



Speech by

Hon. S. ROBERTSON

MEMBER FOR STRETTON

Hansard 8 August 2001

FORESTRY AND LAND TITLE AMENDMENT BILL

Hon. S. ROBERTSON (Stretton—ALP) (Minister for Natural Resources and Minister for Mines) (4.28 p.m.), in reply: First, I thank all members from both sides of the House who have spoken in the debate on the Forestry and Land Title Amendment Bill. In particular I thank the opposition members, who have indicated their support for this legislation.

I will deal with a number of issues brought up particularly by members opposite. 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.

Recent international negotiations at Bonn have progressed agreement on this issue. This agreement provides the basis for ratification of the Kyoto protocol, given greater flexibility and strategies to meet targets—that is, the ability to count sequestration arising from forest, grazing and crop land management.

While the United States was not involved in the recent negotiations, and this still represents a sticking point for ratification of Kyoto, hope for agreement in the near future is strong. There is growing interest from both the forest industry and the rural sector generally in opportunities associated with carbon credits. There is also significant interest from energy industries—nationally and internationally—and high-energy emitters regarding the purchase of such credits. This amendment will bring Queensland into line with other states which have already recognised carbon rights and will position Queensland to capture investment opportunities associated with farm forestry and plantation establishment.

International investors 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. 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.

The amendment will mean that landowners and other interested parties will be able to enter into contracts about the ownership, or exchange of ownership and use, of carbon rights generated by trees and vegetation on freehold land in Queensland, with these rights registered on their land title. However, this bill is not about land clearing—about which the member for Darling Downs indicated some concern. Mechanisms for emissions trading under the Kyoto Protocol specifically relate to trees planted after 1990 on land previously used for other activities. Tree clearing is about retaining current vegetation and thus not increasing the greenhouse emissions associated with the clearing, for example, from burning timber. In addition, the amendment will apply only to carbon on freehold land, not leasehold land. However, as the member for Mackay stated previously in this debate, it paves the way for the development of a stand-alone Natural Resources Property Act and the possible development of future

legislation addressing management of a broader range of natural resource products across all land tenures.

The bill is simple in its intent and operation. It defines a natural resource product—the carbon stored by trees and other vegetation. It then permits landowners to enter into contracts with other interested parties regarding the ownership of that carbon, and it allows that contract to be registered on the land title as a recognised land interest or a profit a prendre. It thus provides greater forestry activity with both greenhouse and other natural resource benefits. This 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. 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.

I should respond to some of the comments made by the member for Tablelands. Whilst I do not agree with the scientific arguments that she put forward, nonetheless—as we have seen in this House over the past week—we can have quite vigorous debates about science and how science gets interpreted. As we know, there is nothing certain in science; and we have seen that in various debates in this place this week. Nonetheless, what this bill represents is the first step. We are not rushing ahead.

I think the member mentioned New South Wales as a state that perhaps has rushed into a carbon trading scheme. We are not taking that approach. We are taking a very cautious approach, because the last thing that we want to see is, as a result of actions taken by government to promote carbon trading in a fairly uncertain environment, all sorts of less than savoury investment schemes being created that may only result in tears in the years to come. Nevertheless, we think and believe that the amendment before the House today, as a first step, at least gets people thinking about the possibilities that may arise as a global emissions trading scheme is developed as a result of activities or discussions in Bonn over the last couple of weeks.

As I said, I do not agree necessarily with the science the member for Tablelands put forward. I believe the evidence is pretty clear about the growing problem of greenhouse emissions on this planet and the role that trees and other activities can play in reducing the amount of carbon dioxide in our atmosphere. But as I said, we are not rushing ahead. We are taking a very cautious approach to it, but we do not want to be left behind.

I commend to the member for Tablelands a publication by the government called 'Carbon Credits from Forestry—Questions and Answers for Rural Landholders'. It probably needs a little updating as a result of what has happened in Bonn, but I commend that publication to her. I was going to say the same thing to the member for Darling Downs, but he has left the chamber. This publication sets out in fairly clear language where the debate is currently, what we are doing, and the path ahead that we see ourselves travelling down as things become a bit clearer on the international scene. I will make sure that one of the attendants takes a copy of this over to the member for Tablelands. I hope she reads it.

