

WOODCHIP EXPORT PROPOSAL

McLEAN CONSOLIDATED PTY LTD

Report And Recommendations
of the
Environmental Protection Authority

Environmental Protection Authority
Perth, Western Australia
Bulletin 345 September 1988

ISSN 1030 - 0120

ISBN 0-7309-1839-4

WOODCHIP EXPORT PROPOSAL
McLEAN CONSOLIDATED PTY LTD

Report and Recommendations
of the
Environmental Protection Authority

Environmental Protection Authority
Perth, Western Australia

Bulletin No 345 September 1988

CONTENTS

	Page
i	SUMMARY AND RECOMMENDATIONS ii
1.	INTRODUCTION 1
2.	DESCRIPTION OF PROPOSAL 1
3.	PUBLIC COMMENTS 1
4.	ENVIRONMENTAL IMPACTS AND MANAGEMENT 2
4.1	<u>Resource Implications</u> 3
4.2	<u>Transport</u> 4
4.3	<u>McLean Sawmill</u> 5
4.4	<u>Port Operations</u> 6
4.5	<u>Plantation Resource</u> 6
5.	CONCLUSION 7
6.	REFERENCES 8
7.	LIST OF COMMITMENTS BY THE PROPONENT 9

An application by McLean Consolidated Pty Ltd to the Commonwealth Government to export hardwood woodchips through the Port of Albany was referred to the Authority by the several groups. The proposal called for the conversion of sawmill wastes from the Denmark mill into woodchips for export.

McLean Consolidated prepared a Notice of Intent describing details of the proposal. This was sent to a number of community groups and local authorities for comment. In addition, discussions were held with some of those groups.

The Department of Conservation and Land Management has advised that no additional area of forest would be cut as a consequence of the proposal proceeding.

The Authority has examined the proposal and has concluded that the proposal is environmentally acceptable and has recommended accordingly.

The recommendations of the Authority on this proposal are:

RECOMMENDATION 1

The Environmental Protection Authority concludes that the proposal by McLean Consolidated to convert sawmill wastes into woodchips and to export those woodchips through the Port of Albany, as described in the Notice of Intent, is environmentally acceptable, subject to the commitments in the Notice of Intent and the Recommendations in this report.

Commitments made by the proponent include:

- . the identification of transport routes and practices on those routes to the satisfaction of relevant authorities;
- . a speed limit of 50 kmh to be placed on trucks travelling through Denmark;
- . control of smoke, noise, dust and water emissions from the mill site, and
- . control of runoff and dust from the woodchip stockpile at the Port of Albany.

RECOMMENDATION 2

The Environmental Protection Authority recommends that no whole logs be chipped and only wastes from sawmilled logs be available to be chipped.

RECOMMENDATION 3

The Environmental Protection Authority recommends that McLean Consolidated obtain a Licence under Part V of the Environmental Protection Act for the operation of the Denmark sawmill. The fee for this licence should be determined by the Minister for Environment. The Licence will set constraints on noise emissions, gaseous emissions and water emissions.

1. INTRODUCTION

McLean Consolidated Pty Ltd, the operators of a sawmill at Denmark on the South Coast, has made application to the Commonwealth Minister for Primary Industries and Energy to export up to 60 000 tonnes (approximately 49 380 cubic metres) of woodchips annually through the Port of Albany. This application was referred to the Authority by the Commonwealth Department of the Arts, Sport, the Environment, Tourism and Territories. Several groups from Denmark also referred the proposal to the Authority.

The Environmental Protection Authority determined that the proposal should be subject to environmental assessment under the provisions of the Environmental Protection Act and determined the level of assessment as Notice of Intent (NOI). A Notice of Intent prepared by the company was circulated to selected community groups, including local authorities, for comment.

In its assessment of this proposal, the Authority considered information in the NOI, additional advice given by McLean Consolidated and comments provided by the community groups.

2. DESCRIPTION OF PROPOSAL

The application by McLean Consolidated Pty Ltd is for a licence to be issued under the provisions of the Commonwealth Export Control (Unprocessed Wood) Regulations made under the Export Control Act 1982. McLean Consolidated have applied for approval to export up to 60 000 tonnes (approximately 49 380 cubic metres) per annum of Karri and Marri woodchips. These woodchips would be derived exclusively from the wastes generated from sawlogs derived from State Forest.

McLean propose to increase through competitive tendering its acquisition of salvage grade Karri and Marri sawlogs, from the present 36 000 cubic metres to 100 000 cubic metres per annum. Each of these logs would pass through the breakdown portion of the Denmark sawmill, with millable segments continuing through the mill and the waste from each log passing through the chipper. The increased volume of sawlogs is anticipated to generate an additional 37 000 cubic metres of woodchips each year. McLean has indicated in the NOI that no additional plant is required at the mill to achieve this throughput.

