Tasmanian Conservation Trust
Submission to Environment Australia
on Possible 'Greenhouse' Trigger for the
Environmental Protection and
Biodiversity [EPBC] Act 1999

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Dear Sir/Madam,

SUBMISSION ON POSSIBLE EPBC 'GREENHOUSE' TRIGGER

Please find enclosed the TCT's submission in response to Environment Australia's Consultation Paper on 'Possible Application of a Greenhouse Trigger under the Environment Protection and Biodiversity Conservation Act [EPBC] 1999.

We are most grateful for this opportunity to contribute to the task of implementing the Act and meeting its objectives and look forward to the Minister deciding to 'pull' more 'triggers' covering more of those thirty matters covered by the COAG Heads of Agreement on Commonwealth/States roles and responsibilities for the environment where a role and responsibility for the Commonwealth has been agreed by all Australian governments.

Yours faithfully,

Michael Lynch
Director

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Summary

1. The Commonwealth is to be congratulated for so promptly deciding to consider adopting new greenhouse gas emissions as another EPBC matter of national environmental significance or 'trigger'. We urge the Commonwealth to adopt such a greenhouse 'trigger' as soon as practicable.
2. Given Australia's egregious role in the development of the Kyoto Protocol to the Framework Convention on Climate Change {FCCC],

however, it is most important that this trigger can be applied to non-point sources of anthropogenic carbon release from the biosphere (like landclearing) and to instances of anthropogenic suppression of the biosphere's capacity to sequester carbon (like coastal pollution) - not just to point sources of emissions attributable to use of fossil fuels.

3. The government must ratify the Kyoto Protocol to the FCCC at the same time. Failure to do so is already causing growing uncertainty with business and conservation circles insofar as decisions have to be made on the assumption that Australia will eventually ratify the Protocol. Even more taxing is the necessity to second guess how the Commonwealth might interpret some of the provisions of the Protocol and how it might exercise the flexibility it provides for.

4. The purpose of introducing a greenhouse trigger needs to be carefully considered and clearly spelt out. In our view, it should be: to ensure that, within ten years, all significant sources of greenhouse gas emissions are subject to assessment with a view to modifying them to monitor, report on and minimise such emissions.

5. There is no logical or moral basis for continuing to allow industry and governments to proceed on the assumption that greenhouse gas emissions from landclearing in Australia are zero. This is arrant nonsense and is simply craven political cowardice in the face of aggression from the native forest logging industry - for which politicians and scientists alike should be ashamed

6. The Consultation Paper blithely assumes that the greenhouse trigger should only apply to new projects or only to the incremental component of an expansion of an existing plant. No policy justification for either assumption is given and both deserve to be rejected.

7. A practical way of applying a trigger to non-point sources is to review State legislation to identify groups of activities which are regulated, facilitated or otherwise controlled by particular pieces of State legislation and to then consider applying the trigger to that group as a whole.

8. There should not be an absolute size limitation for applying a greenhouse trigger. The minimum size for a source to be regarded as significant, is that which ensures that 90% of total Australian greenhouse gas emissions are covered by the EPBC trigger. To be realistic and effective, however, the quantitative value of the significance test for applying such a trigger should be between 0.5 and 1 Mt CO_2-E pa.

9. That the idea of clearing and burning native forests to generate electricity has taken hold is an artefact of the irrationality of public native forest management by the Tasmanian Forestry Corporation. The TCT would like to protest to the Commonwealth in the strongest terms at the inclusion of native forests in its definition of 'biomass' as a 'renewable' fuel source for 'green' power generation purposes.

10. While it is possible that biomass from agricultural sources, including plantations, can be grown sustainably, it is simply not possible to claim that the clearing of native forests, irrespective of whether tree farms (as plantations or seeded regeneration) are re-established on the same site, is a sustainable activity.

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Introduction - Living with the Kyoto Protocol

The government is to be congratulated for so promptly deciding to consider adopting new greenhouse gas emissions as another EPBC matter of national environmental significance or 'trigger'. Given Australia's egregious role in the development of the Kyoto Protocol to the FCCC, however, it is most important that this trigger can be applied to non-point sources of anthropogenic carbon release from the biosphere - not just to point sources of emissions attributable to use of fossil fuels. Land clearing and land degradation are the two classes of activities certain to warrant being covered by a greenhouse trigger.

Furthermore, the greenhouse trigger should also apply to circumstances where human activities lead to suppression of the biosphere's capacity to sequester carbon. Land use change and coastal pollution are the two classes of activities likely to have sufficient impact to warrant being covered by a greenhouse trigger.

