

Is 50 Years of Woodchipping Enough?

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The original environmentally cautious and economically conservative vision of woodchipping in southeast NSW is a far cry from how it operates today. How was it established? What transpired? What should the impact be of a 90% drop in the price of woodchips in the past 50 years? Why are these natural native forests still being logged? [An evaluation](#) by SERCA of 50 years of logging of the people's forests for woodchips leaves no room for doubt: this industry needs to get out of business.

On 28 November 2019, it will be 50 years since the chipper at the Eden woodchip mill in southeast NSW was commissioned.

In 1965, the Crown asked the District Forest Director at Batemans Bay, Ray Hammond, to establish a woodchip industry and to call for tenders. Jack Beale's (Liberal, Minister for Forests) colleague met Hammond in Wynyard Park to 'smooth out' the tender process. Hammond's initial estimate determined the cost of woodchips should be 7/6d. (75¢) per 100 super foot from saw mill timber waste, and forest waste which was defined as tree heads and butts and damaged or hollowed timber felled for sawmill logs. Fifty years later, this calculation proves that the native forests of NSW are now being sold at 90% less than they were in 1965.

Assuming eucalyptus has a mean wood density of 650kg/m^3 , if the 1965 cost of eucalyptus sawmill timber was 7/6d (75¢) per 100 super foot, how does that price compare to the Southern Region's record low price for pulp logs of \$3.72 a tonne paid to Forestry Corp. today? The result shows that, in 2019, pulp is earning only 10% of its original 1965 price.

1965: 0.75 ¢/sft	(1965 currency)	2019: 3.72 \$/t
$0.75 \text{ ¢/sft} \div 0.002359737 \text{ m}^3/\text{sft} \times 8.05 \text{ ¢}_{2019}/\text{¢}_{1965}$		
$= 2558.55 \text{ ¢}_{2019}/\text{m}^3 \div 650 \text{ kg/m}^3$		
= 3.94 ¢/kg	(2019 currency)	= 0.372 ¢/kg

Calculation: Kiri Mitchell, 2019.

This confirms that the woodchip industry has been in economic free fall for years and it would long since have ceased to operate if it was a commercial enterprise without government subsidy. That state and federal government politicians continue to support this 'welfare case' industry from the public purse, is irresponsible at least.

Harris Holdings (later Harris Daishowa) won the tender against Australian Paper Manufacturers, and an agreement was made that 5,000 tons per year for five years would be felled from the southeast native forests of NSW and sold to Daishowa, a Japanese paper producer. Hammond witnessed:

Ethical standards were abandoned even before the ink was dry on the contract. I felt it was morally dishonest...in no time flat, the form of logging agreed to was abandoned.

Under this proposed regime, the sawlogging and chipping industry were incompatible because the chipmill demanded a larger volume of unmillable timber than orders for sawmill timber could guarantee from its waste. Hammond foretold the environmental impact as he witnessed a runaway situation develop. Five years stretched into perpetuity and he predicted this “...guaranteed supply of the unborn forest financed by the unborn children of tomorrow”.

Protection of the forest by the acquisition of timber under the original definition of ‘waste’ was ignored and whole logs were then, and continue to be, supplied to the Eden chipmill. The mill’s exports now equate to over 42 million tonnes of woodchips, generated from the logging of 31 million trees, from the State Forests of NSW from the Victorian border, west to Tumut and north to Kiama.

Hammond maintained that the beauty of the forest was taken for granted and the foresters didn’t foresee that logging old growth timber would be detrimental to the environment. He stated that:

The Forestry Act will tell you to ... look after flora, fauna and soil. You can’t muck around with the Act but it is the reasonable application of it that runs foul of politicians and forestry heads now.

The environmental damage from native forest logging is severe and extensive. It destroys beauty, and fragile and unique ecosystems, disregards the interdependence between soil, carbon, water and habitat. Tree hollows only begin to appear in eucalypts over 100 years old, yet logging destroys over 70% of hollows in high conservation value native forest areas and the number of hollows-dependent species such as Greater Gliders, Sugar Gliders and White-throated Nightjars has been reduced. Native species’ loss is exacerbated by [logging of their roaming corridors](#), and koala numbers have been reduced from several hundred to about 60. A [forest’s ability to store carbon](#) should be protected yet, over 50 years, hundreds of millions of tonnes of CO² have been emitted.

Australia has logged 50% of her virgin forests since colonisation. Today, 90% of timber from the State Forests of south east NSW is used for woodchips. Each day, 2,500 to 3,500 logs

are trucked to the woodchip mill at Eden (now owned by Allied Natural Wood Exports) from these beautiful carbon dense forests.

The Federal and State Governments assisted in the development of the woodchip operation by creating the State's 20-year Regional Forest Agreements (RFAs). Logging continues because of the RFAs and hefty financial subsidies. For 50 years Forestry Corp. has been exempted from paying Council rates, so has saved well over \$300 million. In the Eurobodalla and Bega Valley Shires combined, the forestry industry employs less than 1% of the workforce and there are just over 30 jobs left at the chipmill.

Hammond believed implicitly that "*the forests of NSW belong to the people of NSW*". The woodchip industry undermines this ideal and has historically created dilemmas between its stakeholders and the [vigilant community](#). The new [Right to Farm Bill](#) 2019 prevents two or more people from entering any 'inclosed (sic) area'. The Bill bizarrely includes forestry as an agricultural 'farming' activity and makes anyone attempting to hinder logging, liable to a \$22,000 fine or imprisonment for 3 years. The act of simply inducing people to enter an enclosed area carries a penalty of \$11,000, or imprisonment for 12 months, or both ([4]Section 4C, 2019).

So, upon this gloomy 50th anniversary, what does the future hold in light of this tension-creating disjuncture between the environment, the economy, the community and the industry?

The woodchip industry only survives with the Government's financial support. Softwood plantations can support nearly all of Australia's domestic timber needs. Global markets have changed, plantation chips are preferred, and new producers are supplanting Australia. Native forest woodchipping for paper production appears to be in decline. Woodchips are increasingly being produced from eucalyptus [plantations](#) grown specifically to produce [high quality fibre for papermaking](#).

The contested practice of logging native forests for woodchips is a conundrum of national importance as the predicted inherent failings when the woodchip industry in southeast NSW was established, align with the present situation which is still neither economically nor environmentally sustainable and works in opposition to the public's moral conscience which demonstrates a need to protect, not destruct.

Dr Bronte Somerset (Ed.D.)
Assistant Secretary, South East Region Conservation Alliance Inc
<http://www.serca.org.au/scorecard.html>

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