

Senate Environment and Communications Legislation Committee
Climate Change Bill 2022
Climate Change (Consequential Amendments) Bill 2022

August 10th 2022

Redbank Action Group welcomes the opportunity to provide a submission on the Climate Change Bill 2022 and the Climate Change (Consequential Amendments) Bill 2022.

Redbank Action Group is an environment group which represents several other groups from the Hunter to Northern NSW concerned about the burning of native forest hardwood, replacing coal to generate electricity. This destructive industry has been made viable since the Abbott government in 2015 implemented a recommendation of the Warburton Review to include native forest 'waste' in the Renewable Energy Target. The Climate Change legislation coming before the Parliament is an opportunity to revert to the pre-Abbott legislation.

The current Federal legislation allows native forest hardwood to be burned for electricity and to earn carbon credits. Australia's action on climate is undermined by the domestic and export market for native hardwood chips to be burned in power stations to generate electricity.

We ask the committee to recommend biomass not to be considered as wood waste and thus an eligible fuel source; and that Section 17 of the Renewable Energy (Electricity) Act 2000 be amended accordingly.

Also that Regulation 8 of the Renewable Energy Regulations 2001 be amended to delete native forest biomass as an acceptable source of wood waste.

To give some background, the Renewable Energy (Electricity) Act was passed in 2000 to allow wood obtained from native forests to earn renewable credits when burned for electricity generation. In 2011, the Gillard government agreed to exclude native forest timber to be subsidised as a renewable energy source.

In March 2013 the Australian Government (ALP) explained the policy on native forest bioenergy in their published response to the Climate Change Authority's Renewable Energy Target (RET) Review:

'Wood waste from native forests was removed from the RET as an eligible renewable energy source in 2011. This amendment was made to ensure that the RET did not provide an incentive for the burning of native forest wood waste for bio-energy, which could lead to unintended outcomes for biodiversity and the destruction of intact carbon stores.'

When highly profitable export wood-chipping from north-east NSW was stopped in 2012/13, the timber industry lobbied to replace it with a biomass industry. However, they needed the rules changed to allow trees from native forests to be burnt as renewable energy, plus earn renewable energy credits.

In 2013 the NSW Government amended the Protection of the Environment Operations Act to allow trees from native forests to be burnt to generate electricity.

In 2015 the Renewable Energy (Electricity) Amendment Bill was passed by the Abbott government, overturning the 2011 Gillard amendment, again allowing electricity producers to claim RECs from burning native hardwood.

The 2021 NSW parliamentary inquiry into 'Sustainability of energy supply and resources in New South Wales' found the burning of forest biomass for power generation is *'not economically or environmentally sustainable, and it generates significant carbon emissions'*. *The inquiry recommends that 'the government takes steps to declassify forest biomass as a form of renewable energy and ensure it's not eligible for renewable energy credits'*.

In summary, the main reasons for not burning native hardwood for electricity are:

- Burning native hardwood is worse than burning coal, i.e. results in far greater increase in carbon emissions per unit of electricity produced.
- Harvesting existing forest, both public and private, removes the most efficient way of drawing down carbon from the atmosphere.
- The rapid loss of soil carbon from exposed soils post-logging is an additional negative effect - up to 4 times the above-ground loss.
- Burning forests for electricity makes no economic sense. The highest economic value of native forestry is to leave the trees standing.

Negative flow-on effects of the legislative change are:

- **Dramatic expansion of logging:** the forest industry lobbied to expand the intensive logging zone in NSW to supply the anticipated market. In 2019 the NSW Government obliged by adding 140,000 ha of intensive harvest zone (read 'clear-fell') on the Mid North Coast. Overall, the new regulations double the volume of 'non sawlogs' to be harvested annually. Without a market for 'pulp logs', most of these trees would be left standing **to provide habitat and sequester atmospheric carbon.**
- **Misleading the public:** The forest industry and NSW Government claim that only 'waste' or 'residues' will be burned. Over 80% of the timber trucked to a mill ends up as 'waste', and hence, eligible for burning. 'Pulp logs' (small regrowth and defective trees) will comprise a major proportion of the fuel.
- **Australian power stations have large-scale plans to burn native hardwood:** Verdant Technologies Australia is applying to convert the defunct Redbank power station in the Hunter to annually burn 1 million tonnes of native hardwood. If approved, Sweetman Renewables (based at a timber mill in Millfield in the Cessnock LGA) will supply much of the wood. If not, Sweetman has multiple plans for the wood including export to Asia through the port of Newcastle. More recently, Alinta has announced an investigation into burning biomass to replace coal at Loy Yang B in the Latrobe Valley.

- **Native Habitat/Threatened Species:** in NSW, logging licences and wood supply agreements have just been extended to 2028, with no review, no decrease in volume, no response to NRC recommendation of old growth and seed tree retention numbers being increased, or delaying logging in fire-affected areas. Critically, destruction of hollow-bearing trees and their replacements has not been addressed. Logging and land clearing are still destroying the habitat of threatened species, including the Koala and Greater Glider and driving them closer to extinction. The State of the Environment report has confirmed this alarming picture.

We ask the committee to recommend that the government reverses the relevant Federal legislation that currently allows native forest hardwood to be considered ‘wood waste’ and to earn carbon credits when burned for electricity.

Yours sincerely

Tom Ferrier (on behalf of Redbank Action Group)