

The 2012 Annual General Meeting of the South-West Forests Defence Foundation Inc. will be held at **5.00 pm, 2nd February 2013, at 112 Eric Street, Cottesloe. Please note the starting time and venue.** The agenda is as follows:

1. Apologies
2. Minutes of the 2011 AGM
3. President's report
4. Treasurer's report
5. Auditor's report
6. Election of office bearers for 2013
7. Other business
8. Presentation by Jess Beckerling

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

The convener of the WA Forest Alliance, Jess Beckerling, will be at the meeting and will discuss Wafa's plans for the State election and the next Forest Management Plan.



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

**NEWSLETTER – February 2013
Notice of Annual General Meeting**

Please check the message on the mailing label to see if your subscription is due. 2012 means your subscription is paid up to and including 2012.

NAME (BLOCK LETTERS):.....

ADDRESS:.....POSTCODE:.....

EMAIL ADDRESS:.....

SIGNED:..... DATE:.....

MEMBERSHIP: \$15.00.....DONATION:.....REMITTANCE: \$.....

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

Costs of native forest logging disguised

The Forest Products Commission (FPC) is supposed to make a profit and from time to time, it claims that it does. Its annual reports show a cumulative profit of \$15 million. However, it seems that this alleged profit is due to some creative accounting.

When the FPC was formed in November 2000, it said the value of WA's public native forests was \$0. Then in 2002 it said the value of these forests was \$67 million. It explained that the increase was "due to a reduction in attributable management and protection costs" being excluded from the 50-year cash flow forecasts used for forest valuations.

In 2005 the FPC increased the value of native forests by a further \$33 million by removing "an allocation of corporate overheads", that is, removing forest administrative costs from these cash flows.

These increases in value are the more extraordinary in that they occurred despite:

- lower rainfall leading to slower growth rates;

- lower predicted rainfall (as late as 2007 the FPC was predicting rainfall would return to 1970s levels, yet it now accepts climate change will greatly reduce rainfall, which will have detrimental impacts on the forests);
- fungal diseases attacking jarrah, karri and marri;
- an 83 per cent decline in the production of quality jarrah logs.

Thus according to the FPC, since 2000 the value of our native forests has risen by \$121 million. This amount has been recorded as profit.

The two increases were due to a clear change in accounting policy and as such should not have been recorded as profit. Without these and other questionable accounting practices, the FPC would have recorded a cumulative loss from November 2000 to June 2012 of at least \$106 million.

These facts have been placed before the Forestry Minister, Terry Redman. He still claims that native forest logging is sustainable and that the FPC is a profitable enterprise.

New research shows economic benefits of protecting WA's native forests

Western Australia could profit by over \$400 million a year by stopping logging its native forests.

Research published by the Australia Institute has confirmed that logging is not only harmful to the environment; it is also costing the State millions in unrealised potential profits.

Depending on the carbon price, the WA Government could earn between \$16 and \$438 million a year between 2013 and 2032 through the sale of carbon credits if it were to stop logging the native forests in WA's South West.

Author of the report Andrew McIntosh, Associate Director of the Australian National University's Centre for Climate Law and Policy, said it makes economic sense to adopt a new forest-friendly economy based on protecting native forests and selling the carbon credits.

In addition to the economic benefits, the cessation of logging would have a number of 'co-benefits', including improved heritage, biodiversity and hydrological outcomes.

The findings are backed by separate research that highlights the unviable position of the Forest Products Commission, which claims to have made \$15 million profit since its formation in 2000.

If not for accounting mechanisms that inflate its profit statements, the FPC would be forced to report a cumulative loss of \$106 million since 2000.

The money earned by selling carbon credits would benefit all Western Australians. It makes sense economically and environmentally for WA to develop policies to stop the logging of native forests in WA's South West.

Jarrah again used for railway sleepers

WA'S finest jarrah trees are being cut down and sold for railway sleepers in direct breach of the Government's own forests policy and the Forest Products Commission's (FPC) contracts of sale.