These woodchips would be carried by truck to Albany, where they would be stored in a stockpile within the Port of Albany prior to loading onto ships for export. It is anticipated that the annual woodchip production of 60 000 tonnes would be exported in two shipments.

The Department of Conservation and Land Management has advised the company that the additional logs required for this proposal should be available to the sawlog market from planned harvesting operations and that no additional area of forest would need to be cut as a consequence of the proposal.

3. PUBLIC COMMENTS

As part of its assessment of the proposal, the Authority decided to seek comment from selected community groups. A copy of the Notice of Intent was sent to each of the following groups:

- . Coalition for Denmark's Environment;

- . Australian Conservation Foundation (Denmark);
- . Shire of Denmark;
- . Shire of Albany;
- . Town of Albany;
- . Albany Port Authority, and
- . Great Southern Development Authority.

In addition, officers of the Authority met with members of the public at Denmark, as well as the Shire of Denmark and the Great Southern Development Authority.

Some of the comments made by these groups and others who indicated interest in the proposal included:

- . whether the proposal would be economically viable;
- . the suitability of the location of the existing mill, in relation to the town and its future timber resource;
- . encouraging the logging of forest closer to Denmark;
- . accelerating the need to build a highway bypass around Denmark;
- . potential road safety concerns for road users and pedestrians, such as school children;
- . increasing water salinity within State Forest areas as a result of harvesting; and
- . noise and smoke emissions from the mill.

4. ENVIRONMENTAL IMPACTS AND MANAGEMENT

This proposal is based on the application by McLean Consolidated for approval to export woodchips derived from sawmill wastes.

The Environmental Protection Authority has publicly indicated that the conversion of sawmill wastes into woodchips is environmentally acceptable. This view has been stated in the Authority's "Environmental Guidance for Land Use and Development in Southern Western Australia" (EPA, 1987) and reiterated in the Authority's Report and Recommendations on the Western Australian Woodchip Industry (EPA, 1988).

This view was supported in public submissions that the Authority received on the recent WA Chip & Pulp Co Pty Ltd woodchip proposal and during discussions held with community groups in relation to the McLean proposal.

RECOMMENDATION 1

The Environmental Protection Authority concludes that the proposal by McLean Consolidated to convert sawmill wastes into woodchips and to export those woodchips through the Port of Albany, as described in the Notice of Intent, is environmentally acceptable, subject to the commitments in the Notice of Intent and the Recommendations in this report.

Commitments made by the proponent include:

- . the identification of transport routes and practices on those routes to the satisfaction of relevant authorities;
- . a speed limit of 50 kmh to be placed on trucks travelling through Denmark;
- . control of smoke, noise, dust and water emissions from the mill site, and
- . control of runoff and dust from the woodchip stockpile at the Port of Albany.

In assessing this proposal, the Authority has been aware that a number of issues have been raised in relation to this proposal. These were principally in regard to the sourcing of the sawlogs, transport of woodchips and sawn timber through the town of Denmark, operation of the sawmill and operations at the port.

4.1 RESOURCE IMPLICATIONS

A significant concern of those people who have provided advice to the Authority on this proposal has been their concern about its affect on the extent of harvesting within State Forest, the environmental impacts arising from that and the implications of this proposal on other forest resource users, particularly WA Chip & Pulp.

This proposal requires McLean to successfully bid for additional salvage grade sawlogs generated as a consequence of CALM's integrated harvesting operations. These sawlogs would be additional to the projected volumes outlined in the Timber Production strategy, which were anticipated by CALM to be 18 000-21 500 cubic metres of second grade Karri logs and 30 000 cubic metres of Marri sawlogs.

The Department of Conservation and Land Management has indicated in the Appendix to the NOI that the proposal "would not result in more hectare of forest being cut over than would otherwise be the case". The logs required for this proposal would be supplied from existing planned integrated harvesting operations in State Forest. As indicated in the NOI, many of the logs that McLean would hope to gain currently are used by WACAP to produce woodchips. By competing for the resource, this proposal would cause acceptance of lower standard logs which currently remain wasted in the forest after cutting.

An additional concern raised through comment to the Authority has been the affect that the withdrawal of woodchips currently supplied to WACAP by McLean would have on WACAP. In particular, people have suggested that the loss of woodchip and log resource to WACAP could lead to increased intensity of harvesting or more area of State Forest being cut to replace this resource. The sawmill wastes, in the form of woodchips or boxed hearts, purchased by WACAP are outside of the commitments for supply that the State Government has with WACAP. To that extent, any reduction in resource from sawmill wastes would not cause additional logging in State Forest.

