

1142

-7003



REPORT & RECOMMENDATIONS BY P.F. COOK, CONVENOR OF THE TLC COMMITTEE
 APPOINTED TO INVESTIGATE THE WOODCHIPPING INDUSTRY IN WESTERN AUSTRALIA

PREFACE

In August, 1975 the Campaign to Save Native Forests wrote to the Trades & Labor Council requesting that it "take industrial action" to prevent the Manjimup Woodchipping Project from going ahead.

The Campaign's approach to the TLC was prompted by a decision calling for a union greenban on the project by a public meeting held in the Perth Town Hall early in August, 1975.

Faced with the request, the Council resolved that before any action was taken a Committee of the Council would be appointed to investigate the Manjimup Woodchipping Project and make a recommendation in the form of a draft policy to the Trades & Labor Council.

The Committee appointed by the TLC were P.F. Cook, Convenor, W.S. Latter, A.J. Marks, J.C. Wells, J.D. Smith and K. Caimanos.

The Investigating Committee solicited written submissions from a representative cross section of supporters and opponents of the woodchipping project. Later, two hearings comprising a total of eleven hours duration were held to allow those who had entered written submissions to answer questions and elaborate on their arguments.

The Council owes a special debt of gratitude to all those who participated in the inquiry, particularly as in every case personal time was freely given in order that the Council could be appraised as fully as possible of the point of view of the various protagonists.

Those who participated were:-

- Mr. P.J. Beggs, Conservator of Forests
- Mr. B.J. White, Professional Assistant to the Conservator of Forests
- Mr. D. Grace, Forester
- Mr. H.D. Evans, MIA, Shadow Minister for Agriculture, and, from 1971/74 Minister for Forests
- Mr. A.J. Conacher, Senior Lecturer in Geography, University of Western Australia
- Mr. W.A. Thomas, Campaign to Save Native Forests
- Mr. A.G. Tamo, Campaign to Save Native Forests

On behalf of the Investigating Committee, the Convenor, Mr. P.F. Cook and Sub Committee Members Messrs. J.D. Smith and K. Caimanos participated in the hearings.

This Report sets out the conclusions of the Convenor.

REPORT

1. Arrangement

This report is arranged as follows:-

- Preface
- 1. Arrangement
- 2. Introduction

3. Summary of Submissions

- 3.1 The Forestry Department
 - 3.2 Arthur Conacher, Geographer
 - 3.3 H.D. Evans, MLA
 - 3.4 The Campaign to Save Native Forests
 - 4. ACTU Policy on Conservation and the Environment
 - 5. Conclusions
 - 6. Recommendations
- Appendix A - List of written material presented prior to, at and since the hearing.

2. Introduction

The Woodchipping Industry Agreement Act 1969 provides the legal authority for the Woodchipping Industry in Western Australia. It confers on the W.A. Chip & Pulp Company Pty. Ltd. and Bunning Timber Holdings a licence to those companies to extract 680,720 tonnes green weight of woodchips per annum for 15 years (when the Act was first brought down it provided for the extraction of 508,024 tonnes, however, this was amended to the present figure in 1973).

The licence area to which the Act applies is centred around the Manjimup/Pemberton district and contains 0.4m. hectares (27% of W.A. State Forest.

While the Act provides for 680,720 tonnes to be extracted each year for 15 years, it authorises a continuation of chipping operations beyond this period at the discretion of the Minister for Forests, although it should be noted any extension beyond the 15 year period would require the granting of a new export licence by the Australian Government.

At the estimated selling rate of 11,000 hectares (25,000 acres) per annum the licence area may be expected to provide a source of chip wood for not more than 36 years.

The Agreement Act also requires the W.A. Chip & Pulp Company to investigate the feasibility of establishing a pulp mill within 200 kilometres of Manjimup.

The W.A. Campaign to Save Native Forests comment "The cumulative chip requirements resulting from such an establishment would exhaust the licensed area of its chipwood potential after 29 years. This figure is further reduced to 26 years by the reservation of a 40,000 hectare section in the north east of the licensed area for ecological purposes. Therefore the Western Australian Chip and Pulp Industry may, in 26 years time, be forced to either cut over the licensed area a second time, extend operations to other forests or close down."

Logging operations will be carried out by W.A. Chip & Pulp Company employees under the direct supervision of Forest Department officers. The Department also has the responsibility for the regeneration of the forest, the protection of young regrowth from fire, the control of both jarrah die-back and environmental research and monitoring of the forest.

