

TIMBER QUEENSLAND MEDIA RELEASE

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Queensland industry welcomes bipartisan commitment to remove the ERF water rule soon after the election

The Queensland timber industry has welcomed the bipartisan commitment given by both the major parties to remove the so called 'water rule' under the Emissions Reduction Fund (ERF), given its impact on stifling new plantation investment and denying access to carbon markets.

The water rule prevents forestry plantations that receive over 600mm of annual rainfall from accessing carbon markets under the ERF. No other revegetation projects are subject to this restriction.

Timber Queensland Chief Executive Officer, Mr Mick Stephens said this rule was discriminating against plantation investment in Queensland and was preventing farmers from being able to claim eligible carbon credits.

"The water rule has been progressively removed for a number of regional forestry hubs across Australia, but remains in place in North Queensland, South and Central Queensland, South-East NSW, Central West NSW and the Northern Territory," Mr Stephens said.

"It is for these reasons that we welcome the strong bipartisan support to remove this rule, which would deliver a more level playing field for carbon farming projects as well as better incentivise much needed timber supply."

The bipartisan support was confirmed at the forest industries forum hosted by the Australian Forest Products Association in Launceston on 27 April.

Both the Coalition Government, represented by the Assistant Minister for Forestry, Jonno Duniam, and the Australian Labor Party (ALP), represented by the Shadow Minister for Agriculture, Julie Collins, committed to removing the water rule as a policy priority.

In his opening remarks, Jonno Duniam acknowledged the initial changes made to the water rule in the forestry hub regions and said:

'... if re-elected the Morrison government will commit to furthering across the remainder of the hubs, soon after the election'.

Speaking on behalf of the ALP, Julie Collins said:

"I want to reiterate Labor's policy of removing the water rule in relation to the emissions reduction fund and carbon farming".

Timber recycles carbon

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Both parties were committed to fast tracking this issue when asked if the rule could be removed within the first 100 days if elected to Government.

Jonno Duniam said:

So the process has already started, it started before the election, working with states and territories who provide the information to us to make those assessments, my hope would be to deliver on that, yes.

Julie Collins said:

Well obviously, it has been Labor's policy in 2019 and its still our policy to remove the water rule around forestry hubs. I don't know the technicalities of that, whether it can be done in 100 days but we will do it as quickly as we can. We certainly want to see the investments come from carbon farming.

The ALP also highlighted the removal of the water rule in its recent forestry and forest products election policy statement. The Albanese Labor policy statement 'A Future Grown in Australia' can be found [here](#).

The Prime Minister and Assistant Minister for Forestry announced on 14 April a 'Plan for Australian Forestry Jobs' which can be found [here](#).

"As the Coalition announcement did not mention the water rule, we appreciate the further clarification and commitment from Assistant Minister Duniam on the Coalition policy of removing the water rule for the remaining forestry hubs," Mr Stephens said.

"Given the critical importance of removing the water rule as a perverse barrier to plantation investment, we will be holding the next Australian Government to account on implementation soon after the election", Mr Stephens said.

For further information contact:

Clarissa Brandt, Strategic Relations & Communications Manager, 0416 350 328,
clarissa@timberqueensland.com.au