The Authority considers that the environmental impacts associated with the harvesting of the sawlogs has already been assessed in its Report on the Western Australian Woodchip Industry. As part of that assessment, the Authority noted that CALM's Timber Production in Western Australia strategy

(CALM, 1987) indicated the volume of woodchip potentially available from integrated harvesting in old growth forest. The Authority specifically addressed and made recommendations regarding harvesting in the Karri and Jarrah/Marri forests of the State Forest.

The Authority concluded that there is scope for WACAP to produce up to 750,000 tonnes of woodchips from resources in South-Western Australia. The limits to producing woodchips from old-growth forest outlined in the Timber Production Strategy are:

1988 - 1990,	583,000 cubic metres
1991 - 1995,	553,000 cubic metres
1996 - 1998,	442,000 cubic metres

The shortfall between woodchips derived from old growth forest and from the quantity sought by WACAP would be made good from thinnings from regrowth forest, or eucalyptus plantations on private properties.

Further, the Environmental Protection Authority noted the volume of woodchip production from old growth forest described in the Timber Production Strategy and recommended that this be strictly observed.

In view of the advice given by the Department of Conservation and Land Management and within the context of implementation of the Authority's recommendations on WACAP's woodchip application, the Authority considers that this proposal should result in no additional environmental impacts from harvesting in State Forest. This proposal should assist the State's objective of achieving maximum utilisation of all trees felled during harvesting operations.

RECOMMENDATION 2

The Environmental Protection Authority recommends that no whole logs be chipped and only wastes from sawmilled logs be available to be chipped.

4.2 TRANSPORT

A particular concern of Denmark residents expressed to the Authority has related to the impact of the transportation requirements of the proposal on the community. These concerns have included road safety and road suitability.

The milling of up to 100 000 cubic metres of sawlogs at Denmark and the export of the resultant woodchips to Albany will require all wood material to be transported by road. Sawn timber would be moved to Perth by road. The NOI indicates that the following changes to daily truck movements generated from present mill operations would occur when the proposal operated at full capacity:

	existing	proposed
sawlogs to mill (South Western Hwy)	5(max)	15(max) 12(av)
sawn timber (Denbarker road)	3	5(max)
woodchips (Denmark Bridge)	2	8(max)

It is clear from comments provided to the Authority that the movement of heavy transport through the town of Denmark is a community concern. This proposal could increase the number of McLean related truck movements through Denmark from the present 5 per day to a maximum of 13 per day. The Main Roads Department provided the following 1988 data relating to traffic and more specifically truck movements near Denmark.

	Average Vehicles Per Day	Heavy Vehicle (No.)
South Western Highway/Cussens Rd		
West	783	45
East	923	50
South Western Highway/Mt Barker Rd		
West	1075	90
East	929	81

This information indicates that, when operating at full capacity, this proposal could lead to an increase of up to 22 per cent in heavy vehicle traffic along the South Western Highway west of the sawmill and 7 per cent to the east of the Mt Barker turn-off. In terms of heavy vehicles passing through the centre of Denmark, the proposal could increase this traffic by between 9 and 16 per cent. These increases are well within the planned capacity of the South Western Highway. McLean is committed to restricting the speed of its haul trucks to 50 kilometre per hour within the centre of Denmark.

McLean has made a commitment to improve the intersection of Cussens Road and South Western Highway, next to the mill. This is being undertaken for improved visibility and road safety reasons, as well as a desire by McLean to consolidate the mill site.

McLean has given a commitment in the NOI that they would establish transport routes to the satisfaction of the Main Roads Department and relevant local authorities. Additional issues that would be discussed include the timing of truck movements through Denmark to avoid school commencement and closure, and road courtesy and safety concerns.

It will be important for McLean to ensure that their truck drivers observe all relevant road safety regulations and minimise as much as potential road safety conflicts.

4.3 McLEAN SAWMILL

The sawmill is located outside the townsite boundary, unlike many other timber mills in the South West. It is important that the possibility of incompatibility between the mill and the town remain minimal. This is largely within the planning and development responsibilities of the Shire of Denmark. While there is some distance between the residential portion of the town and the mill, conflict is likely to be minimal. Council should ensure that an appropriate buffer between the mill and residential development remains.

Concern has been expressed by some people in Denmark about the impact of the mill on the town, mainly as a consequence of its close proximity to the centre of Denmark. This concern has been based on the present perceived impacts resulting mainly from noise and smoke emitted from the sawmill. Some suggestions have also been made that the mill should be moved to the east of the town.