The Department sees benefits to the forests in that:-

- 1. The removal, at no cost, of unsalable overmature and mature trees of marri which are left following sawmill operations in the forest. These require to be removed (in the absence of a chipwood market) by falling or poisoning to achieve most efficient regeneration and forest expression in cut over areas.

2. The utilisation of sawmilling and logging waste, cull trees and thinnings of karri at no direct cost to the Government.

Karri or redgum is a principal wood resource to be utilised by the woodchip project with between 5% and 20% of the chipwood resource being karri.

At first, jarrah trees were not to be used for the project, although this attitude seems to have now altered.

The principal logging method in karri/marri forests will be by clear felling in coupes of up to 200 hectares (500 acres). In jarrah/marri forests there will be a heavy cut over in coupes of up to 800 hectares (2000 acres). The "heavy selection cut" of the jarrah/marri forest will vary in effect from virtual clear felling to slight logging depending on the size and condition of the jarrah trees.

The Environmental Impact Statement produced by the W.A. Forests Department states:-

"Clear felling with seed trees is the system intended for use in the karri/marri type. Karri seed trees will be left standing following utilisation cutting for both species. Cull trees ("trees of no commercial value due to defects or other factors") will then be fallen and scrub rolled flat by bulldozer in preparation for a regeneration burn which will take place in summer when sampling indicates a satisfactory seed crop in the crowns of the seed trees. The burn will be intense and will result in the removal of all ground competition, creation of widespread ashbed on bare mineral soil, removal of slash ("debris"), and stimulation of seed fall onto the cool ash shortly afterwards. The jarrah/marri forest type will be cut after a heavy selection system which involves the removal of all saleable marri and jarrah, except for vigorous sound and wellformed jarrah stems in the smaller diameter classes (below 500 mm. diameter at breast height). Unsaleable cull trees will be removed by falling or poisoned by stem injection ("with herbicide tordon"), following which area will be subject to a top dispersal burn."

Please note, comments in brackets in italics appear in the Campaign to Save Native Forests copy of this statement.

Sawmilling operations will not be diminished by the advent of woodchipping and logs not suitable for sawmilling, but useful for chipping, will be handed over to the chipmill. From the chipmill, which will be situated in Manjimup, woodchips will be taken by rail to Bunbury and stockpiled ready for loading to the main overseas buyer, the Marubeni Corporation of Japan.

In addition to the work being performed by the Forestry Department, other government works involve the upgrading of railway facilities from Manjimup to Bunbury, dredging of the harbour and wharf construction at Bunbury, road repair where logging vehicles use public roads, as well as some further environmental research and monitoring.

Estimates of employment opportunities opened up by the project vary considerably and, at this stage, there is no agreement on a figure between the protagonists.

3. Summary of Submissions

It is difficult to summarise adequately the extensive and detailed cases presented by each of the spokesmen. At times their submissions were highly technical and contradictory of each other.

Please note Appendix A which is a list of all written materials submitted to the inquiry. For a full appreciation of the contending viewpoints, the documents named in Appendix A should be consulted.

3.1 The Forestry Department

Under its Act, the Forestry Department is required to manage and husband the Forest area as a commercial resource. In conformity with this objective their arguments relate to a consideration of the woodchipping project from a forest management point of view.

In their document, "The Manjimup Woodchipping Project", they state:-

4. Land Use Objectives

Within an overall requirement for beneficial development and decentralisation in the South West portion of the State, the major land use objectives sought for the projected action are:

- (i) To increase the productivity of southern cutover forests.
- (ii) To realise on a wood resource (marri) which hitherto has only potential commercial value but whose presence has silvicultural disadvantages in cutover forest.
- (iii) To initiate development into the field of waste wood utilisation without which a fully integrated wood processing industry is impossible.

5. Forest Benefits

To the Forests Department, the major benefits offered by the project are:-

- (i) The removal, at no cost, of unsaleable over mature and mature trees of marri which are left following sawmilling operations in the forests. These require to be removed (in the absence of a chipwood market) by falling or poisoning to achieve most efficient regeneration and forest expression in cut over areas.
- (ii) The utilisation of sawmilling and logging waste, cull trees and thinnings of karri at no direct cost to the government.

