

The 2014 - 2015 Annual General Meeting of the South-West Forests Defence Foundation Inc. will be held at **6.00 pm on Wednesday, 16th December 2015, at 112 Eric Street, Cottesloe. Please note the starting time and venue.**

The agenda is as follows:

1. Apologies
2. Minutes of previous AGM
3. President's report
4. Treasurer's report
5. Auditor's report
6. Election of office bearers for 2016
7. Other business

Nominations for the positions of President, Vice-president, Secretary, Treasurer and five committee members are called for.



**SOUTH-WEST FORESTS DEFENCE FOUNDATION INC.
PO BOX 203, NEDLANDS WA 6009**

**NEWSLETTER – December 2015
Notice of Annual General Meeting**

Please check the message on the mailing label to see if your subscription is due. 2015 means your subscription is paid up to and including 2015.

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Mail to: Treasurer, South-West Forests Defence Foundation Inc., PO Box 203, NEDLANDS 6009.

In this Newsletter

- AGM: 16th December – Please renew your membership!
- Help yourself to our old poster stock!
- We urge you to make a donation to keep the forests campaign going.
- Articles on:
 - Action for the forests in 2015;
 - Department of Parks and Wildlife stripped of staff;
 - Biodiversity Conservation Bill before Parliament;
 - CALM Act amended for better or worse?;
 - Feds attack voluntary conservation movement;
 - Critique of WA native forestry by Peter Lane;
 - Govt's latest fire management fiasco.

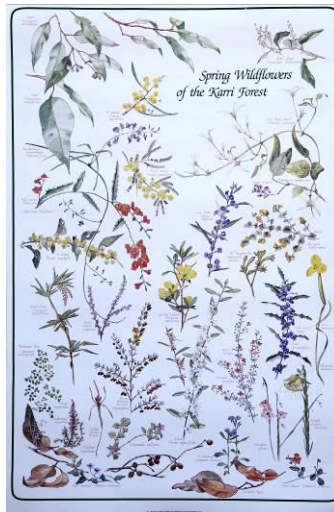
Gifts for you

Many years ago the Foundation printed beautiful posters but did not sell them all. They are: *Karri forest Warren National Park*, *Spring wildflowers of the karri forest*, *Wondrous West – Lake Maringup* and a painting, *Karri and a southwest stream*, by Robert Juniper (some copies are signed).

If you would like copies of any of them, please phone Beth Schultz on 9386 7159 or email her on beth.schultz@amnet.net.au to arrange for you to get them or pick some up at the AGM.



Karri forest Warren National Park



Spring wildflowers of the karri forest



Karri and a southwest stream



*Wondrous West –
Lake Maringup*

Help needed!

The Foundation continues to help the WA Forest Alliance. To keep the forests campaign going, it needs a lot of money. It would be greatly appreciated if you could make a donation to the Foundation for us to pass on to WAFA or you could donate directly to WAFA. Send your cheque to:

The Treasurer
WA Forest Alliance
6 Hampton Road
Fremantle WA 6166

or make your donation direct to:
WA Forest Alliance
Bendigo Bank
BSB 633 000 Account No. 130 457 369

Action for the forests in 2015

The South-West Forests Defence Foundation is now 40 years old. We were established in December 1975 and for 40 years we have made a big contribution to better forest protection and management in WA.

We now operate mainly through the WA Forest Alliance (WAFA), making financial contributions and providing support with research, reports, submissions and on-the-ground activities. Under the outstanding leadership of convener Jess Beckerling, WAFA and SFDF continue to work effectively for the forests.

WAFA is 25 years old this year. It has been active all year. Led by Jess, it took direct action in Challar forest, 60 km north of Walpole, where logging was stopped in an area of karri forest. It has worked tirelessly for the revocation of controlled wood certification, which incredibly was granted by the Forest Stewardship Council to the Forest Products Commission (FPC) for its karri forest management. It has met with FPC representatives in forest coupes to challenge FPC's logging practices, made submissions on fire management and proposed legislation, had meetings with Ministers, departmental officers and politicians and took two Greens Senators on a tour that focused not on logging coupes but on beautiful forests.

With a State election fast approaching (it's on 11th March 2017), we anticipate another busy year in 2016.



Giant karri tree still standing in Challar forest with platform in the canopy and SAVE OUR FORESTS on the trunk

Department of Parks and Wildlife stripped of staff

The Minister for Environment provided this information in answer to a question asked in Parliament by Hon. Lynn MacLaren.

The estimated full-time equivalent (FTE) reductions by division for the period January to 31 December 2015 are as follows:

- parks and visitor services, 10;
- forest and ecosystem management, 10;
- corporate services, 15;
- regional and fire management services, 25;
- science and conservation, 30.

The total is 90 FTE. Note that 27 of the estimated 90 FTE reductions have been by way of severances. The remaining reduction in the FTEs will come about through natural attrition—retirement and resignations—cessation of short-term contracts, as well as further severances.

