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Director
Conservation Commission of Western Australia
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Submission on Draft Forest Management Plan 2014-2023

1. SUMMARY AND RECOMMENDATION: There is demonstrable risk the draft Forest Management Plan 2014-2023 will be applied for supply of unique native forest resource as fuel for biomass power plants. Use of native forest as fuel for biomass power plants threatens to cause further depletion of State forest ecosystems in a similar manner to depletion of State forest through woodchipping of marri and karri. It is recommended the Conservation Commission amend the Draft Plan to oppose use of native forest as fuel for biomass power plants and apply a condition in the final Forest Management Plan 2014-2023 preventing use of native forest as fuel for biomass power plants and 'bioenergy'.

2. BIOMASS ACTION GROUP

The 'Biomass Action Group', is an informal association of persons in the Manjimup and Pemberton area with agribusiness, tourism, conservation, property and other interests in regard to a proposal by Western Australia Biomass Pty Ltd for a 40MW biomass power plant to be located at Diamond Mill south of Manjimup. We are concerned the Forest Management Plan 2014-2023 will be applied to large scale exploitation of unique native forest ecosystems to supply logs and other wood resource as fuel for biomass power plants. Our case is part made at the web site www.nobiomass.com and we refer the Conservation Commission to the web site for background.



3. OPPOSITION TO USE OF NATIVE FOREST AS FUEL FOR BIOMASS POWER PLANT

Members of the Biomass Action Group made submissions on the 'PUBLIC ENVIRONMENTAL REVIEW FOR BIOMASS POWER PLANT, DIAMOND MILL, MANJIMUP' in February 2008 which included submission on 'Impacts of expansion at Diamond Mill based on wood fuel from Karri forest' which is copied below in an <u>Appendix</u> to this submission on the Forest Management Plan 2014-2023. The submission copied in the Appendix referred to the misuse of the terms native 'forest residue' and 'forest waste' - now applied to fuel for biomass power plants - which previously justified production of over 500,000 tonnes per annum of marri and karri woodchips from the magnificent State forest surrounding Manjimup and Pemberton. There is substantial reason to mistrust government agencies and politicians who use and abuse these terms in relation to our precious native forest.

In response to demonstrable public interest and concern that a biomass power plant located at Diamond Mill could lead to use of adjacent karri, marri and jarrah resource as fuel for the power plant, the Environmental Protection Authority (EPA) applied condition 6-1 that "The proposal shall only use waste from Eucalyptus Globulus and Pinus Radiata plantations as a fuel source." and the Minister for Environment accepted the condition. However, this public interest and concern will persist if a biomass power plant is located at Diamond Mill at the hub of the road network for the previous 'Marri Woodchip

Project' in State forest. Western Australia Biomass Pty Ltd was a consortium of Babcock and Brown Limited related entities; since our February 2008 submissions on the Public Environmental Review for the project at Diamond Mill, Babcock and Brown Limited has collapsed into the care of administrators, with massive outstanding debt, and has been delisted from the ASX. We believe it is probable Babcock and Brown related interests will attempt to sell the 'approved project' at Diamond Mill, and that due diligence by potential buyers will find the project is not commercially viable based on transport of Eucalyptus Globulus and Pinus Radiata on public roads from up to 100 kilometers distant and they will pressure the State Government for use of adjacent karri and marri as fuel. The Forests Products Commission and the Department of Environment and Conservation support use of karri and marri 'waste' and 'residue' as fuel for biomass power plants; we urge the Conservation Commission to strongly oppose use of native forest as fuel for biomass power plants.

Since our February 2008 submission to the EPA opposing possible use of karri and marri fuel for the proposed biomass power plant at Diamond Mill, it has been publicised that the Forest Products Commission are in discussion with Griffin Energy for supply of 250,000 tonnes per annum of jarrah and marri logs to be burnt as biomass fuel at the Bluewaters Power Station near Collie. The discussions include a further 150,000 tonnes of jarrah and marri logs being available if required by Griffin Energy. We are aware the Wilderness Society, Western Australian Forest Alliance and the Conservation Council of WA wrote to the Minister for Environment in May 2009 objecting to this potential supply of jarrah and marri to be burnt as biomass fuel and we strongly support their objections. We urge the Conservation Commission to oppose the use of jarrah and marri as biomass fuel at the Bluewaters Power Station and to advise the Minister for Environment accordingly.