18. State Benefit

For the overall State Benefit values of the wood residue

disposal through export sales are:-

- (i) Very significant rail freights which will assist operation of the Northcliffe/Bunbury railway.
- (ii) Large contracts to the Midland Workshops.
- (iii) Significant assistance in financing the development of Bunbury as a viable port.
- (iv) Considerable assistance in maintaining the viability of the South Western rural sector.

1^o. Forestry Philosophy

The Forestry philosophy in planning the overall forests aspects of the project is that it can be accommodated and is in fact, essential to efficient multiple use management of the forest lands in the area.. The sawmilling commitment is historical and firmly established. The woodchip market allows this operation to proceed most effectively with full consideration of the biological, hydrological and recreational role that the forest does, and must continue, to play."

The Department stated that their research demonstrated that a clear felling operation was the best method of regenerating karri forests, however, there are problems where marri, one of the most common trees in the South West and one not favoured for timber production, occurs in conjunction with karri. Unless the marri is eliminated it will grow faster than the karri regrowth and dominate the regeneration.

The Department says that it was fortunate that a use had been found for marri in the form of woodchips because this meant that a use had been found for a hitherto unutilisable resource. Otherwise the marris felled in the clear felling operation would have to be burned and this was expensive and not very practicable.

Though the Department would receive less in royalties for chip logs than it does for saw logs the extra money would cover the cost of re-establishing the forests. The Department has done extensive research and was confident that the environmental safeguards as proposed were adequate and therefore the re-generation would be successful.

They were emphatic that if there was opposition to woodchipping there should be consistent opposition also to sawmilling. They strongly contended that woodchipping did not place an extra or excessive burden on forest management.

They stress that the clear felling technique was a continuation of a natural process that had brought about the regeneration of forests before civilisation. Before settlement the area would have been burnt less frequently but much more intensely as a result of natural catastrophes. Clearfelling followed by a burnover was the best natural way of regenerating the forests.

The Department admitted to a level of overcut in the order of 30% but argued that this "kink" would be phased out with long term forest management so that eventually younger and younger trees would not be taken. However, they recognise the problem with jarrah dieback but state "care in hygiene and decreasing the frequency of bush operations in planning for logging should not significantly increase the chances of spreading the disease".

On the problem of salinity and sedimentation the Department note "increased cutting and burning activity in jarrah/narri cut over forests without adequate precautions could increase the possibility of sedimentation and salinity in streams and for disturbance of wildlife population".

"Cutting proposals to minimise adverse impacts to stream flow and fauna are the following:-

1. Excision of salt sensitive and fauna rich areas in the North Eastern sector of the licence (890 mm rainfall and less) for operations pending logging research.
2. The provision of uncut reserves along all main water courses and roadways. These will be linked to form corridors.
3. Restriction of cutting coupes to 800 hectare maximum area in jarrah/marri and 200 hectare maximum area in karri/marri forests. The dispersal of coupes will be maximised within years and between years to ensure that no large areas of newly regenerated forest accumulate.
4. Attention to regeneration procedures to ensure canopy cover and deep rooting is resumed as soon as possible.
5. Continual monitoring in research to determine actual impacts on stream quality and wildlife.
6. Provision of direction within the forests produce licence to refer all matters of catchment pollution to the P.W.D. through the Country Areas Water Supply Act.

3.2 Mr. Arthur Conacher, Senior Lecturer, Geography, University of Western Australia

Mr. Conacher's submission falls into four main sections. They are:-

- (i) Environmental Impact
- (ii) Political & Economic Considerations
- (iii) Secrecy and Waste
- (iv) Conflicting Land or Resource Allocation

(i) Environmental Impact

Mr. Conacher argues that the project will increase the level of salinity in South Western streams and turn hitherto fresh water rivers and creeks saline. On this question, as indeed on most other aspects of his environmental argument, he stakes his professional reputation as a geographer. His salinity argument is bolstered by research that has been carried out in the past which shows an increasing propensity for salinity where natural forest has been cleared. He argues that the real effects therefore of clearing large coupes envisaged in the project can't now be estimated and that therefore work should not proceed until a more accurate picture has been drawn.

As well, Mr. Conacher strongly argues that dieback, a fungus which attacks the root hairs of jarrah trees and for which there is no effective treatment, will be exacerbated by the proposal to cut in dispersed coupes in order to limit the effect of salinity. Dieback is transmitted by truck tyres and the use

of heavy mechanical equipment.. Because the coupes are scattered throughout the licence area and because logging operations require heavy mechanical equipment, Mr. Conacher argues that the spread of the disease will be accelerated.

