

2 February 2009

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Dear Hugo,

Re: Submission on the Draft South East Regional Natural Resource Management Plan.

Thank you for the opportunity to make a written submission on the Draft South East Regional Natural Resource Management Plan (SE NRM Plan).

The Australian Plantation Products and Paper Industry Council (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 land/plantation managers, wood and paper processors. Plantations are an integral part of the water cycle in their immediate environment via water transpiration and filtration. The role of plantations in protecting soil and water quality is seen to be more significant than the potential water interception impacts of plantations.

- ***Plantations and Water in Australia***

When properly planned and managed, plantations can contribute to more sustainable land use in rural areas by providing many environmental, social and economic benefits with little impact on water availability. The challenge is to encourage a national water policy framework (and its dissemination to State and regional water policy and plans) which supports plantation development where they have the most commercial and environmental benefits, and understand their impact on water flows and the water cycle.

Recommendation 1: *The SE NRM Board and the SE NRM Plan should acknowledge the key role plantations play in providing many environmental, social and economic benefits at a regional scale.*

- ***Status of the Draft South East Regional Natural Resource Management Plan water management principles***

A3P notes the comment on page 46 of the draft South East Regional Natural Resource Management Plan (SE NRM Plan). *"NOTE: The operation of principles relating to managing the impacts of commercial forestry on underground water resources, are subject to a regulation being made to ensure that commercial forest and farm forestry of this class require a permit."*



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This note confirms that the SE NRM Plan proposed principles regarding plantations interception of water are premature, pre-emptive in nature, and provide further significant uncertainty to stakeholders, as it is reliant on applicable enabling legislation (i.e. *Natural Resources Management (Commercial Forests) Amendment Bill 2009*) to be passed by the SA Government, and the form of that legislation has not been finalised (which will impact directly on principles and proposals in the current SE NRM Plan. The *Natural Resources Management (Commercial Forests) Amendment Bill 2009* has been referred to the Natural Resources Committee of Parliament for a review and further consideration with engagement with stakeholders.

Recommendation 2: *The SE NRM Board delay and revisit the draft SE NRM Plan unless/until the necessary enabling legislation is finalised and enacted.*

- **Overview of the Australian Plantation Industry National Water Policy**

In July 2007, the Australian plantation industry, represented by A3P, Australian Forest Growers, the National Association of Forest Industries, and Timber Communities Australia released a national water policy. The policy details the industry's views on the National Water Initiative (NWI) and how the NWI clauses dealing with water interception should be dealt with in the development of regional water plans.

The policy advocates that:

1. Plantation forestry is a dry-land (non-irrigated) agricultural land use and any policy contemplated in relation to interception of water by plantations should be considered only as part of a full debate on water interception by all dry-land agricultural land uses;
2. All policy on water interception must be underpinned by sound, repeatable and reliable science;
3. All policy on water interception should take into account issues of water quality as well as water quantity;
4. Clauses 55-57 of the National Water Initiative should only be implemented as written, that is, constrained to consideration of land use change (for example new plantations) not existing land uses;
5. Any inclusion of land use change to plantation forestry in a water entitlement system must take into account the differences between the physical extraction of water from the water supply system by humans and the natural interception of water by plants.

Please refer to the “*Australian Plantation Industry National Water Policy*” (**Attachment 1**).

A3P acknowledges the importance of good management of water resources. As a responsible land user, the plantation industry has a role to play in water management. 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.

Recommendation 3: *The SE NRM Board consider the key principles detailed in the Australian Plantation Industry National Water Policy.*

- **Some Issues from the draft SE NRM Plan discussed.**

A3P has read the draft SE NRM Plan in light of the principles detailed in the *Australian Plantation Industry National Water Policy*, NWI principles and the current status of the *Natural Resources Management (Commercial Forests) Amendment Bill 2009* (currently referred to the Natural Resources Committee for consideration).