Beyond our general concern at depletion of State forest for use as biomass fuel, we are specifically concerned use of native forest as fuel at the Bluewaters Power Station will serve as a precedent for use of native forest (karri and marri) as fuel at the proposed 40MW biomass power plant at Diamond Mill. Given it is unlikely Babcock and Brown related entities will proceed with the 40MW biomass power plant at Diamond Mill using 380,000 tonnes per annum of Eucalyptus Globulus and Pinus Radiata, that plantation resource should be offered to Griffin Energy for use as biomass fuel in the alternative to native forest.

4. RECENT PUBLICITY ON USE OF NATIVE FOREST AS FUEL FOR BIOMASS POWER PLANT

New Renewable Energy (Electricity) Amendment Regulations 2011(No5) introduced in late 2011 prohibit Commonwealth incentives for native forest as fuel for biomass power. The Regulations were welcomed by the Biomass Action Group as affording some protection against use of native forest as fuel for biomass power plants in WA. However, in early 2012 disallowance was moved against the new Renewable Energy (Electricity) Amendment Regulations 2011(No5). The disallowance motion was defeated in the House of Representatives by the narrowest of margins. Particularly disturbing for our Group were the comments made the Minister for Forestry in WA implying the State Government had been approached by a number of parties interested in using native forest as fuel for biomass power.

5. BIOMASS POWER AND DRAFT FOREST MANAGEMENT PLAN 2014-2023

There is no use of the term 'biomass power' in the Draft Forest Management Plan 2014-2023 (the Draft Plan). There is use of the word 'power' and 'electricity' for utilities corridors, but none in the context of generation from biomass, using native forest or any other biomass type of fuel. There is no mention in the Draft Plan of 'Diamond Mill' in the context of an approved biomass power plant at the site of a native forest woodchip mill, commonly referred to as Diamond Mill.

There is one mention of 'bioenergy' on page 137 of the Draft Plan: "In particular, the study indicated that there are potential opportunities for further value-adding of non-sawlog grade logs for engineered wood products, biofuels and bioenergy. To determine the level of interest, the FPC has sought expressions of interest in the use of these resources, which has identified several prospective investors. However, no commitments can be entered into until the allowable cut is determined for the next FMP."

But then the Draft Plan only mentions 'woodchip' once, on page 136; reflecting how out of touch the Conservation Commission is with the reality of unsustainable overcutting of State forest.

6. NEGLECT IN DRAFT FOREST MANAGEMENT PLAN 2014-2023

The Draft Plan appears to seriously neglect the major potential impact on State forest through harvesting of native forest fuel for biomass power plants, with such demand for fuel being the 'tail that wags the log harvest dog'. Woodchipping has done this in karri and marri forest for over thirty years. In early July 2012, before the Draft Plan was published, Neil Bartholomaeus and others met with the Chairman and Director of the Conservation Commission at Diamond Mill and in a nearby karri clear fell coupe, and expressed serious concern that karri and marri logs could be used as fuel for the proposed biomass power plant at Diamond Mill. Images of a stack of logs at the Diamond Mill meeting site and nearby Channybearup clearfell coupe are shown below.



Karri logs for woodchipping at Diamond Mill



Karri clearfell site at Channybearup

7. RECOMMENDATION

There is demonstrable risk that the draft Forest Management Plan 2014-2023 will be applied for supply of unique native forest resource as fuel for biomass power plants. Use of native forest as fuel for biomass power plants threatens to cause further depletion of State forest ecosystems in a similar manner to depletion of State forest through woodchipping of marri and karri. It is recommended the Conservation Commission amend the Draft Plan to oppose use of native forest as fuel for biomass power plants and apply a condition in the final Forest Management Plan 2014-2023 preventing use of native forest as fuel for biomass power plants and 'bioenergy'.

8. FLAWED PUBLIC ENVIRONMENTAL REVIEW PROCESS

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The Environmental Protection Authority has inappropriately deemed the Draft Forest Management Plan 2014-2023 a Public Environmental Review document. We will be writing to the Authority requesting the proposed final Forest Management Plan 2014-2023 be issued for Public Environmental Review.

We trust the Conservation Commission will amend the Draft Plan to adopt our recommendations.