He also argues that the Earths surface will be heavily scarred and emaciated by the use of mechanical equipment which will lead to erosion of the soils surface in heavy rainfall areas. In addition, Mr. Conacher cites the use by the Department of the high intensity summer regeneration burn on a scale and intensity never previously before attempted will be a clear threat to adjacent forests, particularly when it is considered "already some 15% of forest fires are caused by escapes from low intensity controlled burning which is carried out in the autumn and the spring".

To this problem he adds the decimation of native fauna and damage to native flora. In both cases he lists species that he believes are endangered.

(ii) Political & Economic Considerations

Conacher: "It is estimated that the gross income to the company (W.A. Chip & Pulp Company) from f.o.b. export at Bunbury of 680,720 tonnes greenweight of woodchips will be approximately \$20m. per annum. From this about \$500,000 must be subtracted for royalty payments and \$1.5m. for rail freight per annum leaving \$18m. per annum for any interest repayments on the original \$11m. capital investment, maintenance costs and labour (wages for 250 employees can be estimated at about \$1.5m.), plus profit."

"Thus by the end of 1976 there will have been expenditure of more than \$1.5m. and very little return from royalties. In addition, the State will provide the woodchip berth at Bunbury at the cost of \$2.9m., provide all railway rolling stock apart from wagons and it will maintain rolling stock free of charge and will pay for the upkeep of state highways used for forestry operations."

"In short, the project will require total public subsidies in the order of millions of dollars. If the proposed pulp mill at Bunbury does go ahead the extent of public subsidy will increase still further as the State is committed to supplying huge quantities of potable water to the mill."

"In summary, the State Government is providing massive subsidies so that a private company - 40% overseas owned - can make a profit from an industry which is environmentally harmful and which will operate at an economic loss to the State."

Mr. Conacher strongly calls for a detailed cost/benefit study of the project which he argues has never adequately been carried out.

(iii) Secrecy and Haste

This argument centres on the environmental impact statement issued by the U.A. Environment Protection Authority because it was produced only days before the woodchipping agreement was signed, making it impossible for the kind of public evaluation of the project envisaged by the Forests Department to take place". The fact that a limited number of copies were first run off not allowing for it to be circularised for discussion and that the impact statement was not evaluated by the Parliament and only an interim report of the Environmental Protection Authority being tabled in Parliament well after the Bill on the licence had been passed in both houses.

Conacher contrasts this with what he calls the necessary publicity and public attention being drawn to a project of this type to enable Parliamentary representatives and community groups to study the real and full impact of such a project.

(iv) : Conflicting Land or Resource Allocation

Under this head, Conacher traverses a whole field of argument which is concerned with illustrating other uses of the forest other than that of a timber resource. He raised the argument of "water shed maintenance and the need for the preservation of fresh water supplies, the forest as a wildlife habitat and for use for tourism and recreation." This last area is dealt with in some detail by the Campaign to Save Native Forests. Into this area, Conacher finds himself in substantial agreement with the Campaign.

He concludes that the whole of the woodchipping project should be scrapped and not proceeded with.

3.3 H.D. Evans, MLA, Member for Warren

Mr. Evans argued that he believed the project would benefit the forests and would bring some \$15m. annually in export revenues. Some of this money would accrue to the State in the form of royalties and wharf and railway dues. He submitted that the project enabled the upgrading of the Bunbury/Manjimup railway line and the improvement of wharf facilities at Bunbury without public expense. The original public monies expended on these improvements would be recouped from woodchip royalties in the long run.

Mr. Evans also argued that such development and construction work created short term employment opportunities in construction and long term employment opportunities on the wharf at Bunbury. The Bunbury/Manjimup railway would also add to employment openings because of an extra three trains a day that would run carrying woodchips. He estimated the project would create 400 jobs.

He substantially supported the conclusions of the Conservator of Forests namely that the environmental damage was negligible and in those areas where information was limited or uncertain, e.g., salinity problem, had been isolated so that any risks involved were limited and worth taking.

3.4 Campaign to Save Native Forests

The Campaign listed arguments against the project on the grounds of:-

(i) Ecological Viability

This argument was broken down in much the same way as Arthur Conacher's argument was dealing with dieback, salinity, soil nutrient loss, erosion, destruction of wildlife, etc.

