

Standing Committee on Agriculture and Water Resources

Answers to questions on notice

Agriculture, Water and the Environment Portfolio

Committee: Standing Committee on Agriculture and Water Resources

Inquiry: Inquiry into the timber supply chain constraints in the Australian plantation sector

Question No: 1

Hearing Date: 29 October 2020

Division/Agency: Agvet Chemicals Fisheries Forestry and Engagement

Topic: Maps of the regional forestry hubs

Hansard Page: 1

Question Date: 29 October 2020

Question Type: Spoken

Mr Wilson asked:

Ms Deininger: Thank you very much, Chair. We're happy to go straight to questions. I might make some introductory comments about the regional forestry hubs, and then we can proceed from there.

Thank you for your correspondence and the opportunity to appear today. The PM did announce, in February 2019, that nine regional forestry hubs would be established. They are in a range of areas across different jurisdictions: north-east, central west and the South West Slopes in New South Wales; in Gippsland in Victoria; the Green Triangle, which covers parts of Victoria and South Australia on the border area; North and South-East Queensland; south-west Western Australia; and north-north-west Tasmania, which has been extended, more recently, to all of Tasmania. We have contracted to establish all of those hubs.

CHAIR: Thank you. I might ask if you could provide some maps—certainly, the secretariat can possibly chase that up.

Answer:

A map of the regional forestry hubs is available at agriculture.gov.au/sites/default/files/documents/regional-forestry-hubs.pdf.

The committees for the North Queensland, South East Queensland and Central West New South Wales hubs are yet to define their boundaries, and the areas shown for those hubs are indicative at this time.

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Committee: Standing Committee on Agriculture and Water Resources
Inquiry: Inquiry into the timber supply chain constraints in the Australian plantation sector
Question No: 3
Hearing Date: 29 October 2020
Division/Agency: Agvet Chemicals Fisheries Forestry and Engagement
Topic: Industry's plans to achieve planting one billion trees
Hansard Page: 4
Question Date: 29 October 2020
Question Type: Spoken

Mr Mitchell asked:

Mr BRIAN MITCHELL: Just briefly on the one billion trees: we've heard evidence previously that there's been no quantifiable planting at all since the election promise of last year to proceed with planting one billion trees. Have you got anything else to report on that? Are we making progress on getting those trees in the ground?

Ms Deininger: We mentioned, I think, earlier that there are plans underway, from WA and Victoria and in the green triangle, to expand the plantations and to seek to achieve that target.

Mr BRIAN MITCHELL: So, when we talk about plans, what are the projections for actually getting the trees in the ground? When do we expect to see trees in the ground?

Ms Deininger: I don't have that deeper level of detail to hand. We can certainly see what we can obtain from industry. It is, ultimately, an industry target, and industry is seeking to expand the plantations rather than, of course, the Commonwealth owning the plantations and being responsible in its own right for doing that. As we've discussed with other committee members, we are also trying to change policy to make it more attractive for people to invest in forestry plantations. I'm certainly happy to see what information we can get from the individual jurisdictions in relation to their plans.

Mr BRIAN MITCHELL: Thank you. That's it from me.

Answer:

The planting of new plantation trees, while supported by the National Forest Industries Plan, is a matter for state forestry agencies and the private sector.

Across the country the forestry industry has announced plans that support growing the plantation estate to meet future demand. Examples of this planned or proposed future expansion include:

- The Western Australian Government is seeking private sector support to establish an additional 50,000 ha of plantations over a period of 10 years – www.wa.gov.au/government/announcements/rebuilding-the-western-australian-softwood-plantation-estate.
- The Green Triangle Forestry Industry Hub has identified a need "To grow the forest estate by 200 million trees over the next decade" - gtfih.com.au.
- The Victorian Government is seeking to expand the plantation estate in Gippsland through the provision of the Gippsland Plantations Investment Program. This program is reported as being supported with a Victorian Government investment - www.premier.vic.gov.au/preparing-ground-victorias-plantation-timber-future.

- The Softwoods Working Group in its submission to the Inquiry has stated that it has made a case to the NSW Government for 30,000 hectares of plantation expansion in the south west slopes of New South Wales - www.aph.gov.au/Parliamentary_Business/Committees/House/Standing_Committee_on_Agriculture_and_Water_Resources/Timber_supply/Submissions.

The Australian Bureau of Agricultural and Resource Economics and Sciences produces annual reports through the National Plantation Inventory that report on Australia's plantation statistics. The most recent report is available at: www.agriculture.gov.au/abares/research-topics/forests/forest-economics/plantation-and-log-supply#australian-plantation-statistics-2020-update.