First things first, however, the government must ratify the Kyoto Protocol to the Framework Convention on Climate Change. Failure to do so is already causing growing uncertainty within both business and conservation circles insofar as decisions have to be made on the assumption that Australia will eventually ratify the Protocol. Even more taxing is the necessity to second-guess how the Commonwealth might interpret some of the provisions of the Protocol and how it might exercise the flexibility it provides for. Lack of rules for carbon credit trading is an obvious example of this uncertainty.

We urge the Commonwealth to ratify the Kyoto Protocol and to adopt 'greenhouse gas emissions' as an EPBC matter of national environmental significance or 'trigger' as soon as practicable. Furthermore, both these

outcomes should be achieved by the same Cabinet decision as there are potentially significant linkages between them insofar as how the government chooses to implement the Protocol will identify a range of greenhouse sources, stores and sinks which warrant consequent policy, investment and scientific attention.

Some of these prospects, insofar as they are significant matters for Tasmania, are discussed below. This submission only deals with those matters which the TCT considers to be significant for Tasmania and to warrant changes in present policy settings.

* * *

Accounting for Landclearing

Landclearing, primarily the clearing of native forests for conversion to eucalypt and pine plantations and to seeded regeneration by public and private forestry corporations, is the single largest source of greenhouse gas emissions from Tasmania. However, as the consultation paper so bluntly points out, "[The National Greenhouse Gas Inventory] does not include emissions from land clearing because these are currently difficult to quantify." [p.13].

This is arrant nonsense and is simply craven political cowardice in the face of aggression from the native forest logging and pastoral industries - for which politicians and scientists alike should be ashamed. Quantifying greenhouse gas emissions attributable to landclearing activities is easy. It is true to say that, because of the nature of the data and information available and of the methodologies currently in use, the quantitative estimates will inevitably have higher confidence limits attached to them than those derived from monitoring operations of petrochemical plants. This is stunningly obvious.

Insofar as it was at Australia's trenchant insistence that the Kyoto Protocol allows for changes in greenhouse gas emissions attributable to changes in land use to be accounted for in quantifying Australia's contribution to meeting its international obligations under the FCCC, it seems to the TCT that there is no logical or moral basis for continuing to allow industry and governments to proceed on the assumption that greenhouse gas emissions from landclearing in Australia are zero. This is manifestly untrue.

Copies of an exchange of correspondence with the Tasmanian government on the intellectually dishonest way in which it has used this unfounded assumption in developing and promoting their Greenhouse Response Statement is appended. Quite unashamedly, the Tasmanian government

used the fact that the National Greenhouse Gas Inventory presently assumes emissions from landclearing to be zero to claim that the forestry sector represented a large net sink of several million tonnes of carbon dioxide a year sufficient to claim that Tasmania was a net sink for greenhouse gasses. That such a sink effect was due solely to natural tree growth without any human help merely serves to emphasise the cynicism of the government's approach.

The government knew full well, however, that had greenhouse gas emissions attributable to landclearing by the forestry industry been included in the State inventory, Tasmania would have been shown to be a sizeable net source of greenhouse gasses.

While we acknowledge that it is most worthwhile for considerable effort to be applied to improving data and methodologies so that quantitative estimates of greenhouse gas emissions from landclearing can be more *precise*, we cannot accept that it is reasonable to assume such emissions to be zero in the meantime or to make grossly erroneous and misleading statements as a result.

Commendably, the Consultation Paper refers to 'land use change' and 'forestry' as examples of the 'numerous and diverse sources' of greenhouse gas emissions considered relevant in Section 2.3 Incorporation of a Greenhouse Trigger [p.12] but then, lamentably, goes on to ignore such sources.

Significance Thresholds for 'Pulling' the Greenhouse Trigger
The Consultation Paper blithely assumes that the greenhouse trigger should only apply to new projects and to the incremental component of an expansion of an existing plant. No policy justification for either assumption is given and both deserve to be rejected.

If these assumptions are allowed to hold, then much of the purpose of introducing the greenhouse trigger is frustrated. If only big, new projects in the Australian economy are subject to Commonwealth oversight in their assessment pursuant to a greenhouse trigger, then not only will most of the Australian economy escape such oversight but also those very bits most deserving of critical assessment, namely technologically old processes and wasteful and inconsiderate practices, will never be assessed.

The purpose of introducing a greenhouse trigger needs to be carefully considered and clearly spelt out. In our view, it should be:

to ensure that, within ten years, all significant sources of greenhouse gas emissions are subject to assessment with a view to modifying them to monitor, report on and minimise such emissions.

