

Plantations Australia

PO Box E89
Kingston ACT 2604

Forest Industries House
24 Napier Close
Deakin ACT 2600

Telephone (02) 6285 3833
Facsimile (02) 6285 3855

18 May 2000

Mr Ian Dundas
Committee Secretary
Standing Committee on Environment & Heritage
House of Representatives
Parliament House
CANBERRA ACT 2601

Fax: 02 6277 4424

Dear Mr Dundas

**Re: Inquiry into Public Good Conservation – Impact of Environmental Measures
Imposed on Landholders**

On behalf of the members of Plantations Australia I am please to provide the attached submission to the above inquiry. If you have any questions about this submission please do not hesitate to contact me on 02 6285 3833 or rrjs@ozemail.com.au.

Yours sincerely,

Richard Stanton
Executive Officer

Plantations Australia

PO Box E89
Kingston ACT 2604

Forest Industries House
24 Napier Close
Deakin ACT 2600

Telephone (02) 6285 3833
Facsimile (02) 6285 3855

Submission to House of Representatives Standing Committee on Environment and Heritage Inquiry into Public Good Conservation – Impact of Environmental Measures Imposed on Landholders

***Plantations Australia** is the industry sector focus group for larger corporate plantation timber growers and processors. The organisation aims to gain and maintain bipartisan support of all levels of Government and the community for the timber plantation industry and to be a driving force behind the “2020 Vision” – national plantation strategy. Plantations Australia’s membership includes Australia’s major plantation growing organisations representing more than 60% of the total Australian plantation area.*

Introduction

There are now more than 1.3 million hectares of timber plantation in Australia. The plantation sector, in partnership with Commonwealth and State Governments, has adopted a vision of expanding the plantation area to more than 3 million hectares by 2020. These timber plantations are located in all States of Australia, generally in areas where mean annual rainfall exceeds 700mm (28 inches) per annum. The plantations supply the raw material for a range of integrated processing industries including sawmills, fibreboard plants and pulp and paper mills. More than 16,000 people are directly employed in the growing and processing of plantation timber with significant additional dependent employment in supplying services to the sector. Timber plantations play a central role in the economic and social structure of towns such as Mt Gambier, Tumut, Oberon, Gympie, Burnie, Myrtleford, and Manjimup.

In many respects timber plantations do not differ from other forms of agricultural land use such as grazing and cropping. The growth of the plantation and the success of the business depends on the qualities of the soil, the vagaries of the climate and the ability of the manager. Plantations do differ from most other agricultural crops in so far as the time between planting and harvesting is greatly extended, from 10 years to more than 40 years in some instances. This timing issue has significant implications from both an economic and environmental perspective.

The enclosed documents “Australian Forest Plantations” and “Plantations for Australia – the 2020 Vision” provide a broad overview and background information on the Australian plantation sector and its vision for the future.

Government Regulation of the Timber Plantation Sector

The management of land for timber production in Australia is regulated by a myriad of legislation imposed by all three levels of government. This regulation adds significant costs for the sector and may seek to provide public good conservation outcomes in some instances.

Commonwealth Government

The Commonwealth Government has very limited constitutional responsibility for the management of land but does influence the plantation sector particularly through its control of taxation and national economic settings.

In recent years the Commonwealth has taken steps to remove its control on the export of unprocessed wood sourced from timber plantations. These controls served little practical purpose and merely imposed an unnecessary administrative burden, both on exporters and the Commonwealth. The controls have been removed on a State-by-State basis following investigations to ensure that the removal will not have an adverse impact on the environment. The controls have now been removed for all States and Territories with the exception of Queensland and the Northern Territory. The plantation industry continues to seek the removal of all export controls on the grounds that they are an impediment to business and their removal will not result in any adverse impact on the environment.

State & Territory Governments

As land management is primarily a State Government responsibility the majority of the legislation and regulation that impacts on the plantation sector is State based. It is beyond the scope of this submission to review all the State legislation and regulation which impacts on the timber plantation sector. However, some generalisations can be made.

All States have some form of code of practice for timber plantations. These codes generally cover plantation establishment, management and harvesting operations and much of their content is aimed at conservation and environmental protection. The plantation industry strongly supports the use of codes of practice, developed in consultation with industry, as the primary means of ensuring sound and sustainable plantation management.

Most States also have legislation for the preservation of native vegetation and biodiversity, the conservation of soil and the protection of water supply catchments and rivers and streams. This legislation may be generic in nature or may relate to specific land uses or industries.