In 2014-2015, total staff numbered 1,481. This number is being reduced by 6 per cent. While governments and ministers bleat about protecting biodiversity, they cut funding and staff from the very agencies whose job it is to research, manage and protect it.

Biodiversity Conservation Bill before Parliament

The Barnett Government will be hoping to improve its environmental credentials with the long-awaited Biodiversity Conservation Bill tabled in Parliament on 25th November.

The Bill has been developed in secret with numerous calls for consultation refused over the past 12 months.

It will be closely analysed by the conservation and science community now that it has finally been made available.

The new Act will replace the hopelessly out-dated *Wildlife Conservation Act* of 1950 and to be taken seriously it has to be a 21st Century piece of biodiversity legislation, one that protects flora and fauna and the habitats they need for survival.

There's little point protecting Black Cockatoos from poaching for example if their nesting hollows and food supplies can be destroyed. Places like Helms forest, critical habitat for the endangered Red-tailed, Carnaby's and Baudin's Cockatoos, are still being

logged in spite of being internationally recognised for its importance to their survival.

The Act must correct these sorts of inconsistencies if it's to be acceptable and effective.

Under the current legislation, government agencies are not bound by the legal requirements to protect fauna. The new Act must unconditionally apply to the State as well as industry and individuals. We cannot continue with a situation where there is one law for government agencies and another for everyone else.

Conservation and Land Management Act amended for better or worse?

The Barnett Government had amended the *Conservation and Land Management Act* and abolished the Conservation Commission and the Marine Parks and Reserves Authority to create the Conservation and Parks Commission. The Bill received Royal Assent on 19th October 2015.

The name of the new Commission is inappropriate. It is not only parks that are vested in the Commission but also nature reserves and State forest.

In its early days the Conservation Commission made a significant contribution to forest conservation, with its critical audits of the performance of the then Department of Environment and Conservation's

activities and its publicising of DEC's failures in *Phytophthora dieback* management, protection of threatened species and prescribed burning.

However, in recent times the Commission has done little in regard to forests. Its last audit of significance, *Biodiversity outcomes of prescribed burning in the southern forests*, dates from 2012. In 2013 it rubber-stamped the disastrous *Forest Management Plan 2014-2023*, caving in to the demands of DEC and the Forest Products Commission. Whether the new Commission will be any better remains to be seen.

Conservationists have yet to make a detailed examination of the amended Act but the signs are not good. For example, under the previous Act, while the Minister chooses the members of the Commission, knowledge of and experience in the conservation or management of biodiversity were among the criteria for eligibility for membership. The Minister still chooses the members but these criteria are no longer there. In the past, the Minister could give directions to the Conservation Commission and the Marine Parks Authority and he retains this power under the amended Act. However, the new Commission cannot engage consultants without the approval of the Minister.

Given the Barnett Government's track record for environmental mismanagement and inappropriate appointments to ministries and agencies, we don't hold out much hope.



Red-tailed Black Cockatoos at the Jamarri sanctuary, near Nannup, for possible release into adjacent Helms forest

Federal Government attacks voluntary conservation movement

The Abbott Government took steps to limit the activities of the voluntary conservation movement in various ways and the Turnbull Government continues down this path.

First, all Environmental Defender's Offices were defunded and are now struggling to survive. The modicum of balance between the community and powerful corporations that the EDOs provided has now been removed with no indication that the next federal budget will restore the funding.

Then came an attempt to remove tax-deductibility for donations to organisations that engage in political activism. These include the Australian Conservation Foundation and The Wilderness Society. Advocacy is an important function of active NGOs in any area and in WA led to the creation of Shannon National Park and the end to the logging of old growth forest.

Removing tax-deductibility for organisations that engage in advocacy is a deliberate attempt to weaken them when they are needed more than ever.

Next, the Federal Government wants to scrap section 487 of the *Environment Protection and Biodiversity Conservation Act*, the section that allows third parties such as environment and community groups to appeal against environmental approvals for developments. This comes in response to the successful challenge by the Mackay Conservation Group to the approval granted by the Federal Environment Minister for Adani's massive Carmichael coal mine for failing to consider two endangered species. The Government's spin-doctors even coined a stupid new insult for such activity: 'lawfare'.

As is too often the case, the voluntary conservation groups step in where government agencies have failed to do their job. Without our contribution, environmental protection will suffer badly.

It appears that the Coalition fully supports the vindictive moves initiated by the Abbott Government and pursued by the Turnbull Government. Whether it succeeds in passing the necessary legislation may well depend on the cross benches in the Senate.

Critique of Western Australian native forestry

by Peter Lane, November 2015

Over the past three years the Forest Products Commission (FPC) has "produced" 1.5 million metric tonnes (mt) of jarrah, karri and marri logs and in doing so recorded a loss of over \$40 million. Surely this is reason enough to question how our forests are managed.