In this way, the trigger can be used to:

- assess new, greenfields projects through usual EIA processes and procedures;
- similarly assess expansion of existing 'brownfields' projects;
- assess existing projects through regular review procedures (which should be set at no more than five yearly intervals); and
- assess groups of activities under identifiable management arrangements or within State boundaries.

The same quantitative significance threshold can be used for activities in all four of the above categories. With respect to coverage of expansions, there is simply no good reason why existing projects should not be assessed if they expand above that threshold. This need not be a fearful fate for industry but an opportunity to become eligible for government assistance to give the plant in question a 'makeover'.

Similarly, with respect to existing plants operating above the threshold, giving them all a 'makeover' within a decade should be an opportunity welcomed by governments and corporations alike. It is usual practice nowadays to have regular review periods for the operational conditions set for such plants and all that is required is that governments notify licence holders that assessment of greenhouse gas emissions will be one of procedures incorporated into that review. Where such review periods are not already incorporated into licence conditions, the licencing governments should be expected to negotiate their insertion as soon as practicable - for a whole range of reasons, far beyond the application of a greenhouse trigger.

With respect to non-project or non-plant activities responsible for greenhouse gas emissions, the equivalent of non-point sources of pollution, they should not be excluded from coverage by the greenhouse trigger merely because they are not new projects or because the activites can be disassembled into small or micro components orders of magnitude below the significance threshold.

Grouping Non-point Source Activities
With respect to non-point source activities, like landclearing, the key issue in considering the application of a greenhouse trigger is how to group activities. It seems to us that a logical and practical way of doing this is to

review State legislation to identify groups of activities which are regulated, facilitated or otherwise controlled by particular pieces of State legislation.

In the Tasmanian situation, the package of legislation in support of the Tasmanian Regional Forest Agreement [RFA] is the principal framework which both regulates and facilitates landclearing for forestry purposes. Landclaering activities covered by the RFA can be readily identified and differentiated from other landclearing activities and are already readily characterised as a single collectivity of activities by both forestry corporations and responsible agencies of government. Another example might be municipal and other sewage treatment works (including dairies) licenced under the State's Environmental Management and Pollution Control Act [EMPCA].

Where there is no such legislative framework, as in the absence of landclearing control legislation in Tasmania for activities beyond the reach of the RFA, the default collectivity can simply be regarded as all those unregulated activities within the jurisdiction of the State without the appropriate regulatory framework to adequately control them to ensure sustainable management.

Whether any such collectivities warrant coverage by a greenhouse trigger then becomes a matter of aggregate scale.

Choosing the Size of a Greenhouse Trigger

Choosing the minimum size limit for application of the greenhouse trigger to a project or group of activities should be regarded as an integral part of the purpose of having a greenhouse trigger in the first place. We would like to suggest that a corollary to the purpose we suggested above should be:

for the purposes of this statement of purpose, the minimum size for a source to be regarded as a significant source, is that which ensures that 90% of total Australian greenhouse gas emissions are covered by the EPBC trigger.

In this way, the lower limit does not have an absolute value but is driven by policy outcomes. If there are lots of mega-projects, the lower limit will be large but, if there are myriad small groups of activities, the lower limit will be small. The key driver is the proportion of total emissions to which the trigger should apply.

In our view, that proportion should be very high - 90% - so that the requirement to apply the trigger can be used to drive reviews and assessments of all of the sources of most of the emissions. This, surely, should be the desired policy objective of government.

If such an approach were taken in Tasmania, for example, it is our expectation that landclearing for forestry purposes regulated by RFA legislation would readily qualify for assessment in that total emissions are probably around 7Mt CO_2 pa. Meanwhile unregulated landclearing for agricultural development, even at a statewide level, would probably be less than 0.5Mt CO_2 pa. EMPCA regulated sewage treatment works, meanwhile, would probably be in excess of 1Mt CO_2 pa.

In our view, the significance test for collectivities of landclearing or land degrading activities should be based on quantitative estimates of the annual emission levels attributable to that collectivity. As discussed above, the actual number should be an arithmetic consequence of chosing a proprotion of total national emissions to be covered.

To be realistic and effective, however, the quantitative value of the significance test for applying the EPBC greenhouse trigger should be between 0.5 and 1 Mt CO_2-E pa.

In this way, the greenhouse trigger could be used to drive the establishment of regulatory regimes for significant collectivities of non-point sources of greenhouse gas emissions where no such regime presently exists and, where such a regime does exist, the trigger would drive assessment of activities from time to time through regular review of licence conditions.