The plantation sector is particularly concerned with State legislation where it impacts on the ability of a landowner to establish a plantation or to harvest timber from a plantation. Plantations for Australia - the 2020 Vision, a strategy endorsed by the Ministerial Council on Forestry, Fisheries and Aquaculture, includes commitments by State governments to treat plantations as long rotation agricultural crops, to remove uncertainty about harvesting rights and to ensure that commercial tree growing is treated as an "as of right" use (Action 13 p17).

The attached liftout from the Australian Forest Grower Magazine, while slightly out of date, expands on the discussion above and illustrates the complexity of the legislative environment in which the plantation sector operates.

Local Government

Local Government in some State is responsible for implementing some aspects of the legislative land-use planning framework. Thus local governments may seek to control the right of a landowner to plant, manage and harvest a timber plantation. Plantation growers often operate across a wide area and may be required to deal with several local governments all imposing different regulatory conditions and significant costs on plantation growers.

Environmental Benefits of Timber Plantations

The establishment of a timber plantation can deliver significant environmental benefits particularly where the land on which it is grown has been used for intensive grazing or cropping in the past.

Reserved Areas

When planting an area of land to trees, plantation managers generally set aside a significant proportion of the total area in reserves which will not be disturbed or used for production. These areas include streamside or riparian areas, swamps and environmentally sensitive areas such as steep slopes. These areas may be set aside as a result of a regulatory requirement but are often supplemented with areas which the plantation manager voluntarily excludes from planting to achieve conservation objectives. The exclusion of areas from the productive land base represents a significant cost to the plantation owner both in terms of lost production and reduced economies of scale for planting and harvesting operations.

The reservation of areas mentioned above confers a range of conservation benefits many of which can be considered to be public goods. Streamside reserves help to prevent erosion and protect the quality of the water flowing out of the plantation. The protection of remnant vegetation and revegetation of some areas enhances biodiversity by providing habitat for a wide range of plants and animals.

Soil & Water

One of the key environmental benefits of timber plantations is their role in protecting and rehabilitating soil that has been compacted and degraded by intensive use. The growing of a tree crop generally involves initial cultivation of the land before planting, followed by an extended period in which the soil is protected from disturbance or compaction for many years. The growth of tree roots and the additional leaf and bark litter from the trees helps to prevent soil erosion and restores soil structure and organic matter content.

Trees are deep-rooted perennial plants and therefore can play a significant role in the water cycle. In most instances plantations are established on land which has been cleared of trees in the past. Thus the establishment of the plantation helps to restore the hydrological balance that existed prior to tree clearing. Plantations can be used as a tool to assist in the management of water, particularly by the planting of recharge areas to lower ground water and thereby reduce soil salinity.

When located appropriately tree plantations can also provide protection from wind for soils, crops and livestock thus increasing productivity of adjoining land.

Public Good Conservation

Conservation activities carried out by landowners cover a spectrum, from those which are primarily aimed at ensuring the sustainability of the owners production system through to those which provide a significant benefit to the wider community generally, a public good. Allocating the costs of these conservation activities in an equitable manner is therefore difficult because of the need to identify the beneficiaries.

The timber plantation industry accepts its responsibility to manage resources on a sustainable basis and seeks to achieve this primarily through the implementation of codes of practice. However, the plantation industry believes that the significant public good conservation outcomes provided by the expansion of timber plantations should be more widely acknowledged in government policy.

The Standing Committee's inquiry into public good conservation will no doubt draw out a range of options for using public funds, either directly or via the taxation system, to compensate landholders for costs they may incur in the name of public good conservation. The plantation

sector is not seeking direct government funding for plantation establishment but does see a need for recognition and acknowledgement of the significant public good conservation benefits provided by plantations compared to many other land uses. Despite the inherent environmental benefits of plantations, as outlined above, plantations continue to be regulated to a far greater degree than other agricultural enterprises when the opposite should arguably be the case.

In the most extreme cast of public good conservation involving a plantation, a plantation grower may be prevented from harvesting a plantation, specifically established for the purpose of timber production, in order to provide some public good conservation benefit. Under these circumstances the grower should be fully compensated for lost income and it could be argued that the processing industry involved should also be compensated for the loss of resource. Compensation should be provided for in right to harvest legislation. Such legislation exists in some States and is currently being considered in a number of others.

One means of acknowledging the public good conservation benefit of timber plantations without the redistribution of public funds would be for all three levels of government to deliver on their commitment to remove regulatory impediments to plantation expansion. Provision of an unambiguous right for landowners to plant and harvest timber plantations, provided they do so in accordance with codes of practice, would encourage further plantation expansion delivering increase employment, rural income and a range of public good conservation outcomes.

18 May 2000