(ii) Impact on the Social Environment of the W.A. Community

It is in this area that the Campaign launched their main argument which is to do with the multiple usage of the forest. They list the uses as being:-

- a. Recreation & Tourism
- b. Educational and Scientific Purposes
- c. Bee Keeping
- d. Production Forestry, i.e. timber and pulp

With regards to this type of argument they note that theirs is a valued judgement but strongly contend that as a concerned section of the community they are entitled to exercise a judgement on those terms and "it not be the monopoly of technical experts or business interests".

In commencing their argument the Campaign drew attention to the percentage of land area covered by forests in various countries. Their table showed that Western Europe averaged 22%, the USSR 62%, USA 34%, Scandinavia 48%, Japan 68% and Western Australia 3%. They note that Japan, which will be the recipient of our woodchips, has a forest area of 68% compared to our 3% and that it would therefore seem equitable that the Japanese forest area should be tapped before going overseas for woodchips.

In arguing the multi usage of forest area, the Campaign note the Conservations for Reserves Committee said "a major reserve in the wet sclerophyll forest area of Western Australia would, in time, become a national and international tourist asset with greater earning potential than it has timber resources. With competent management this recreational potential is also reconcilable with conservation of the forest for biological purposes."

They note that the total area of the Shannon drainage basin is approximately 50,000 hectares and although admitting that this may be large by Australian national park standards it is certainly not by international standards. By way of comparison they quote three parks in the U.S. all of which are above 209,067 hectares and a number of national parks in other countries of similar dimension.

They also argue that the forest area should be regarded as part of the National Estate.

The Campaign: "The forest eco-systems of the South West are unique and form a vital part of the National Estate. Preservation of this national estate is not compatible with the present wood-chipping proposal. Embodied in these forests is a spirit of survival under harsh conditions which has become incorporated into our tradition as the pioneering spirit. These forests represent a contact point with pre-European nature provoking in people a sense of belonging to the Earth, history and awe. The contact with nature is not only actively enjoyed, many people maintain their contact passively through films, books, etc."

The Campaign also observe that the Conservation for Reserves Committee "has reviewed the conservation needs for Western Australia and recommends at least temporary reservation of the Shannon River drainage basin area."

Other areas under the multi use of the forest touched on in the Campaign's submission were-

Water Catchment: Essentially an argument to maintain natural timber and plant life in order to keep down the level of salinity in South Western rivers and to prevent new rivers or streams turning saline.

Tourism & Recreation: In this regard the Campaign submits that tourism and recreation "as a land use in the forest has been seriously under-rated. This land use can and will generate more employment including decentralised employment and more regional income in the timber production industry. Furthermore the problem of incompatibility of the planned woodchip industry with the use of forests for tourism and recreation must be recognised before a proper decision on priorities for land use can be reached."

They add: "In the long term a natural park which attracts a comparatively small number of visitors today may provide much more continuing employment to a district than a short term project which provides work for a relatively large number of people but may leave behind it an unattractive or polluted area which people avoid."

And: "Recently the W.A. Minister for Tourism, also the Minister for Forests stated that tourism in W.A. would be worth \$2m. per week or over \$100m. per year by the end of 1975. Much of this is spent in the South West Region, Mandurah to Albany, which is often referred to as 'Forest Belt'. In 1973 the Australian Travel Research Conference found that about 45% of all trips in Western Australia were to, in, through the South West and this amounted to over 1.2m. trips. Furthermore these trips to the South West were generally of longer duration, e.g. main holidays as about 30% of remaining trips were in, to, through Perth and environs. Consequently, at least half of this \$100m. per annum could be expected to be earned in the South West."

About 5% of the region's workforce is engaged directly in the tourist industry - hotels, cafes and amusements, etc. Of these, up to 75% may be women who are normally a largely unemployed sector of the workforce in country towns. In addition, many men and women are employed in the tourist transport industry. Thus, the combined employment potential in tourism and recreation can be expected to exceed that in forest industries in the South West especially when it is recalled that the present level of employment in the timber milling industry is sustained through over exploitation of the forests."

"In the 15 years between 1945 and 1960 the population of the United States increased 30% and the real gross national product 37%. During the same time industrial timber production increased 36%, recreational use of the national parks during this time increased by an incredible 900%."

Local Forest Industries: Mainly the damage to the bee keeping industry in Western Australia is explored under this heading. It is noted that bee keeping to Western Australia was worth \$1.28m. in 1973/74. The karri forests contribute about 25% of all table honey produced in Western Australia. Karri honey is widely recognised as the best honey produced in this State. Main flows occur about every 4 or 5 years producing averages of over 250 kg of high quality honey per hive. It is contended woodchipping will reduce this level of production considerably.

