

# AUSTRALIAN BUSHFIRES 2019-20

## WHAT DOES THIS MEAN FOR THE PULP & PAPER INDUSTRY?

### Executive summary

Over the course of September 2019 to March 2020, Australia experienced bushfires that burned an unprecedented 12 million hectares of land, killed 33 people and one billion animals. The fires were the biggest in Australia's history and will have unparalleled impacts that we are only just beginning to understand. The Australian Forest Products Association, an industry body, is urging the Australian government to salvage log in order to mitigate the severe impacts of the fire, however there is significant evidence showing the catastrophic impacts salvage logging can have. The decision on how to proceed is ongoing. **Despite the size and disastrous nature of the bushfires, it is unlikely that they will have significant ramifications on the global pulp and paper industry as Australia exports only account for 3%.**

### The Australian bushfires – what do we know?

The bushfires in Australia were unparalleled, resulting from the greatest rainfall deficit ever recorded, alongside extremely high temperatures and strong winds<sup>1</sup>. The initial impacts of the fires are not yet fully understood – the assessment has been slowed first by incessant burning and then coronavirus, which has resulted in all fieldwork teams being pulled out of the area<sup>2</sup>.

In late 2019, after warnings that native timber supply was down 50% in a decade, Australia's federal government agreed to protect 90,000 hectares of old-growth forest<sup>3</sup> immediately, ahead of their plans to end native forest logging by 2030<sup>3</sup>. This stance has since been updated in April 2020, with the government announcing that they are to allow 'sustainable management and use of Victoria's forests' until 2030<sup>3</sup>. This is a move that has been criticised by conservationists, particularly following the impact of the bushfires.

The pulp & paper industry is an important employer within Australia, supporting 12,000 jobs directly and contributing to over 30,000 full-time jobs across Australia's wider industry<sup>4</sup>. Exports are valued at over AUD\$1bn<sup>4</sup>, with the industry contributing over AUD\$4bn to the Australian economy each year<sup>5</sup>. The fires are expected to cost over AUD\$100bn over the course of several years<sup>6</sup>, an unprecedented cost for a natural disaster in Australia. The tangible impact on the economy (including lost income from the paper & pulp industry, farm production and tourism) has been calculated to far exceed AUD\$4bn, the previous record for the Black Saturday 2009 fires<sup>7</sup> (which were 25 times smaller than the 2019-20 bushfires<sup>6</sup>) and are expected to wipe up to 1% off Australia's GDP growth<sup>7</sup>.

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<sup>1</sup> [WRI](#)

<sup>2</sup> [The Guardian](#)

<sup>3</sup> [The Guardian](#)

<sup>4</sup> [Australian Forest Products Association](#)

<sup>5</sup> [National Industry Insights](#)

<sup>6</sup> [The Conversation](#)

<sup>7</sup> [The Diplomat](#)

While salvage logging may offer temporary respite for mills, the forecast for timber supplies in Australia in the medium and long-term is for stocks to decrease significantly<sup>8</sup>. Plantation trees can take between 10-30 years to grow before they can be used for paper<sup>9</sup>, and although native trees such as Eucalyptus are adapted to survive and propagate in fire, the increased intensity and severity of recent fires means that they will need significantly longer to recover<sup>10</sup>. If fires continue to become more frequent, they may not recover at all, potentially resulting in permanent ecosystem change<sup>10</sup>.

## Salvage logging – a viable alternative?

After the Black Saturday 2009 bushfires, over 400,000 cubic metres of timber was salvage logged<sup>11</sup> contributing to the economic relief effort. The Victoria National Parks Association, a conservation organisation, claim that this did profound damage to the regenerating forests, destroying natural seedling regeneration and exacerbating biodiversity loss<sup>12</sup>. Salvage logging is also shown to increase the risk of future fire events for up to 40 years after the event<sup>13</sup>.

The timber industry is calling for salvage logging to take place in Australia. There is a short time frame in which to salvage burnt logs: they must be collected within a few months of the fires<sup>8</sup>. The Australian Forest Products Association (AFPA), the main industry body representing the resourcing, processing, and pulp, paper and bioproducts industries, have urged the government to undertake mass salvage operations to mitigate against any further economic and ecological losses from the fires<sup>13</sup>. State-owned logging agencies have begun selective timber harvesting to compensate for the shortfall in timber being delivered to local mills<sup>14</sup>.

At the same time, there is significant evidence of the negative consequences salvage logging can have for biodiversity and ecosystems. Peer-reviewed studies have found salvage logging can have major negative impacts on ecosystem recovery<sup>15</sup>; and that while salvage logging has positive impacts on some species groups and negative impacts on others, overall it reduces biodiversity and negatively impacts species of high conservation value<sup>16</sup>.

Decisions on whether to continue with widespread salvage logging are ongoing, with the impacts of doing so currently unclear. The Australian government will have to carefully assess whether the benefits of salvage logging outweigh the significant ecological implications these actions may have.

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<sup>8</sup> [The Age](#)

<sup>9</sup> [Australian Financial Review](#)

<sup>10</sup> [Smithsonian](#)

<sup>11</sup> [ABC](#)

<sup>12</sup> [VNPA](#)

<sup>13</sup> [David Lindenmayer, ABC](#)

<sup>14</sup> [The Conversation](#)

<sup>15</sup> [Science](#)

<sup>16</sup> [Journal of Applied Ecology, British Ecological Society](#)

## What do the bushfires mean for the wider industry?

Despite a lack of clarity around the long-term impacts of the 2019-20 bushfires, it is expected that Australian mills will experience extreme shortages over the next few years<sup>13</sup>. As a result, it is likely that we may see exports of Australian pulp & paper fall. Australia currently retains a modest position on the paper and pulp export market, with its timber exports constituting 3% of the global market<sup>17</sup>. Due to this, negative international ramifications of the bushfires may be limited, although some may find their supply chains compromised.

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<sup>17</sup> [Australian Recovered Paper Review](#)