

14 February 2014

Water Law Review
PO Box 500
East Melbourne, Victoria 3002

Submission on the Water Bill Exposure Draft

The Australian Forest Products Association (AFPA) welcomes the opportunity to provide a submission on the Victorian Water Bill Exposure Draft.

AFPA is the peak national body for Australia's forest, wood and paper products industry. We represent the industry's interests to governments, the general public and other stakeholders on matters relating to the sustainable development and use of Australia's forest, wood and paper products.

AFPA has had a long history of stakeholder engagement in the development of water policy, including the National Water Initiative and the associated legislation and regulations being developed by state governments.

AFPA notes that the Victorian Association of Forest Industries (VAFI) has also made a submission on the Water Bill Exposure Draft. AFPA fully support the VAFI submission which addresses the detail of the draft Bill. This submission compliments the VAFI submission and draws attention to the need to be consistent with the principles of the National Water Initiative and identifies key points of concern.

Water Policy Principles

In drafting the Water Bill, the Victorian government must apply equitable, efficient and effective policy that is consistent with the principles of the National Water Initiative (NWI). This requires:

Equitable treatment of all land uses

All land-uses should be treated fairly and all forms of land-use considered equal. Timber plantations should be treated the same as other agricultural land uses and considered an 'as-of-right' crop.

An appropriate determination of 'significance'

Effective policy should consider the 'significance' of an interception activity in the context of its impact across the broader landscape. This should take into account the scale and location of plantations within a sub-catchment, as well as the timing, management and other factors.

Management of new or additional land use change

Baselines should be established that recognise the mix of land-use at the time the policy is introduced. To be consistent with the NWI, the policy should be not be retrospective. Existing rights and entitlements should be maintained, with the policy measures dealing only with land use change and additional activities.

Consideration given to the overall benefits to the community

The impacts of water interception from land use change must be considered in conjunction with the overall benefits of the activity to the community. This requires the policy to take into account the co-benefits of land-use change i.e. the additional social, economic and environmental benefits of plantations. For example, new plantation establishment can provide environmental benefits, such as carbon sequestration, salinity control, water quality, etc. Similarly, plantations expansion and associated industry development has a large direct and indirect socio-economic impact on rural regional communities. Policy should aim to maximise the total benefit to the community and not focus narrowly on water use to the detriment of other important economic, social and environmental benefits derived from a given land-use.

Technical decisions should be based science

Water interception policies must be underpinned by sound, repeatable and reliable science. There must be transparent, predictable and equitable rules for assessing the water interception associated with land use change. Assessment of the significance of water interception by plantations must take into account the scale and intensity of the impact and as well as geography, site characteristics, timing and management.

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

Comment on Water Bill Exposure Draft

Although the water bill exposure draft incorporates some of the above water policy principles, there are several issues that need to be addressed. AFPA is concerned that the draft Water Bill continues to single out commercial plantation forestry activities, with *'targeted controls ... proposed for new forestry plantations to manage the long-term risks to water resources'*. This places restrictions on the establishment of new plantation in the *'declared forestry areas'* that are not applied to other land use activities. AFPA assert that it is inequitable to require plantation owners obtain take and use licences or offset approvals for new plantation establishment when this is not required of other agricultural activities. Plantations should be recognised as an *'as-of-right'* crop and be treated in the same way as other agricultural crops.

This approach is inconsistent with the NWI, which does not single out plantations with *'declared forestry areas'*, instead uses the term *'interception management area'*. The NWI approach takes into consideration water interception by all activities in catchments and sub-catchments deemed to be high risk and/or over allocated.

It is acknowledged that the proposed Bill is not retrospective, with existing plantations and subsequent rotations not required to have a take and use licences or offset approvals. However, the water use entitlements of existing plantation owners are unclear. If the Victorian government continue to pursue *'targeted controls'* for new plantation establishment in *'declared forest areas'*, then, to be equitable, it must also give plantation owners tradable rights over any change in water interception. In

situations where plantations are harvested and not replanted (returned to pasture or a broad-acre crop), the landowners should have the right to sell any change in water interception associated with the land-use change.

In singling out new plantation establishment, the Victorian government should be aware that there are likely to be unintended consequences for other key policies related to carbon emissions offsets, salinity control, water quality, etc. The economic burden of the additional requirements for new plantations in 'declared forestry areas' will effectively make any future plantation expansion uneconomic and potentially limit any further plantation development in Victoria. Further, singling out plantations in a 'declared forestry area' may lead to other perverse outcomes, with the plantation area within a catchment remaining the same or decreasing, but water availability still adversely affected by increases in other interception activities, eg. increases in farm dams, modified pastures, etc.

Finally, AFPA recommend that the Victorian government adhere to the principles of the National Water Initiative (NWI) and ensure that the Water Bill treats all land use activities equitably and fairly.

For any further queries or clarification please contact me on (02) 6285 3833 or peter.grist@ausfpa.com.au.

Yours sincerely



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