Scientific & Educational Survey: It is argued that the forest is a living laboratory for biology, geography and history students and is used by organisations such as youth clubs, Scouts, etc. to promote independence and basic survival skills which can only be learnt in the relatively undisturbed environment.

The general environmental argument adopted by the Campaign to Save Native Forests is similar in content to that of Arthur Conacher, however, they produce a graph which shows that two foreign multinationals, Inchcape and Hawker Sideley, between them hold 47.4% of the shares in W.A. Chip & Pulp Co. Pty. Ltd. with the Punning Family holding 12.25%, the AMP 5%, the AIDC 11% and others 24.25%. It is concluded that therefore not only is Australia not to see the woodchips produced from the forest as they are exported to Japan, but at least half of the profit made out of the operation, at considerable environmental damage to native forests, are to be exported out of the country as well.

The Campaign calls for elimination of the overcut of the forest.. an overall reduction in the amount of cut proposed for the licence area in the Act. In addition, the excising of the Shannon River basin from the licence area and a reduction in coupe sizes.

4. ACTU Policy on Conservation and the Environment

The 1975 ACTU Congress adopted the Executive recommendation on Resources, Environment and Conservation as follows:

Congress supports a policy of ultimate full Government ownership and control of minerals, coal, oil, natural gas, uranium and all other fuel and energy resources and believes the extraction of all these resources should be carried out under a rigid anti pollution code. Such a code to be determined by the Government in consultation with the unions and other interested bodies.

The 1973 Congress decision for the first time set down a very clear policy in respect to pollution and environment. It is now necessary to expand the ACTU policy into the area of resources and conservation.

To this end, Congress requests that State Branches of the ACTU in consultation with unions, employers and Government, set up committees to study resources and environmental planning so that utilisation of the nation's mineral and natural resources is conducted in a manner consistent with the total community interests.

There should be a full and open public examination of mineral extraction, land usage, land restoration and all environmental issues.

Congress welcomes the legislation introduced by the Australian Government which requires proper utilisation of mineral and natural resources and the requirement of an environmental impact study on all projects that are subject to Federal licence or permit and calls upon all State Governments for similar embracing legislation.

Congress believes that improving the quality and environment is an important national goal and should be clearly reflected in Australian and State Government decisions. The environmental policy of Governments in Australia should be directed at protecting the beauty of the Australian countryside, preserving our heritage and the systematic control of pollution. The environmental qualities of air and water are valuable assets to society which are being eroded by the process of industrialisation. Past Government inaction has contributed to the erosion of the environment and positive action by Government is now required to prevent the destruction of the Australian environment.

All Governments should adopt positive control measures which are effective, enforceable and designed to achieve acceptable environmental standards.

Congress declares that an effective policy of decentralisation is an indispensable factor in solving this problem. This policy should be stressed to all bodies associated with the prevention of pollution and with environmental protection.

Unions are reminded they have a responsibility one to another that before any bans are placed on any project affecting the environment that they should inform the State Branch of the ACTU of their proposed intention in order that the State Branch can call together other unions that could be affected by such a ban."

CONCLUSIONS

I have considered the evidence tendered by the parties both orally and in writing. The most notable fact to emerge from all of the evidence is that at the present time the licence area is being overcut to the tune of 25/30%.

The Forestry Department argued that while this level of overcut is high at the moment it can be adequately controlled by gradually scaling the operation down over some years so that although younger trees will be taken in the near future eventually the forest will be brought back to a level of regeneration commensurate with cut. On the other hand, the Campaign to Save Native Forests argue that since industry is geared to the present level of cutting (the 25/30% overcut) it is unlikely that it will voluntarily or under pressure from the Forestry Department ease back on its level of production. They add that the present overcutting will increase with the introduction of woodchipping because although much of the timber to be taken will be marri - a timber not commonly viable for logging operations - karri and some jarrah will also be taken. This will increase the cutting level. They argue that it is morally wrong to create a new industry which will add to the level of overcut and cause problems with redundancies and interrupted employment careers later when the scaling down operation has to come. They also argue that when the crunch time for scaling down arrives there will be considerable political pressure from the people employed in the operation to maintain their industry and this will inevitably result in environmental damage being increased beyond the current level. It will also mean that significant pressure will be applied when the initial 15 year period of the licence expires: the pressure will be for another 15 year licence to be issued.