A3P details the following issues:

- Fundamental principles detailed under the NWI seem to have been either ignored or misaligned in the draft SE NRM Plan such as:
 - the evaluation of the significance of plantations on water flows and the water cycle within the landscape;
 - the proposed retrospective application and impacts of water management principles to existing land-uses, causing significant uncertainty and potential cost to stakeholders (land managers) that have existing operations.
- There are multiple layers of policy and resulting regulation that apply to aspects of natural resource management, and in many cases these are not complementary or consistent. Examples include proposed principles under the NRM plan, SA State Guidelines, Water Allocation Plan (WAP), Murray Darling Basin Management Plan, NWI principles, and other State's policy;
- Carbon sequestration focused plantings proposed hurdles are seen to be too precautionary and prohibitive (such as the assumption of 100% recharge interception and the proposed high extraction rate of 2.55mL/ha/year). These draft hurdles (and the principles of the SE NRM Plan) are then proposed to be applied across the whole NRM region;
- Proposed separate permit under the SE NRM Plan to permits under draft WAP. Again multiple layers of regulation, increased uncertainty, increased cost and possibilities of non-complementary or contradictory requirements under the permits and plans;
- There is a fundamental issue with the principle of the permit proposed, essentially authorisation to undertake the continuation of long-term existing regulated land-use activities;
- The need to include specific forestry provisions with the draft SE NRM Plan (additional to other land-use activities) especially in such detail is questioned;
- Short timelines such as 1 July 2010 implementation, in order to consider stakeholder input and revise the draft SE NRM Plan more time is needed;
- More details are required regarding the process for obtaining a plantation permit (such as timing of application, timeliness of response etc);
- Uncertain whether a plantation permit is required for second rotation plantings on an previously established plantation site;
- Uncertain whether a new plantation permit is required when plantation stocking (i.e. tree numbers) or plantation area is increased on an established plantation site; and
- The fallow period provision detailed in the draft SE NRM Plan is seen as unnecessary, restrictive, and should be revisited.

This is not an exhaustive list of potential issues but they are representative of the types of concerns that A3P has with the draft SE NRM Plan.

Recommendation 4: *The SE NRM Board consider addressing the key issues detailed above in the draft SE NRM Plan.*

- **Community and Stakeholder Engagement in Developing the NRM Plan**

Although A3P appreciates the SE NRM Board's desired timelines for development of the draft SE NRM Plan it should not be at the expense of a measured, evidence-based approach (incorporating the results of existing and proposed research studies and programs) that has effective community and stakeholder engagement and consultation before finalisation of the SE NRM Plan.

Recommendation 5: *Further effective community and stakeholder consultation should be conducted by the SE NRM Board prior to finalisation of the SE NRM Plan.*

- **Conclusion**

A3P urges SE NRM Board to consider the recommendations detailed above, and the elements of the *Australian Plantation Industry National Water Policy* when dealing with relevant natural resource management issues and water interception planning in the draft SE NRM Plan.

The plantation timber industry looks forward to working constructively with SE NRM Board as the draft SE NRM Plan is further developed and finalised.

Yours sincerely

GAVIN MATTHEW
Manager Plantation Resources

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ATTACHMENT 1: Australian Plantation Industry National Water Policy.

National Water Policy

The Australian plantation industry

The Australian community is becoming increasingly aware of the need to use our water resources more efficiently. As a responsible land user, the plantation industry has a role to play, in national water management alongside other dryland agricultural land users.

To assist this process the Australian plantation industry, represented by the Australian Plantation Products and Paper Industry Council (A3P), the Australian Forest Growers (AFG), the National Association of Forest Industries (NAFI) and Timber Communities Australia (TCA) has developed a national water policy and principles for dealing with interception in regional water plans.

National water policy

1. Plantation forestry is a dryland (non-irrigated) agricultural land use and any policy contemplated in relation to interception of water by plantations should be considered only as part of a full debate on water interception by all dryland agricultural land uses;
2. All policy on water interception must be underpinned by sound, repeatable and reliable science;
3. All policy on water interception should take into account issues of water quality as well as water quantity;
4. Clauses 55-57 of the National Water Initiative should only be implemented as written, that is, constrained to consideration of land use change (for example new plantations) not existing land uses.
5. Any inclusion of land use change to plantation forestry in a water entitlement system must take into account the differences between the physical extraction of water from the water supply system by humans and the natural interception of water by plants.

