

14 December 2010

Committee Secretary
Senate Standing Committee on Rural Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

(e) rat.sen@aph.gov.au

Dear Sir/Madam,

Re: Australian Plantation Products and Paper Industry Council (A3P) Submission to the Senate Standing Committee on Rural Affairs and Transport Inquiry into 'The Management of the Murray Darling Basin'.

Thank you for the opportunity to make a written submission to the Senate Standing Committee on Rural Affairs and Transport Inquiry into 'The Management of the Murray Darling Basin' (SRAT MDB Inquiry).

Please note that this letter and our comprehensive submission on the '*Murray Darling Basin Authority's Guide to the Proposed Basin Plan*' (**appended as Attachment 1**) forms the basis of A3P's written response to the SRAT MDB Inquiry.

A3P is the national industry association representing the interests of all segments of the plantation-based wood products and paper manufacturing industry. A3P member's employ more than 13,500 people in plantation management, sawmills, panel board, and paper manufacturing plants, mainly in rural and regional areas. Each year A3P members create and sell more than \$4 billion of products, produce more than 12 million cubic metres of logs, 3 million cubic metres of sawn timber and more than 2 million tonnes of paper. A list of A3P members and statistics on their operations is available from the A3P website: www.a3p.asn.au.

A3P members include significant forestry plantation managers and significant wood product and paper manufacturers. Forestry plantations are directly involved in the water cycle playing a role in water interception and the protection of water quality. Wood product and paper manufacturers use water within their processes and are large regional employers.

A3P acknowledges the importance of good management of water resources. As a responsible land user, the forestry plantation industry has a role to play in water management. Forestry plantations occupy only 0.28% of the land area in the MDB. However, this small plantation area supports a vibrant wood product manufacturing industry which is a vital socio-economic contributor to several regional centres/towns.

Many Australian plantation managers have achieved sustainable forest management (SFM) certification to substantiate their management credentials. SFM standards include forest management criteria requiring the protection and good management of water resources for water quality, water flows, and the prevention of water pollution.

Specific principles for equitable, efficient and effective water policy that should be considered and addressed in the SRAT MDB Inquiry (in conjunction with the contents of our attached submission on the '*Murray Darling Basin Authority's Guide to the Proposed Basin Plan*'), to better reflect the spirit and principles of the National Water Initiative and other policy principles, appreciate the role that plantations play in the landscape (both socio-economic and environmental), and achieve equitable water management outcomes include:



29 Torrens Street
BRADDON ACT 2612
AUSTRALIA

T +61 2 6273 8111
F +61 2 6273 8011
W www.a3p.asn.au

1. Significance

Effective policy should include the appropriate determination of the 'significance' of an interception activity in the context of the relatively small significance of plantations within broad catchments. Moreover, the scale and location of plantations within sub-catchments is important as well as timing, management and other factors.

2. Equitable treatment of all land uses

Timber plantations are an 'as-of-right' crop raising activity and must be treated on an equitable basis with other agricultural land uses. Any policy that includes interception activities must include all new, significant water interception activities. There is a need for a better understanding of all water users outside the water entitlement framework.

3. Management of new or additional land use change

The baseline determined by any policy or action must not be retrospective but recognise the current mix of land uses existing at the date that a policy or action is determined. Existing rights and entitlements must be recognised as the rights for water use by land-use do exist and they are implicit in the value of the land retaining option value.

4. A change in rotation does not constitute a change in land use

This is applicable to all crops, including timber plantations.

5. The impacts of water interception from land use change must be considered in conjunction with its benefits to the community

Changes in land use can provide environmental benefits such as carbon storage, water quality, and salinity mitigation as well as socio-economic benefits to the community. Plantations and associated industry has a large direct and indirect socio-economic impact on rural regional communities providing wealth, employment (often professional) and flow-on services for these communities must be taken into account.

6. Technical decisions should be based on evidence and sound repeatable science

Forestry water use must be kept in perspective. Localised and cumulative impacts should be considered. Significance must be measured in terms of scale as well as intensity and factors such as geography, site characteristics, timing and management considered.

7. The benefits of intervention must outweigh the costs

The benefits of a policy measure or intervention must outweigh the costs (potential complexity of licensing, establishing water rights and the trading of these rights), a targeted approach is required. There is no case for a state-wide or region-wide regulatory framework.

The impacts of land use change on water resources are not uniform and an approach targeting highly stressed areas within a broader policy approach may be appropriate. In such cases, there must be transparent, predictable and equitable rules for determining when an area is highly stressed.

Poorly designed policy can result in unintended policy outcomes that may result in unsustainable industry activity and plantation investment, due to increased uncertainty and/or costs of potentially inequitable water policy development.

8. Policy should focus on managing the water not the land use activity

The forestry industry looks forward to working constructively with the SRAT MDB Inquiry.

If you have any questions about this letter, or A3P's attached submission on the '*Murray Darling Basin Authority's Guide to the Proposed Basin Plan*', please contact myself.

Yours sincerely

RICHARD STANTON
Chief Executive Officer

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ATTACHMENT 1: A3P's Submission on the 'Murray Darling Basin Authority's Guide to the Proposed Basin Plan'.