



Nonsensical views on PNG forestry flows from high places

A few weeks ago, The National carried a story where unidentified sources were quoted as saying that Papua New Guinea's forests would disappear in a number of years because of excessive logging activities.

The same issue was raised in the media yesterday from a 160-page report by a senior law lecturer at the University of Queensland's TC Beirne School of Law, Dr Andreas Schloenhardt. The paper was reportedly prepared for the Australian Criminology Institute.

Dr Schloenhardt is also an adjunct professor at the Monterey Institute of International Studies in California and a visiting professor at the University of British Columbia Liu Institute for Global Issues in Vancouver.

According to the news article in the Post-Courier, for which I am indebted to reporter Mackhenly Kaiok, the Australian academic claimed that the scale of illegal logging in PNG was such "that timber resources would be depleted in 10 years if logging continues at the present rate".

Such claims have been made by environmental lobby groups over many years and reported by the mass media both here and overseas.

If there was any truth to such reports, PNG's timber resources would have vanished many years ago.

Anyone who makes an attempt to seriously study this issue will realise these claims are spurious nonsense.

One of the reasons Dr Schloenhardt could make such an assertion is possibly because when he was a law lecturer at the University of Papua New Guinea some years ago, he probably had no interest in the logging industry.

It is unlikely he has ever visited any of the large forestry operations in PNG which is great for purposes such as his paper, since 'ignorance is bliss'.

These days, many organisations such as the World Bank and even the Australian government, are prone to spending large sums of money on forestry and climate change consultants, generally supporting those with a clear anti-logging bias especially with regard to operations in tropical developing countries.

All past expert studies on forestry in PNG have indicated that the country could log some three to four million cubic metres of logs annually on a sustainable basis, without any planned reforestation activity.

The international Swiss agency, SGS, has for more than a decade been hired to monitor export of all logs from PNG because of concerns over illegal logging and the equally problematic issue of transfer pricing.

I would certainly doubt that in writing up his report for the Australian Institute of Criminology that this legal boffin had attempted to discuss the issue of illegal logging with the head of the SGS operations in PNG, Bruce Telfer.

There are many reasons why the view that PNG's timber resources will be depleted in 10 or 15 years is nonsense, but before that Bottom Line would like to discuss Dr Schloenhardt's assertion that 70% to 90% of PNG logging is illegal.

Fortunately, we are able to tell you where these figures come.

They originate from the World Bank. Under previously disguised programmes, since abandoned, it had made significant efforts to shut down much of the nation's logging activities on the basis of alleged issues of legality.

The World Bank, which initially in the mid-1990s suggested that PNG could sustainably log six million cubic metres annually, had revised this downwards on the advice of local industry participants.

It has since supported the view that PNG can sustainably log more than three million cubic metres of logs annually - current production is around 2.3 million cubic metres.

The amount of logging is far less than for many other similar-sized nations, but the World Bank nevertheless was the first to officially suggest that 70% of PNG's logging is illegal.

The claim was made in a 2006 report.

When the PNG Government requested the World Bank to provide information on how this was assessed, it turned out that US consultants, Seneca Creek Associates, had made this estimate in a report for the US government.

Seneca, in fact, had made no attempt to study the situation in PNG. After looking at the situation in Indonesia and deciding that 70% of logging there was illegal, it assumed this figure should also apply to PNG despite vastly different circumstances.

Such is the two-faced attitude of the World Bank.

In a note provided to then Forestry minister Patrick Pruaitch, it said, "the authors of the Bank report did not attempt to produce their own original estimate of illegal logging in PNG" but had evaluated the available literature on the subject.

This is the same Bank that had made forestry a core issue for two separate PNG Structural Adjustment Programmes in the 1990s and subsequently carried out a so-called Forest Conservation Project that was ultimately abandoned.

When convenient, it is nice to be able to claim it has no information of its own on this subject. That's where Dr Schloenhardt gets his 70% figure from.

The 90% figure comes from Greenpeace and others, using their unique methodologies to state that the former figure was too low.

Other factual errors in his report included claims that Rimbunan Hijau has operations in Solomon Islands; that PNG has only one veneer plant when it has three and the highly ill-informed comment that RH accounts for 80% of PNG's logging operations with royalties accounting for 3% of all government revenue.

These errors, like his assertions about illegal forestry, are due to Dr Schloenhardt's dependence on third-hand sources for facts - not one toea of timber royalties goes to the government since they belong to landowners!

Ill-informed comments have also been regurgitated about Sir Michael Somare's ties to the logging industry.

Like every Papua New Guinean, the Prime Minister is a customary landowner and he is in fact a titular head or patron of some eight village groups with forestry interests.

To date, he has not received any financial benefit from this hereditary role. Dr Schloenhardt's apparent ignorance about PNG logging probably extends to a lack of awareness a number of PNG logging operations were first approved by the Australian colonial government well before this country gained independence.

These companies have progressed to the stage where they virtually process all the timber they log, much of it from commercial plantations.

Companies such as JANT, Open Bay and Stettin Bay account for about 15% of PNG's log production.

This is made up of about 30% of processed timber products and about 10% of total log exports, including plantation logs.

Unlike Australia, PNG does not allow forestry operators to carry out clear felling.

All the major logging companies are involved in selective logging where the forest cover is left largely intact.

It is for this reason that the nation's forests still cover about 65% of the total land mass - one of the highest proportions of any country in the world - with almost 56%, or 25.2 million hectares, representing primary forests.

Since the 1990s official estimates are that about 4.5% of the area has undergone deforestation. This would include vast areas been brought under palm oil cultivation or other agricultural activities and more than 200,000 hectares of rainforest destroyed by overbank flooding caused by the Ok Tedi mine.

All forest management areas that have been released for development since the Somare Government took office will be logged on 35-year cycles, making them fully sustainable. With sustainable logging, forestry activities can be pursued almost in perpetuity, barring devastating impacts from climate change.

It must be noted that most logging activities occur on customary land, where tribal groups and clans are able to operate walkabout sawmills and small scale operations with little or no scrutiny or supervision from government authorities.

In focusing on the issue of illegal logging, the World Bank - and just as likely the current Australian government - will conveniently ignore the impact of poverty on deforestation.

Figures produced by the World Bank and Food and Agricultural Organisation all show that almost three times the quantity of commercially logged timber is cut for use as firewood.

One need only drive around the outskirts of Port Moresby to see piles of firewood on sale.

Now that fuel prices have skyrocketed, and are likely to remain extremely high, the 85% or so of the PNG population that survives as subsistence farmers have little or no choice but to use wood for their daily needs.

Because the poor are largely left to fend for themselves, there is no authority in place to monitor such usage or to consider the slash and burn farming techniques of many remote villagers.

(Next week: Why the Australian government studies on PNG forestry and climate change are unlikely to be 'fair dinkum')