



Speech by

Hon. S. ROBERTSON

MEMBER FOR STRETTON

Hansard 19 June 2001

FORESTRY AND LAND TITLE AMENDMENT BILL

Hon. S. ROBERTSON (Stretton—ALP) (Minister for Natural Resources and Minister for Mines)
(12.40 p.m.): I move—

That the bill be now read a second time.

This bill amends the Forestry Act 1959 and the Land Title Act 1994 to clarify the legal ownership and property rights of landowners and other parties in carbon absorbed or stored by trees and other vegetation on freehold land in Queensland.

Honourable members are aware that the Kyoto protocol to the United Nations Framework Convention on Climate Change, to which Australia is a signatory, envisaged an emissions trading scheme that incorporates carbon credit trading for offsetting emissions. This has initiated significant global interest in forestry plantations to potentially generate carbon credits from carbon sequestered in timber plantations, forests and other vegetation.

Even though the Commonwealth recognises the benefits that may be gained to the economic value of Australia's forests, it has been indicated that legislative recognition of rights to carbon commodities is the responsibility of state and territory authorities. International investors, principally from Japanese and Chinese corporations, continue to investigate the commercial viability of plantation investments in Queensland and opportunities to generate carbon sequestration, conditional on a legislative mechanism to recognise ownership of rights.

It is understood that some investors may be awaiting passage of legislation to recognise property rights in carbon prior to investing. Investments have already occurred involving the separation and transfer of rights to carbon in New South Wales. In Queensland similar agreements have been entered into between the Queensland Department of Primary Industries and Greenfield Resource Options. Heightened investor interest indicates that action should be taken to position Queensland to take full advantage of forestry investment in the event that a possible emissions trading scheme is established.

Instituting a legislative framework to recognise carbon rights remains justified in the uncertain international policy environment arising from the pronouncement of President Bush of the United States of America revoking commitment to the Kyoto protocol. Legislative recognition of carbon commodities seeks to provide some legal certainty to investors in any future global emissions trading scheme and does not promote or guarantee particular carbon trading arrangements.

Until the status of the Kyoto protocol and issues pertaining to the use of flexibility mechanisms—for example, emissions trading—are resolved, it is uncertain whether, and to what extent, carbon sequestration may be permitted to offset greenhouse gas emissions. Action should be taken to position Queensland to take full advantage of forestry investments and minimise the competitive advantage of other jurisdictions in attracting investment due to having similar legislative mechanisms already instituted. I would say at this juncture that the bill is not about tree clearing or related issues.

The bill is simple in its intent and operation. It principally defines natural resource products and carbon stored and sequestered by trees and vegetation. It will permit landowners and other interested parties to enter into contracts about the ownership, use and economic benefits of those natural resource products on freehold land in Queensland. The contracts enable the separation of ownership

and/or interests in the natural resource product and the contract may be registered on the indefeasible land title to the freehold land as a recognised land interest, known as a profit a prendre, under the Land Title Act 1994.

The bill is the first step to establishing a generic framework pertaining to natural resource products in an effort to provide a context for focusing and linking ownership and dealing in other natural resource commodities that may arise in the future. The Forestry Act 1959 is considered the most appropriate legislation to amend, as it is concerned with forests and associated products on all land tenure and will simplify the process of enabling parties to register interest and deal in natural resource products. In addition, the bill includes a number of minor amendments for legislative clarity.

In a complementary initiative, the government is also looking at ways to increase the range of activities land-holders can undertake on leasehold land to improve their economic viability. There has been an increase in applications from lessees of grazing leases to diversify into various other activities to improve their economic position and the sustainable use of their properties. Present policies are based on a narrow interpretation of the legislation and lease conditions are restricting some lessees from undertaking diversified activities. Currently, a lease may be used only for the purposes for which it was issued and term leases for pastoral purposes must be used for agricultural or grazing purposes, or both.

Policies have not kept pace with the potential for land-holders to diversify. We need to address the restrictive nature of these policies so we do not deny land-holders economic benefits and possible positive environmental outcomes. I have directed my department to undertake a broad review of existing policy on the use of state leasehold land strategy. My department is currently working on a paper which will look at the possibility of making broad legislative and policy changes to benefit land-holders. In the meantime, I have directed my department to look at what can be achieved within present legislation to assist lessees to diversify on existing leases.

Land-holders have applied to use grazing or agricultural leases for a range of additional purposes including:

- growing commercial plantations;
- establishing tourism ventures—for example, home stay activities;
- growing of crops which are not traditionally associated with grazing or agriculture;
- establishing business enterprises such as aquaculture;
- filming of documentaries and films; and
- for nature conservation purposes.

Each of these activities will help farmers remain economically viable in difficult times.

A review of diversification on leasehold land will complement the Forestry and Land Title Amendment Bill, which also addresses the need for land-holders to find new, sustainable ways to use the natural resources on their land. I commend the bill to the House.
