

Judith Ajani

The Conversation

We are poised at a pivotal moment for native forests, the wood products industry and climate change. Australia is moving away from a damaging native forestry industry – and a damaging conflict over its future – to a plantation industry with broad-based support. Rob Oakeshott's push this week to promote burning native-forest wood for electricity production could kick off more logging, and more conflict.

Oakeshott and Tony Windsor, together with all other members of the Multi-Party Climate Change Committee, agreed in July 2011 to exclude native forest wood from being subsidised as a renewable energy resource. This decision put in place a crucial backstop to see the end of Australia's forest wars. But now Oakeshott has changed his position.

The [Multi-Party Climate Change Committee](#), chaired by Prime Minister Gillard and including the Greens and Independents Windsor and Oakeshott, agreed to amend the [Renewable Energy Target](#) regulations. Native forest biomass would no longer be regarded as "renewable" when burnt to generate electricity.

Forestry policy making has rarely been so thorough: the exclusion included products, by-products, and waste associated with or produced from, clearing or harvesting of native forests, subject to appropriate transitional arrangements for [existing accredited power stations](#). The Committee's decision was an environmentally sensible [policy correction](#) for a forestry industry that is exiting native forest wood resourcing.

The removal meant that native forest electricity producers could still produce electricity but they would not receive [Renewable Energy Certificates](#). The government created the RECs market to achieve its Renewable Energy Target: wholesale electricity retailers and some generators must source at least 20 per cent of their electricity from renewable sources backed by RECs.

For native-forest-based energy projects, the RECs could constitute up to 50 per cent of [the project's income](#).

Having signed the multi-party agreement in July, in late October 2011 Oakeshott had second thoughts. With the exposure draft of the Renewable Energy Target regulations in hand and what appears to be some local business lobbying, [Oakeshott asked](#) "local residents to have their say on new rules which ban the use of native forest waste as an accredited RET energy source."

A month later, Oakeshott appears to have turned from seeking comments to becoming a native forestry lobbyist. He said that "[b]usinesses with potential investment projects using wood waste for biomass energy should use this time [before moving his disallowance motion] to make detailed representations to the federal government and MPs who represent electorates with viable commercial forestry contracts and processing mills."

Oakeshott's hope from this lobbying was that "[all MPs seek best policy](#)". From his statement, "best policy" refers to the local abattoir wanting to use some local sawmill offcuts for power. There is nothing in the regulations stopping the abattoir from using the offcuts for power. What the regulations aim to do is prevent the revenue from the RECs market opening a new and very large market for native forest wood around Australia.

Hardwood chip exports – Australia's opportunity to end the conflict. Judith Ajani/ABARES statistics.

This is not a local or peripheral issue. It is nationally important. On February 10, Oakeshott wrote to members of parliament explaining his move to disallow the regulations. He stated that with all aspects of the Agreement having been introduced, he has honoured the Multi-Party Climate Change Committee Agreement and is now free to vote against the agreement as expressed in a bill or regulation.

Oakeshott's letter conveys no understanding of the Australian forestry industry situation and outlook. He states that sawn timber and paper (including woodchip exports) drives native forest logging, with energy being a sensible use of "waste".

Missing from his account is Australia's plantation competition: sawn timber stopped driving Australia's native forest logging in the 1980s and woodchip exports are no longer driving native forest logging. And so evaporates the "waste". Opening native forest wood to the energy market will turn the economically and environmentally desirable trend decline in native forest logging into increasing logging levels.

Australia's plantation industry is about to completely displace native forest wood from the major commodity markets of sawn timber, paper and woodchip exports. Today, between 85 and 90 per cent of Australia's production of sawn timber and wood panels is [plantation based](#).

As the native forest sector lost these markets to the softwood plantation competition, it became more dependent on export markets for woodchips. Now, Australia's hardwood plantations are displacing, with ferocious speed, native forest chip exports (see figure above). In the very near future we can expect very little commodity-based logging of Australia's native forests, as long as governments resist engineering new commercial opportunities for native forest wood.

As members of the House of Representatives decide whether to support Oakeshott's disallowance motion they should reflect on 40 years of conflict over native forest woodchipping. If native forests are opened to burning for "renewable energy", Australia's forest wars will rage for many more decades.

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Comments on this article

Oakeshot legislation saving native forests

Mon, 2012-02-20 15:52.

Yes, under this legislation more native forests will be logged because more native forest species will be planted. Why are we happy for all of our forests to be converted to mono-culture, biodiversity deserts? Lets encourage forestry companies to plant more native forests, not convert to plantations of alien species.

I think this debate is confused with definitions:

Although all old growth forest are native forests, doesn't mean that all native forests are old growth forests. There is other legislation that protects forests from harvesting, if it is renewable energy it should qualify for a renewable energy certificate and bioenergy certainly is renewable.

Lets preserve as much high conservation value, native forest as possible. Lets plant and sustainably harvest native species so that native wildlife has somewhere to live. The Greens have got it seriously wrong with this one.

Sadly, native forest logging is not fading out

Submitted by Bob Rich on Thu, 2012-02-16 18:08.

It may be in other parts of Australia, but in Victoria the Liberal government is set on stripping the state of native forest. Where I live, on some days 30 huge trucks roar down the road, laden with trees of all sizes from saplings to giants. All this is going to woodchip, under a contract with Nippon paper. The supply of woodchips is heavily subsidised by the State: I am paying for the destruction of my home.

A small local environmental group, MyEnvironment, has challenged the State government in the Supreme Court. The hearing is going on NOW. Read the details:

<http://www.myenvironment.net.au/index.php>

Submitted by Danny Hannan on Thu, 2012-02-16 13:38.

The production of bio-fuels from waste material is still challenged in energy and economic terms and is not viable in environmental terms. The energy output is challenged by the energy used to collect and process the waste and the energy input into the necessary infrastructure. The waste often has alternative uses such as; agricultural or forest mulch, stock feed or fiber-boards. All of which lock the carbon content up for much longer periods than simply manufacturing and/or burning bio-fuels and the volume of fuels produced is a drop in the ocean as far as total fuel consumption is concerned.

Bio-fuel production, while technically possible dose not make sense in food production terms, economic terms, energy profit terms or environmental terms.