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..... APPENDIX

Excerpt from submission to EPA on *PUBLIC ENVIRONMENTAL REVIEW FOR BIOMASS POWER PLANT, DIAMOND MILL, MANJIMUP* by Neil Bartholomaeus, 25 February 2008

5. Impacts of expansion at Diamond Mill based on wood fuel from Karri forest

There are grounds for concern the Karri forest will be used as fuel for biomass power generation at Diamond Mill:

- the Minister for Forestry on 29 November 2007 in answer to Parliamentary Question 5603 said Karri, Jarrah and Marri will be offered by tender to energy markets;
- in a 25 January 2008 letter responding to private questions on this, the Minister for Forestry said "I understand that the Manjimup biomass plant in question does not intend, under its current application process, to utilise fuel from native forest residues. Should the project ever reach a stage where it wished to expand its operation, that expansion would be subject of a further assessment process.";
- it is reasonably foreseeable that such energy generation using Karri, Jarrah and Marri will be conducted within the Diamond Mill precinct near Manjimup, taking advantage of the extensive network of roads previously used for the 'Marri Woodchip Project', for transport cost savings; and
- it is reasonably foreseeable that Karri, Jarrah and Marri will be burnt in the proposed Biomass Power Plant at Diamond Mill, as a commercially advantageous variation to the 380,000 tonnes per annum wood fuel mix for the 40MW capacity, and for expansion beyond 40MW output.

In the Minister for Forestry's answer to Parliamentary Question 5603 he said Karri, Jarrah and Marri 'forest residue' and 'forest waste' will be used for energy markets. These 'forest residue' and 'forest waste' terms are precisely the same terms that were used to justify the notorious 'Marri Woodchip Project', where Marri was described as residue and waste from clear felling, and millions of tonnes were squandered as woodchips. Now, Marri is in demand for furniture and flooring; exemplifying 'forest residue' and 'forest waste' is misused terminology.

The language of the Minister for Forestry of 25 January 2008 re "Should the project ever reach a stage where it wished to expand its operation, that expansion would be subject of a further assessment process." is reminiscent of the 'staged' development of the Wagerup Alumina Refinery which has devastated the previously rural township of Yarloop. Neither the EPA nor a 'community reference group' (Public Environmental Review page 203) saved Yarloop. The negative impacts on public health (2 above), on agribusiness (3 above) and the local agribusiness and tourism economies (4 above) will compound if biomass power generation expands at Diamond Mill.

The Forest Products Commission 2006-2007 Annual Report at page 21 states:

"Bioenergy development

The Commission is actively working with a number of parties to develop and promote renewable energy opportunities."

"Tender process for residues

The Commission continues to work actively to finalise markets for native forest derived residues. Due to increasing enquiries particularly from bioenergy companies, the Commission decided to call for tenders. It is expected that tenders will be requested late in 2007."

The Forest Products Commission doesn't appear to have offered the tender for Karri, Jarrah and Marri 'residues' yet. It is possible they will hold that until the Biomass Power Plant at Diamond Mill has approval of its *Public Environmental Review* based on Tasmanian bluegum and pine, and then the tender could be offered for a shift in fuel resource mix and/or expansion beyond 40MW generation capacity.

In addition to exacerbation of impacts from pollution, expansion at Diamond Mill based on fuel from native forest will evoke massive controversy similar to that which surrounded the notorious 'Marri Woodchip Project'. Such controversy will further discourage tourism and eco-tourism based on the Karri forest, and also discourage new residents seeking 'lifestyle' based on the Karri forest, for which there are several developments progressing in the Shire of Manjimup.

Recommendation 7: The EPA should ask the proponent of the Biomass Power Plant at Diamond Mill if it has intentions of expanding beyond 40MW generation capacity at Diamond Mill, and if it does, the EPA should request a supplement to the Public Environmental Review providing preliminary information on environmental impacts and management of impacts beyond 40MW capacity.

Recommendation 8: The EPA should ask the proponent of the Biomass Power Plant at Diamond Mill if it or associated companies have approached the Forest Products Commission enquiring about access to native forest derived fuel, and if so, whether the proponent envisages use of native forest derived fuel within the wood fuel mix for up to 40MW generation capacity, and/or for expansion beyond 40MW capacity. The EPA should verify the proponent's response with the Forest Products Commission.

Recommendation 9: The EPA oppose use of Karri, Jarrah and Marri from native forests as fuel for biomass power generation at Diamond Mill and elsewhere in WA.