All parties at the hearing emphasised their concern for the problem of salinity and dieback.

Salinity: It is here that the experts disagree. The Department recognise that the cutting of large areas of land does lead to an increase in salinity in the river streams in the area. They argued that reasonable account of this problem has been taken by their strategy of leaving uncut forest verges along river banks and streams throughout the catchment areas. The scattering of the coupes around the licence area is also seen as a means of coping with the salinity problem.

Arthur Conacher particularly strongly disputes that the measures taken by the Department are sufficient. The Department admit to an imperfect knowledge of how to eradicate salinity so the question in general terms resolves itself into one of deciding whether the risks being taken are acceptable.

Conacher's case is strongly, they are not, and that Western Australia as the driest state in the driest continent cannot afford to risk impairing the quality of its remaining fresh water supplies. It has also been put that should the salinity problem in the South West increase in future years for a large and expanded metropolitan population to have its fresh water demands met, pipelines would have to run water from the Kimberley area to Perth. This latter argument seems to have attracted some support from industrialists - particularly those requiring a ready supply of fresh water for their operations. A document purporting to be a feasibility study on this problem was tendered to the inquiry.

Dieback is also a problem that all camps regarded as being important. There is presently no satisfactory antidote to this fatal disease. Whether or not there is a woodchipping project

dieback will remain a problem for the Forestry Department. However, the argument by conservationists is that the cutting in coupes will exacerbate the problem because traditionally the use of cars, trucks and heavy equipment is a means of spreading the disease. The Forestry Department are confident that strict quarantining and cleaning standards will prevent the spread of dieback. I in no way question the honesty and determination of the Department in this respect. However, one must recognise that there is a risk where such equipment goes to a new area. Even if the risk is small the question perpetuates itself - is it worth taking?

These questions and the wider question posed by the Campaign to Save Native Forests: namely,

"Given the small percentage of Native Forest to Earth's surface in this State and the large percentage of licence area to native forest should not the project be curtailed and forest area be declared national parks?" or,

"why permit logging and woodchipping of our native forest when their promotion as a tourist asset could lead to more employment of workers in occupations more natural and harmonious with the forest?"

at base involve value judgements.

For the Trade Union Movement the most coherent expression of our values with regard to these questions are set out in the ACTU Resolutions on the Conservation and the Environment as set out above.

If one is to observe both the spirit and letter of these Congress decisions one must conclude that the project is positively environmentally harmful and, as well, that not sufficient thought has been given to alternative uses of the forest other than that of being a resource for the production of saleable timber or woodchips.

The other arguments advanced by the parties concerning secrecy and haste with which the project has been undertaken, the lack of a proper cost/benefit analysis of the project and the gaps in the environmental studies undertaken of the project are matters of public record and are thus verifiable. Given my conclusion on the environmental aspects of the project it would be illogical and inconsistent to dismiss these arguments lightly. From the point of view of the judgement we have applied they represent major sins of commission or omission.

Having arrived at these conclusions we are faced, however, with a huge pragmatic responsibility. That responsibility is to the workers who are presently employed or owe their livelihood as a consequence of the woodchip project. To resolve this dilemma I offer no panacea. I believe the answer can be found only in the practical circumstances of each case. Therefore, my recommendations concentrate on establishing a framework to enable the widest and deepest involvement of all concerned in resolving this matter.

If my conclusions from the environmental point of view are shared by the rest of the trade union movement I believe we have no alternative but to come to grips with this more daunting problem of how you carry out your decision in practice.

Having reached the conclusion I have on the environmental aspects it is necessary to decide whether the whole project should be scrapped as Arthur Conacher claims or whether it should be modified as the Campaign to Save Native Forests argue.

Balancing all the factors, I conclude that we should seek:-

1. An overall reduction in the level of cutting so as to immediately eliminate overcutting completely and phase down cutting levels to below replacement level to enable the forest to expand.
2. Excise the Shannon River basin catchment area entirely from the woodchip licence area.

During the submissions this formula was proposed and the Forest Department responded that if the Shannon River basin area was taken from the licence area the level of cutting elsewhere in the licence area would have to increase to compensate for the Shannon River basin if orders were to be met in full. My proposal would not accept this solution. In taking the Shannon River Basin catchment area out of the licence area I interpret to mean that the volume of woodchipping to be won from the Shannon River basin should be deleted from the total overall volume of woodchips to be supplied under the contract.