Supporting organisations:



Discussion:

The plantation industry acknowledges that:

- Forests (native and plantation) intercept a greater proportion of the total rainfall they receive than does grassland or pastures.
- Plantations are however, typically a much smaller proportion of the land area than other dryland agricultural land uses and the overall effect on water interception may be smaller in significance than the more extensive land uses.
- Forests (native and plantation) play an important and positive role in protecting and improving water quality by protecting soil from erosive forces. Plantations can also assist in managing dryland salinity by reducing recharge to groundwater and thereby potentially reducing salinity of waterways.
- The National Water Initiative (NWI) identifies certain land use change activities (including large scale plantation forestry) as having the potential to intercept significant volumes of surface / ground water.
- The NWI requires assessment of the significance of the impact of these land use change activities on catchments and aquifers, based on an understanding of the total water cycle, economic and environmental costs and benefits of the activities of concern.
- Appropriate planning, management and regulatory measures will be applied to land use change activities where necessary to protect the integrity of the water access entitlements systems and the achievement of environmental objectives.

The plantation industry considers that the implications of the interception of rainfall by plantations has been greatly exaggerated. This exaggeration has occurred in several ways:

- Plantation expansion scenarios are unrealistic and always biased grossly towards extreme overestimates (e.g. the CSIRO and MDBC publication "Risks to the Shared Water Resources of the Murray-Darling Basin" (MDBC Publication 22/06).
- Scaling up from small catchment studies has not adequately taken account of the areas within a plantation that are not intercepting at the 'maximum' rate. For example generally between 10 and 30% of the gross plantation area is not planted due to native vegetation retention, streamside buffers, roads and firebreaks. Within the planted area interception is reduced by fallow periods, time before canopy closure and plantation thinning.
- 'Impact' or water consumption figures are sometimes taken at source and ignore the very significant evaporation losses associated with the very large distance between the plantation and the downstream allocation owner.

Principles for Dealing with Interception in Regional Water Plans

The plantation timber industry continues to make a positive contribution to the implementation of the NWI. The following framework has been developed to assist the process of considering interception activities in the development of water plans:

1. A community consultation process on its own is not adequate to determine the significance of increased water interception associated with land use change. The significance must be demonstrated by science and socio-economic analysis conducted within the following principles.
2. Identification of significant interception resulting from land use change should include all forms of change in land use and land management practices which may result in increased or decreased interception of surface and/or ground water, including:
 - farm dams and bores;
 - interception, diversion and storage of overland flows;
 - clearing of native vegetation for urban development or agriculture;
 - afforestation and reforestation of land previously cleared for agriculture (whether natural or human induced);
 - new crop establishment including:
 - timber plantations;
 - horticulture;
 - grains; and
 - fodder crops.
 - changes in agricultural land management practices including:
 - stubble retention;
 - minimum or zero tillage practices; and
 - pasture improvement, rotational grazing, perennial pastures and drought resistant crops.
 - changes in plantation management practices including:
 - rotation age;
 - species;
 - thinning regimes;
 - period of fallow between crops; and
 - treatment of logging slash.
 - removal and regeneration of vegetation by controlled or uncontrolled fire.
3. For each of the above forms of change in land use and/or land management practices within a water plan region the following should be quantified as accurately as possible:
 - the magnitude of likely impact on water quantity and quality over the plan period;
 - the variability of this impact from year to year; and
 - the error associated with the above estimates.
4. The estimation process must deal accurately with the extrapolation of impacts from detailed level (e.g. individual dam, plantation or paddock) up to a catchment or regional scale. This extrapolation process must accurately reflect the extent, configuration and timing of the land use or management practice change which is leading to the impact on water yield.
5. The threshold size of the interception to be used as the basis for defining the significance of a water interception activity should be determined having regard to regional circumstances and taking account of impacts on regional natural resource management outcomes.
6. The efficiency of the use of intercepted water to provide community, environmental and economic benefits through plantation management should be understood and compared with the efficiency, benefits and disbenefits of potential alternative water uses.

Supporting organisations:



The Australian Plantation
Products and Paper
Industry Council (A3P)
www.a3p.asn.au



The Australian Forest
Growers (AFG)
www.afg.asn.au



The National Association
of Forest Industries
(NAFI)
www.nafi.com.au



Timber Communities
Australia (TCA)
www.tca.org.au