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Firewood collection

Tasmania's energy system is also unusual insofar as a significant proportion of domestic home heating requirements are met by firewood, collected almost exclusively from native forests and woodlands. Current estimates of firewood consumption in Tasmania are about 1 Mt CO_2 pa. This is certainly an underestimate and the real figure is probably closer to 2 Mt CO_2 pa. This is one of a number of matters canvassed in the appended exchange of correspondence between the TCT and DPIWE.

While some of the native forest harvesting required to produce this substantial volume of wood is subject to regulation by the Tasmanian Forestry Corporation or the Forest Practices Board neither of these agencies nor any other in Tasmania have sought to establish a management regime to ensure the sustainability of firewood harvesting. It is our view, therefore, that for the purposes of assessing greenhouse gas emissions, all firewood operations within Tasmania should be regarded as a single collectivity for the purposes of applying an EPBC greenhouse trigger.

In other words, the greenhouse gas emissions directly attributable to consuming a million tonnes of firewood (1) in Tasmania should be regarded as a matter of national environmental significance. As discussed above, this is a status which should be embraced, not resiled from, by state governments and their responsible agencies. Not insignificant reductions in emissions can - and should - be made by changing home heating habits in Tasmania.

That firewood harvesting is the principal cause of land degradation in many woodland areas of central and eastern Tasmania, with substantial impacts the biodiversity of these vegetation communities, is but another justification for exercising whatever opportunities for Commonwealth involvement in ensuring sustainable management might be available.

(1) Note that, because the difference in conversion factors for both CO_2 and green wood to elemental carbon is considerably less than the uncertainty surrounding the quantitive estimates themselves, tonnes of CO_2 and tonnes of greenwood are used interchangeably in this submission.

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Wood-fired power stations

Tasmanian native forest managers are also a little odd in entertaining ideas of using wood from native forests as a fuel source for wood burning power stations for electricity generation. That the idea of clearing and burning native forests to generate electricity has taken hold is an artefact of the irrationality of public native forest management by the Tasmanian Forestry Corporation.

The two most significant hardwood market trends are:

- For pulpwood, over the last decade or so, in response to more stringent quality specifications from pulp and paper manufacturers, increasingly large price premiums are paid for younger wood - regrowth and regeneration but especially plantation wood. The corollary of this is that wood from oldgrowth native forests is becoming progressively less and less saleable.
- For solid wood/timber, for a generation now, plantation grown pine timber has been outcompeting hardwood timber in almost all its main commodity uses in the building and construction markets. In response to this trend, sawmills have been ‘creaming’ or ‘high grading’ the resource - relying on very high quality logs to keep their costs down - to stay in the marketplace.

The net impact of these two trends is that native forest harvesting operations are generating more hardwood pulpwood (as fewer sawlogs are segregated out) which cannot be sold (as larger plantation and recycling sources displaces it). The Tasmanian forestry corporations involved in the woodchip export trade are thus scrambling to find something else to do with all this wood resource which they have monopoly access to but diminishing opportunities to profit from that access.

We would expect a proposal to build a native forest wood burning power station to be covered by an EPBC greenhouse trigger if the size cutoff is something less than 1 Mt CO_2-E pa. Nevertheless, we feel that the proposal to build such a power station raises another ground for applying an EPBC greenhouse trigger - evaluating new classes of activities and projects with potentially significant greenhouse gas emissions.

In other words, there should be a schedule of categories of activities and projects which have been considered with respect to whether or not to apply a greenhouse trigger. Before any new activity or project of a class not listed in the schedule could be assessed, a generic assessment of that class of activity or project should be conducted.

In this way, new activities and projects with inherently high emission levels can be assessed at the pilot or exploratory stage, irrespective of scale. Thus, hopefully, such irrational ideas as clearing and burning native forests to generate electricity can be 'hit on the head' before gaining any political momentum.

Native forests are not 'renewable' sources of 'green' power
We also note, in this context, that the government classes 'biomass' as a renewable source of fuel for electricity generation while commercial brokers and sellers of 'green' power do not. The TCT would like to protest in the strongest terms at the inclusion of native forests in its definition of 'biomass' as a 'renewable' fuel source for electricity generation purposes.

While it is possible that biomass from agricultural sources, including plantations, can be grown sustainably, it is simply not possible to claim that the clearing of native forests, irrespective of whether tree farms (as plantations or seeded regeneration) are re-established on the same site, is a sustainable activity. In Tasmania, public native forests are presently subject to a management regime which involves clearing oldgrowth and natural regrowth native forests to commercial extinction and replacing them with plantations and seeded regeneration. Merely claiming that such a regime is sustainable by those who benefit most from its continuance does not make it so!