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.

No doubt one of the things that we will be discussing in the years ahead will be not just carbon trading schemes as they may develop but, interestingly enough, we are also looking on a national basis at salinity trading schemes as one of the ways to attract commercial interest in the problem of salinity right across our landscape. That is something that the Murray-Darling Commission is working on at the moment. When I was in Canberra last week, I received quite an extensive briefing from the Murray-Darling Commission on what it is looking at in terms of a salinity trading scheme along the same principles as we are starting to see with respect to carbon trading.

As the member for Kallangur mentioned, there will be considerable flexibility for land-holders and forestry managers associated with the provision of carbon sequestration associated with profit a prendre agreements. An owner of sequestered carbon will be able to enter into a contract to firstly sell the rights to this carbon and then a further contract to a different party giving rights to harvest his timber, registering both interests through profit a prendre agreements on his land title, thus constraining actions to harvest the timber without consideration of the interests in carbon. However, as in future contracts, the interest in the sequestered carbon, or timber, is not linked to specific trees, just to the delivery of products of defined quality as specified in the contract. This then allows for considerable flexibility in land management arrangements.

Yesterday afternoon during this debate, the member for Callide suggested that the bill did not contain a sufficient definition of 'vegetation'. In fact, the bill does define 'vegetation'. I understand that the member for Callide was actually briefed on this issue by my department earlier in the week. But it is probably useful to clarify this issue in *Hansard*.

The Forestry and Land Title Amendment Bill 2001 provides a definition for 'natural resource product' that includes parts of a tree or vegetation, including parts above and below ground, whether alive or dead. Under the Forestry Act 1959 a very broad definition of 'forest products' is used, covering all vegetable growth and material of vegetable origin, whether living or dead. However, this definition excludes specifically grasses or crops grown on a Crown holding by the lessee or by a licensee or on a forest entitlement area by the lessee or owner. Given that the Forestry and Land Title Amendment Bill 2001 applies to freehold land, this exclusion does not extend to the intent of its definition.

If I remember rightly, the member for Callide questioned the definition of 'vegetation' in the context of what we are seeing as a result of negotiations in Bonn. I guess plants other than trees can be factored in for calculating levels of carbon sequestration. If I remember rightly, the member might have mentioned saltbush as one of those plants that perhaps should be included in the definition. It is. In fact, just recently as a result of what I heard went on in Bonn with respect to the Australian position put forward by Senator Hill, plants such as saltbush were targeted specifically as part of the Australian position for recognition because of its multiple benefits. We get not only a carbon benefit from planting that type of vegetation but also we receive a salinity benefit. That is something that we are looking at through the Murray-Darling Commission—the appropriate use of saltbush in a mixed-farming scenario that might provide benefits not just in terms of carbon but also in terms of salinity. I hope that has addressed the member's query. I suppose he will raise the matter again during the committee stage and we can perhaps have a chat about it then.

It should be noted also that the Vegetation Management Act 1999 uses a very specific definition of 'vegetation' targeted to the purposes of that act. While including a native tree or a native plant, it excludes specifically grasses and mangroves. The definition of 'natural resource' used in the Forestry and Land Title Amendment Bill 2000 is 'means a tree or vegetation'. Therefore, this definition includes specifically vegetation other than trees, including grasses and shrubs. The reason this definition was used was to allow the recognition of all vegetation that could sequester carbon.

A further issue is the inclusion in the definition of a 'natural resource product' of soil carbon, a potential significant source of carbon sequestration. The definition of a 'natural resource product' used in the amendment refers to 'all parts of a tree or vegetation, whether alive or dead, including parts below the ground'. Thus while carbon in the soil associated with organic matter will be included as a natural resource product, inorganic or mineralised carbon will not.

In conclusion, the Forestry and Land Title Amendment Bill 2001 recognises grasses under the definition of 'vegetation' and also includes organic but not inorganic or mineralised soil carbon under this definition. The amendment reflects the first step towards a greater recognition of the broader natural resource commodities such as salinity and biodiversity on both freehold and leasehold land. Given the greater certainty of major sequestration activities being included in a final Kyoto protocol, this amendment remains a major step in positioning Queensland to capture future opportunities arising from greenhouse response actions. I commend the bill to the House.
