

14 November 2022

Soils and Vegetation, Emission Reduction Division
Department of Climate Change, Energy, the Environment and Water
Canberra ACT 2601

RE: Proposed removal of 'water rule' for plantation forest carbon credit projects

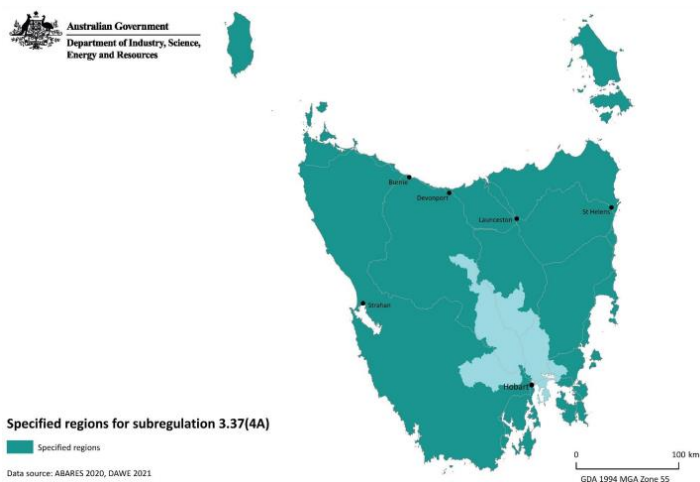
The Tasmania Forest Products Association (TFPA) welcomes the opportunity to make a submission to the Australian Government's Proposed Amendments to the Requirements for Commercial Forestry Projects – the Water Rule Consultation Paper (the Consultation). TFPA supports the Australian Forest Products Association submission made with respect to the Consultation.

The TFPA is the peak body for forestry in Tasmania that undertakes policy development, lobbying and advocacy for members interests. TFPA represents all elements of the value chain from the sustainable harvesting of plantations and multiple use natural forest resource including forest establishment and management, harvesting, processing of timber resources and manufacture of pulp, paper and bioproducts.

TFPA supports the removal of the 'water rule' through repeal of section 20AB of the Carbon Credits (Carbon Farming Initiative) Rule 2015. We acknowledge that this action is part of the Australian Government's commitment to improve carbon farming opportunities for farmers and landowners and to enable additional investment in new timber plantations.

The 'water rule' prevents plantation forestry and farm forestry projects accessing the carbon market in areas with annual average rainfall above 600mm. This rule is discriminating against plantation investment in southern Tasmania (Figure 1).

Figure 1 Specified Regions for Carbon Credits (CFI) Regulations (ABARES 2020, DAWE 2021)



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A change to the ‘water rule’ means that landowners in southern Tasmania, with an interest in diversifying into tree crops, will be eligible for carbon credits under the Emissions Reduction Fund and the voluntary carbon market.

From a State regulatory viewpoint there are two key areas of regulation with particular importance for any consideration of maintaining and expanding the plantation forest estate, being:

1. Tasmania’s forest practices system applies as a single regulatory framework across all tenures and all forms of forest management. It is supported in legislation by the Forest Practices Act (1985). The Act oversees a comprehensive regulatory and governance system for forest management in the State, for which the practical mechanism is the Forest Practices Code.
2. The Protection of Agricultural Land policy was implemented by the State government in order “..to conserve and protect agricultural land so that it remains available for the sustainable use and development of agriculture, recognising the particular importance of prime agricultural land.” The Policy constrains the establishment of new plantation forestry on prime land, unless a planning scheme reviewed in accordance with the Policy allows for it.

Together, these regulatory instruments guide new plantation establishment through the regulatory process (Figure 2). To remove a barrier, which is the ‘water rule’ will provide further choice for landowners to incentivise investment in sustainable plantation and farm forestry projects.

Figure 2 Tasmania’s new plantation regulatory process¹



¹ Greenwood Strategy (2021), Planning and Approvals Requirements for New Plantations in Australia, Greenwood Strategy Solutions.

We recommend change to section 20AB of the Carbon Credits (Carbon Farming Initiative) Rule 2015 to bring southern Tasmania in line with the rest of the State by removing the highly contested rainfall regulation, known as the 'water rule'.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Nick Steel', with a small dot at the end.

Nick Steel
Chief Executive Officer