In order to achieve the woodchip volumes proposed, the sawmill would have a threefold expansion in its present sawlog intake and require two shifts to be operated on an on-going basis. The mill has previously operated two shifts. This is unlikely to generate a significant increase in smoke emissions. The Authority is aware that work is currently being undertaken to improve the efficiency of the burner. This should assist in minimising smoke emission from the site. No additional plant is required at the mill specifically for this proposal and, therefore, no new noise sources are expected to arise because of it. Should any noise problems arise, McLean has committed itself to rectify the problem.

Water runoff from the sloping site currently contains some suspended material derived from the mill. The Notice of Intent indicates that this has not presented a problem before and if it did, action would be taken to correct it.

Control of noise, dust, smoke emission and stream contamination by runoff would be dealt with under Part V of the Environmental Protection Act 1986. The proponent should obtain a licence under Part V of the Act before this proposal is implemented. The Licence will set conditions on smoke, dust and noise emissions to ensure that there will be no additional impact on Denmark and water discharges to protect downstream water quality.

RECOMMENDATION 3

The Environmental Protection Authority recommends that McLean Consolidated obtain a Licence under Part V of the Environmental Protection Act for the operation of the Denmark sawmill. The fee for this licence should be determined by the Minister for Environment. The Licence will set constraints on noise emissions, gaseous emissions and water emissions.

4.4 PORT OPERATIONS

The McLean proposal calls for the woodchips produced at the mill to be stockpiled within Port Authority land prior to loading onto vessels. It is important that the stockpile does not significantly intrude into the amenity of the area. Princess Royal Harbour is an important focus for Albany, and developments adjacent to it need to take account of this. The scale of the woodchip stockpile and its distance from the proposed foreshore redevelopment suggests that that it need not present a problem.

There is not intention by McLean to undertake any processing of wood at the port, simply to stockpile material prior to export.

4.5 PLANTATION RESOURCE

McLean Consolidated is a subsidiary of the TPS Group Ltd, which is undertaking the establishment of plantations of hardwoods and softwoods in the South Coast region. It is proposed that these plantations would eventually contribute to the paper fibre and sawlog resource available in the State.

In the event that a proposal to export woodchips from these plantation resource is formulated, it would need to be referred to the Authority. The NOI indicates that a new export licence application would be made for this resource. However, the Authority advises now that, in general, the harvesting of eucalypts from appropriately sited plantations on private property is environmentally acceptable.

5. CONCLUSION

This proposal by McLean Consolidated is for the increased utilisation of logs produced as part of normal harvesting operations in State Forest. As no additional logging would be undertaken specifically to provide resource to this proposal or as a consequence of this proposal and better use would be encouraged for those logs, the Authority considers that the proposal to produce and export woodchips as a consequence of sawn timber production would be environmentally acceptable.

Community concerns regarding road safety and improved management of the mill are the subject of commitments by McLean.

6. **REFERENCES**

Department of Conservation and Land Management (1987), Timber Production in Western Australia - a strategy to take WA's south west forests into the 21st century.

Environmental Protection Authority (1987), Environmental Guidance for Land Use and Development in Southern Western Australia, (Bulletin No 319).

Environmental Protection Authority (1988), The Western Australian Woodchip Industry - Report and Recommendations of the Environmental Protection Authority, (Bulletin No 329).

7. LIST OF COMMITMENTS BY THE PROPONENT

1. All resource required for this proposal will be salvage logs from State Forest, apart from a limited allocation of general purpose sawlogs.
2. A new licence will be sought for the export of woodchips produced from private property plantation resource.
3. The Company will establish transportation routes in consultation with, and to the satisfaction of, the Main Roads Department and local Authorities.
4. The Company will ensure that trucks carrying logs, timber or woodchips to or from the mill will not exceed 50 kilometres per hour through the main townsite, from the Denmark bridge to the Ocean Beach turnoff.
5. McLean Consolidated will continue to co-operate with the Shire of Denmark and the Main Roads Department to realign the entrance of Cussens Road of the South Western Highway, to the satisfaction those two bodies.
6. Should any significant road use conflicts arise McLean will in consultation with Main Roads Department and the appropriate local authority review alternative routes or practices to overcome the problem.
7. Should noise emission problems arise, potential exists for acoustic treatment of various components of the sawmill and chipmill to reduce emissions that might be causing offence.
8. The Reece burner will continue to be managed in the same manner as it has in the past.
9. Should complaint be received regarding water quality downstream of the sawmill McLean Consolidated will correct any problem attributable to its activities.
10. If a dust problem arises in the log stockpile area, the area would be sprayed with water to minimise the problem.
11. The Company will if necessary undertake additional vegetation planting to screen the mill site.
12. Runoff from the woodchip stockpile at the port will be directed to a sump to prevent direct discharge into Princess Royal Harbour.
13. Should dust from the stockpile or loading operation at the port prove to be a problem the Company will use water sprays to overcome the problem.