ch/publications_and_data/ar4/wg3/en/contents.html

² May, A., England, J.R., Raison, J.R. Paul, K.I. (2011) Cradle-to-gate inventory of wood production from Australian softwood plantations and native hardwood forests: Embodied energy, water use and other inputs. *Forest Ecology and Management* 264 (2012) 37-50

³ Peck, A., Sudmeyer, R., Huxtable, D., Bartle, J. R. & Mendham, D. S. (2011). Productivity of mallee agroforestry systems under various harvest and competition management regimes. RIRDC, pp247 Canberra, Australia - NOT YET AVAILABLE