3. The radical reduction in coupe size.
4. Continual monitoring of the native forest areas in the State to ensure that mining and farming does not further encroach upon existing forest area.

Note: My conclusions do not imply a criticism of the way in which the Forest Department have carried out their duties. The Forest Department conclusions are entirely consistent with the value judgements implied in their Act. However, as stated above this Act has not been amended for more than 60 years and requires the Department to regard the forests as a commercial timber resource. If one is so to regard our native forest then the conclusions of the Forest Department are eminently consistent with those objects.

RECOMMENDATIONS

1. *This report be placed before the next meeting of the Trades & Labor Council and the Secretary be invited to supplement it. The recommendation then be that both reports be received but no action be taken until the next meeting of Council.*
2. *At the subsequent meeting of Council the following recommendation be put:*
 - (a) *That a meeting of unions concerned with or affected by the Manjimup Woodchipping Project be called.*
 - (b) *That the meeting consider the report with a recommendation that they endorse its conclusions.*
 - (c) *If approved by the Unions concerned the Council open negotiations with the State Government and the W.A. Chip & Pulp Company to obtain those objectives set out in the conclusions.*
 - (d) *That no other action be taken until any negotiations with the State Government and the W.A. Chip & Pulp Company have concluded or proved abortive.*

LIST OF WRITTEN MATERIAL PRESENTED PRIOR TO, AT AND SINCE THE INQUIRY INTO WOODCHIPPING

1. Statement by the Shadow Minister for Forests, Mr. Mal Bryce, MLA - 21st January, 1976.
2. Department of Conservation & Environment - Second Interim Report on the Woodchips Manjimup Project by the Environmental Protection Authority of Western Australia, September, 1975.
3. Australian Water Resources Council - Water Management Workshop, Canberra - 14th May, 1974 - Paper by Dr. H.C. Coombes.
4. The Manjimup Woodchip Project - an eight page paper from the Forest Department dealing with:
 - (a) Project Facts Dealing with Forest Management
 - (b) Important Aspects in the Development of the Project
 - (c) Major Aspects of Public Inquiry
5. Report on Some Aspects of Environmental Effects of Woodchip Felling in South Western Australia - compiled by a working group of the Division of Land Resource Management, CSIRO.
6. Results of Studies into the Effects of Clear Felling Karri on Native Flora & Fauna - Paper of the Forestry Department.
7. Woodchips - Perspective for the Future. An article by Arthur Tonkin, MLA which appeared in "Westerley" No. 3 September, 1975 (both the Forest Department and the Campaign to Save Native Forests tendered this document to bolster their arguments).
8. Minister for the Environment Press Release "Contracts are Renegotiable - Lost Natural Resources Are Not" Press Statement by Joe Berinson, Australian Minister for Environment.
9. The Influence of Land Use on Stream Salinity in the Manjimup Area, Western Australia - Technical Bulletin No. 27, W.A. Department of Agriculture.
10. Questions prepared for representatives of the Save the Native Forest Campaign and allied groups by members of the Southern Branch of the Institute of Foresters, W.A. Division.
11. Comments made by the Conservator of Forests, Mr. B.J. Beggs to Press Briefing, 22nd July, 1975.
12. Notes to Press Conference, 22nd July, 1975 by P.J. MacNamara.

MANJIMUP WOODCHIP PROJECT PLANNING OUTLINE

13. Maps of the South West Woodchip licence area.
14. Forest Focus No. 12, December, 1973 - Marri Woodchip Project. A publication of the Forest Department of Western Australia.
15. Geowest - Working Papers of the Department of Geography, University of Western Australia No. 4/1975.

ENVIRONMENT - INDUSTRY CONFLICT - The Manjimup Woodchip
Industry Proposal, South Western Australia by A.J. Conacher.

16. The Threat to Forests - A submission to the Australian Senate Standing Committee on the Social Environment concerning the impending Manjimup Woodchip Project from the Campaign to Save Native Forests.
17. The Campaign to Save Native Forests - Copy of the written submission tendered to the Trades & Labor Council hearings dated 22nd September, 1975.
18. Special Forest Tours of the South West by the Campaign to Save Native Forests.
19. Document - Dates of events associated with the Marri Chipwood Environmental Impact Statement.
- 20 Exhibits tendered during hearings.

CHIP CUTTING - FIRST FIVE YEARS - Showing the saw log and chip log volumes for jarrah/marri and karri/marri.