



Australian Government

Australian Government response to the
Standing Committee on Agriculture and Water
Resources report:

Aussie logs for Aussie jobs: Inquiry into timber supply
chain constraints in the Australian plantation sector

MAY 2024

Introduction

The House of Representatives inquiry into timber supply chain constraints in the Australian plantation sector commenced on 11 June 2020.

The committee tabled its report in Parliament on 23 March 2021. The report, *Aussie logs for Aussie jobs: Inquiry into timber supply chain constraints in the Australian plantation sector*, contains 10 recommendations.

Response to the recommendations of the report

Recommendation 1

The Committee recommends that the Australian Government establishes two additional Regional Forestry Hubs, in the north part of the Northern Territory and in south eastern New South Wales.

The Australia Government **notes** this recommendation and that these 2 additional hubs have been established.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 2 (points 1 and 2)

The Committee recommends the Department of Agriculture, Water and Environment ¹ supports the industry, in the most cost-effective means possible, to develop a voluntary code of conduct to facilitate access to timber by Australian softwood processors.

- The voluntary code would be underpinned by the relationship between plantation owners and timber processors.
- The industry should aim to undertake the development and implementation of the code as quickly as possible, ideally within 12 months.

The Australia Government **notes** this recommendation.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 2 (point 3)

- After two (2) years of operation, the code should be reviewed by the Australian Competition and Consumer Commission and any changes recommended by the ACCC should be implemented.

The Australia Government **notes** this recommendation.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

¹ Now the Australian Government Department of Agriculture, Fisheries and Forestry.

Recommendation 3

The Committee recommends that the Department of Agriculture, Water and Environment,² in consultation with key stakeholders, develop an index of relevant softwood log prices. The Department then undertakes to publish the index and ensure its continued maintenance and currency.

The Australia Government **notes** this recommendation.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 4

The Committee recommends that the Productivity Commission undertake a review of the regulatory settings relating to the establishment of plantations. This should include current and potential incentives and barriers as well as existing and possible taxation regulations. In particular, the review should consider:

- possible options for minimising the impact of period inequity on plantation growers
- the taxation and superannuation effects of farmers engaging in farm forestry activities
- improving the liquidity of plantation assets
- any other potential incentives for, and barriers to, plantation growth and their broad economic impacts.

The Australia Government **notes** this recommendation.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 5

The Committee recommends that the Australian Government and State and Territory Governments support a significant increase in Australia's forestry research and development capabilities. In particular, this support should:

- focus on the development and commercialisation of new products with the potential to increase demand for Australian timber
- explore and adopt opportunities for increased on-shore value adding to Australian timber products.

The Australia Government **notes** this recommendation.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

² Now the Australian Government Department of Agriculture, Fisheries and Forestry.

Recommendation 6

The Committee recommends that the National Farm Forestry Strategy should include:

- information, tools, and extension services that support farmers to make decisions regarding plantation establishment and management
- options to assist farm foresters aggregate harvests to better integrate with the supply needs of processors.

The Australia Government **notes** this recommendation.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 7

The Committee recommends that the Clean Energy Regulator, during its review of the Emissions Reduction Fund method for plantation forestry, consider the options for inclusion of the carbon abatement embodied in wood products.

The Australia Government **notes** this recommendation.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 8

The Committee recommends that work be accelerated to develop an Emissions Reduction Fund methodology for carbon stored in the built environment.

- this work should be underpinned by ongoing work to enhance existing methodologies for farm forestry and plantation forests.

The Australia Government **notes** this recommendation.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 9

The Committee recommends that recent changes to the Emissions Reduction Fund rules relating to rainfall levels for plantations be applied to all Regional Forestry Hub regions.

The Australia Government **notes** this recommendation.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 10

The Committee recommends that the Australian Government prioritise new carbon abatement projects which deliver co-benefits to the Australian economy beyond carbon storage, including, but not limited to, supporting local industry, creating and sustaining jobs, and generating new downstream manufacturing opportunities.

The Australia Government **notes** this recommendation.

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.