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Committee: Standing Committee on Agriculture and Water Resources
Inquiry: Inquiry into the timber supply chain constraints in the Australian plantation sector
Question No: 4
Hearing Date: 29 October 2020
Division/Agency: Agvet Chemicals Fisheries Forestry and Engagement
Topic: Carbon credit arrangements
Hansard Page: 5
Question Date: 29 October 2020
Question Type: Spoken

Mr Mitchell asked:

ACTING CHAIR: Thank you. I've heard that the complexity of accessing these carbon credits is incredibly difficult to navigate. Agents are popping up, as happens in the commercial world. They are brokers who are brokering these carbon deals and taking commissions—I've heard of them being up to 40 per cent—on the deal. Talk about making money out of thin air! What plans are there to simplify this process so that corporate entities and others can access these carbon credits without going through the usual gatekeepers?

Ms Deininger: I'll have to take that one on notice. The actual carbon credit arrangements are run by the Clean Energy Regulator, and so they're responsible for all the administrative arrangements, the auction process and so on. So I am happy to take that on notice. I'm not familiar with the detail of how the process works.

I'd also like to correct my earlier evidence. I said southern Tasmania in relation to the forestry hub that was able to access the Emissions Reduction Fund. I should have said northern Tasmania, so I apologise to the committee. But we'll take that on notice in relation to the carbon credit arrangements and any complexity or otherwise and take that up with the Clean Energy Regulator.

Answer:

The Department of Agriculture, Water and the Environment has sought advice from the Department of Industry, Science, Energy and Resources in relation to this question.

The Australian Government's Emissions Reduction Fund supports activities to reduce emissions across the economy, including growing trees to store carbon. The Fund is designed to deliver low cost, emissions reductions that are additional to business as usual, and which count towards Australia's emissions reduction targets.

Some participants choose to engage a third-party carbon service provider to help them develop and run projects. The services provided may include: preparing and submitting project applications; obtaining consents from entities with an eligible interest in the land (such as banks); mapping project areas; conducting on-ground monitoring; estimating emissions reductions; engaging independent project auditors; submitting project reports; and applying for Australian Carbon Credit Units and selling them to the Australian Government or third parties.

The government appointed an independent Expert Panel to examine additional sources of low-cost abatement (the King Review) in 2019. The Expert Panel made recommendations on enhancing the Emissions Reduction Fund to encourage greater participation. The government has begun implementing a number of these recommendations. For example, the government

has amended water interception requirements to reduce the regulatory burden for plantation and farm forestry projects.

In addition, the government recently announced additional funding of \$40.4 million over 10 years from 2020-21 for the Clean Energy Regulator to reduce the regulatory burden for participants in the Emissions Reduction Fund. This includes developing: a new exchange platform for Australian Carbon Credit Units to reduce the costs associated with the buying and selling of units and make it easier for sellers to connect with third party buyers; and new information technology systems to reduce timeframes for project registration and crediting.

The Clean Energy Regulator is also exploring other ways to reduce transaction costs, particularly to allow smaller projects to participate in the Emissions Reduction Fund. A key focus is streamlining audit processes to identify efficiencies for auditors and project proponents. This includes exploring aspects where new geospatial tools, applications and improvements to online systems may complement existing audit processes or be an alternative assurance mechanism. To support this work the Clean Energy Regulator will consult with stakeholders on the ways in which participation could be made easier, particularly for smaller projects.

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Committee: Standing Committee on Agriculture and Water Resources
Inquiry: Inquiry into the timber supply chain constraints i
Question No: 5
Hearing Date: 29 October 2020
Division/Agency: Plant and Live Animal Exports Division
Topic: AQIS certificate issued in relation to timber exports
Hansard Page: 7
Question Date: 29 October 2020
Question Type: Spoken

Mr Wilson asked:

CHAIR: I just have one last question, if I can take you back to the export data. Does AQIS issue a phytosanitary certificate on timber that crosses the wharf and is exported? Does anyone know the answer to that?

Ms Deininger: Thanks for your question. We don't know any representatives from our biosecurity area here, so we will take on notice what kind of certificates are issued in relation to exports of timber.

CHAIR: Thank you. And if you could also sort of find out if they drill down a little bit more into whether wood chips are treated differently to logs, et cetera, that might actually provide us with a little bit more accurate data on exactly what's gone over the port. I'm sure that they would be able to bring that back to a port-by-port basis because they are obviously issuing those certificates on a on a cargo-by-cargo basis.

Answer:

The Department of Agriculture, Water and the Environment issues phytosanitary certification for timber, logs and woodchips where an importing country requires it. If an importing country does not require phytosanitary certification, then Australia will not issue a phytosanitary certificate.

If a phytosanitary certificate is required, then the commodity (logs or woodchips) and the container or empty bulk vessel are inspected by an Authorised Officer to ensure they are free of pests before certification is issued.

The process for the inspection and issuance of phytosanitary certification is the same for all Australian ports.