The previous Labor Government banned the use of timber for railway sleepers but that policy was quietly reversed by the Barnett Government.

A recent Auditor-General's report into WA's freight railways found concrete sleepers last 50 years compared to 20 years for jarrah.

Government policy and FPC contracts of sale say only third grade sawlogs are to be used for railway sleepers, while first and second grade sawlogs must be "value added" and used for products like fine furniture or flooring.

While the sawlogs that can be used for sleepers are third grade, the timber is not third grade. Third grade sawlogs contain small amounts of good quality timber suitable for furniture.

The company that leases the freight rail network, Brookfield Rail, is re-sleeping some lines and has orders for hundreds of thousands of timber sleepers.

The Commonwealth and State Governments are contributing millions of dollars towards the cost.

To meet the demand the FPC stands accused of downgrading top quality jarrah and marking first and second grade jarrah sawlogs as third grade.

If first and second grade sawlogs are being used for sleepers, that is breach of contract. But if first and second grade sawlogs are being downgraded to third grade, that is fraud.

The Auditor General is now inquiring into the supply and sale of native forest products and fraud prevention and detection in the Public Sector. It is to be hoped that these inquiries get to the truth

Timeline for Forest Management Plan 2014 – 2023

The process to develop the next Forest Management Plan is well under way. The three-month period of public consultation ended in November. The only other opportunity the public will have to participate in the process will occur in July, when we will have two weeks to appeal against the report and recommendations of the Environmental Protection Authority. We will alert you to this stage in the process and ask you to support any recommendations that are environmentally friendly and to challenge those that aren't.

November 2012 – April 2013

The proposal is modified as appropriate by DEC (based on submissions on the draft FMP); the modified proposal is approved by the Conservation Commission and forwarded to the EPA.

April – July 2013

The EPA assesses the proposed FMP 2014 – 2023 and reports to the Minister for Environment.

July 2013:

Appeal period on the EPA assessment report.

August – September 2013

Appeals determined; EPA advice provided to the Minister for Environment; Ministerial conditions set.

October – November 2013

The DEC revises the proposed FMP to align with Ministerial decisions; the Conservation Commission submits the revised proposed FMP to the Minister for Environment.

November – December 2013

Government decision and Ministerial approval of the FMP 2014 – 2023.

Sincere thanks!

We thank all those who have continued to support the SFDF and pay your subscriptions. We remain active in the forests campaign, now working mainly through the WA Forest Alliance.

Wafa's expenses during the election period have been higher than usual and we want to help out. So if you could make a donation towards the forest campaign, here is what to do. To make a **tax-deductible donation**, send it to Bridgetown Greenbushes Friends of the Forest at <http://www.givenow.com.au/bgffpf>

or send a cheque to:

The Treasurer
Bridgetown Greenbushes Friends of the Forest
PO Box 461
Bridgetown WA 6255

Alternatively, to make a donation that is **not tax-deductible**, send a cheque to:

The Treasurer
South-West Forests Defence Foundation Inc.
PO Box 203
Nedlands WA 6009

To find out what you can do to help the forests at the election, visit www.forestlegacy.org.au

Invitation



A FOREST FUNDRAISER:

Tapas for the trees

GYPSY TAPAS HOUSE
CNR QUEEN & HIGH ST. FREMANTLE

SUNDAY MARCH 3RD

PERTH'S BEST TAPAS, LIVE MUSIC
& EXQUISITE ART FOR SALE.
ALL PROCEEDS TO WA FOREST ALLIANCE

Nick Wilson on Didgeridoo
Simon Marks / SUI-R / Minky G

DOORS OPEN 4:00PM / EXHIBITION OPENING 5:30PM

SIT DOWN DINNER TICKETS \$40 (ONLY 40 AVAILABLE)
STANDING BAR, BANDS AND CANAPES \$10

TICKET SALES PHONE JESSICA ON 0457441102
WWW.WAFORESTALLIANCE.ORG