FPC, formed in 2000, was given our native forests and recorded their value as \$0. Then, by predicting logging rates and employing the Discounted Cash Flow (DCF) method, FPC valued the forests at \$67 million. In 2005, by excluding corporate overheads from the DCF, FPC increased this value by a further \$33 million. Had FPC not increased the discount rate, deleting these overheads alone increased the value by some \$75 million. These massive bookkeeping increases in forest values were due solely to changes in accounting practices, yet both were recorded as profit.

By 2012 forest values had exceeded \$120 million, then reality began to set in. Despite the application of significantly lower discount rates (artificially increasing the value), they are still valued at \$84 million. And even though forest value increases are counted as profit, FPC's cumulative pre-tax profit (native forests, plantations and sandalwood) since formation has amounted to just \$16 million.

It's the more remarkable that FPC recorded increases in the value of the forests even though from 2004 sawlog production has decreased from 223,000mt to 54,000mt. Jarrah premium, 1st and 2nd grade sawlogs fell from 144,000mt to 435mt, and karri sawlog production is now facing catastrophic decline.

Actual and predicted rainfall is declining. There has been a material increase in the value of our currency (from a base of \$A = \$US0.52) and impact of the Global Financial Crisis. FPC does not verify projected cash flows against actual performances, but clearly the value of the forests has fallen and FPC has long been operating at a very large loss.

Since 2005 the State Government has given FPC \$106.4 million recorded as equity injections. But the government owns 100 per cent of FPC so no equity has been involved. This has been a gift so that FPC could avoid insolvency.

The Forest Products Act 2000 states: "profit, in relation to the exploitation of forest products produced on public land, means an appropriate return to the State ...". Yet FPC has paid cumulative dividends to the state

of only \$16.8 million, i.e. an annualised return on equity of about 0.4 per cent, and this was paid out of the money gifted by the Government.

There are 734 loggers and truckers registered (not necessarily employed) in forestry. 2.5 times more tonnes of logs are taken from plantations than from native forests, so it can be concluded that fewer than 300 people are employed directly full time equivalent in native forestry. As FPC operates as a government subsidised corporation (cash gifts and “no-cost” forests) the plantation sector, which includes many farmers, suffers from unfair competition.

There are substantial financial and environmental benefits to be gained in saving our forests, yet native forestry as practised in Western Australia is unsustainable, loss making, a financial cost to the community, unfairly competitive and a relatively small employer with weak demand for its products. Rather than benefits to balance against environmental damage, there are costs, and it is difficult not to conclude that there are no valid reasons for continuing the current management of our forests.

Peter Lane is a petroleum geologist. He has been conducting project and company valuations by the Discounted Cash Flow method for over 40 years. He has been a member of the Audit Committee of an ASX listed company for 16 years, of six of which he was chair. His critique of Western Australian native forestry has been put to Forest Products Commission financial managers and they have been unable to counter its findings.

Government's latest fire management fiasco

The Department of Parks and Wildlife (DPaW) clings stubbornly to its annual target of 200,000 hectares for prescribed burning in the south-west forest regions.

As long ago as 2003, a Council of Australian Government's inquiry found that having an annual burn target was unhelpful and probably counterproductive. DPaW just brushes aside this expert advice saying that it but one point of reference for the use of an annual burn target.

DPaW has now come up with new performance and reporting measures which it claims will provide a more meaningful set of indicators relating to trends in the prescribed burning program and bushfire risk mitigation.

It will proportion the 200,000-hectare target across three land management zones (LMZs). LMZ 1 extends away from the urban interface to a distance of 3.5 kilometres. LMZ 2 extends a further 7.5 kilometres, based on likely forward spread of a bushfire burning for four hours under typical conditions before it reaches LMZ 1. LMZ 3 comprises the remainder of the department-managed landscape.

However, this approach makes no distinction between LMZs in tall dense karri forest and LMZs in open jarrah or wandoo forest. Furthermore, research shows that flammable material needs to be reduced in the 500 metres around property needing protection, and prescribed burning further away than that is of little benefit.

Even more worrying is the frequency of burning DPaW wants to achieve. It proposes that 40 to 45 per cent of DPaW-managed lands in the south-west forest regions will have a ‘fuel age’ of zero to six years. Such a program will leave little long-unburnt bush, which is critical for the health and survival of many species of both flora and fauna.

To support its insistence on retaining an annual burn target, DPaW has referred to the Victorian approach of having a specific target for prescribed burning which was expressed as a percentage (five per cent) of the area of public land in the State.

However, Victoria has just abandoned its five per cent target, which was criticised by scientists for damaging the environment without necessarily reducing risk. Following a review, Victoria is shifting to a new ‘risk-based’ strategy that involves community consultation.

Given the stubborn blinkered attitude of DPaW, there is little likelihood that WA will see a change to this rational science-based approach to fire management any time soon.