



OMA Media release:

Carbon Confusion Clouds Integrated Mallee Investment Opportunities

Uncertainty over the finalisation of the CPRS legislation is clouding farmers understanding and confidence to establish integrated mallee plantations in the WA Wheatbelt and could stall future investment opportunities in the emerging regionally based renewable energy industries.

At a recent carbon policy synopsis of industry stakeholders hosted by the Oil Mallee Association and the Future Farm Industries CRC at UWA, a number of concerns were raised

Warwick Ragg, the Chief Executive of Australian Forest Growers said “there needs to be a lot more investment in Research and Development applied to the emerging bioenergy sector. There also needs to be continued upgrading of the National Carbon Accounting Toolbox to broaden its coverage and make it as relevant as possible to all tree crops.”

Mr Ragg was speaking at the seminar as part of a trip to WA to assess the farm forestry situation and provide advice to members of AFG, including the Oil Mallee Association.

He said, “ AFG supports the harvesting of forests, rather than carbon sequestration as an end in itself, as it requires that the trees remain for 100 years, long after they have finished growing.” He continued “ AFG has advocated with others for an approach that will also enable an averaging of the harvest program, thereby enabling the possibility of carbon sequestration alongside managed forestry. The Commonwealth has responded well to this idea and the White Paper and subsequent draft legislation has incorporated the mechanisms to allow this to happen.”

“Now, as the legislation moves into the Senate, we just have to hope that the senate appreciates the value of forestry in the CPRS.”

The discussion during the seminar encompassed a range of ideas and options for forestry practices which utilise oil mallees and recognises their potential for bioenergy development.

Mr Simon Dawkins, the General Manager of the OMA said, “If the CPRS adopts a flexible approach to both small and large projects as recommended by the industry, the scene is set to provide a big role for dedicated tree plantings, particularly for inclusion of energy, wood products and biochar as well as carbon. The integrated mallee projects we have promoted will be a good fit for this approach. Until this is clear there will be uncertainty over land use and investment decisions.”

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Additional Background

The initial work done by the Oil Mallee Association (OMA) and a number of agencies over fifteen years has led ultimately to a number of carbon companies entering the industry. Several of these companies have adopted the integrated agroforestry methodology developed and promoted by the OMA.

An early mover in this regard was Oil Mallee Company of Australia Pty Ltd (OMC), formed by the OMA to assist commercialisation in the industry. The OMA separated from OMC in 2008 following an unexpected takeover move by a wholly owned subsidiary of CO2 Australia (a major shareholder in OMC).

OMA wishes it to be known that there is no link between the OMA and OMC of any kind. The heritage, the data on existing mallee plantings and the accumulated farmer “know how” over many years resides with the OMA.

Indeed, such is the interest in the oil mallee industry stimulated by the OMA, that it is now a national, independent association of interests (mainly farmers) allied to the oil mallee industry as a whole with a significant role in industry and policy development. The Oil Mallee Industry Development Plan, commissioned by the OMA along with the WA Forest Products Commission, provides a starting point for an understanding of the options and risks involved.

The Plan takes as its focus the benefits of harvesting integrated oil mallee plantings for bioenergy and other products including biochar. This approach also enables a significant measure of carbon sequestration. The OMA acknowledges that growing oil mallees solely for carbon sequestration (carbon sinks) through permanent (unharvested) plantations can be appropriate in certain circumstances as long as the risks are acknowledged. Again the OMA has a strong preference for carbon sink planting to be integrated.

The Plan, launched last year by Hon Terry Redman, Minister for Agriculture and Food: Forestry, includes some important recommendations relating to a need for improved regional planning guidelines, the impact of the CPRS and renewable energy legislation and the need for a targeted research program.

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