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Mr Gary Banks  
Chair  
Taskforce on Reducing the Regulatory Burden on Business  
PO Box 282  
BELCONNEN ACT 2616

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Dear Mr Banks

A3P is very grateful for the opportunity to provide a submission outlining our views on priorities for reducing the regulatory burden on business. A3P is the national representative body for the Australian plantation products and paper industry. A3P's 31 member companies have sales revenues of \$5.14 billion per annum and directly employ 13,500 people predominately in rural and regional Australia in centres such as Mt Gambier, Morwell, Tumut, Albury, Oberon and Gympie.

The diversity of membership and representation from the three sectors (plantation growers, wood processors and paper manufacturers) allows A3P to develop innovative and constructive positions that reflect the interests of all parties along the production chain. As A3P's members operations' extend from primary production through to the marketing of consumer products our industry is exposed to a broad and diverse range of government regulation from land use planning through to building construction.

A3P's members include multinational and Australian companies many of whom conduct operations in two or more Australian States. It is noted that the Taskforce's terms of reference focus on Australian Government regulation. However, the Issues Paper provided by the Taskforce states that:

*"the Taskforce would also welcome any views or suggestions on the need and general mechanisms to reduce duplication and increase harmonization of Australian and State and Territory government regulation. In addition, are there areas of regulation where greater consistency or uniformity across jurisdictions may also alleviate burdens on business?"*

Much of the regulatory burden of specific concern to the plantation products and paper industry is a result of duplication and inconsistency between the requirements of various State governments, and to a lesser extent Commonwealth Government, regulation.

In some key plantation growing and wood processing regions (e.g. Green Triangle, Murray Valley and East Gippsland) plantation resources and processing plants are located on both sides of a State border and logs and other inputs and outputs are transported in both directions across the borders. Inconsistency and duplication between States is of particular concern in these situations.

Some details of particular areas of concern are provided below.

### **Greenhouse and Energy Reporting**

The Environment Protection and Heritage Council (EPHC) has already identified the administrative burden associated with the increasingly complex requirements on companies to report energy use and greenhouse emissions. A Joint Working Group was established and a Consultation Paper released.

The reporting requirements from different Governments, and in some cases different Departments within the same Government, vary on the basis of the timeframes, the units being measured, the mandatory nature, the reporting format, the definition of the reporting entity, etc.

The time taken on this initiative already, suggests that Governments are finding it difficult to align their data collection requirements. It will not be possible to streamline the reporting burden unless some or all Governments are willing to change their initiatives, albeit in a way that would still allow the programs to achieve their stated objectives.

### **Land Use Planning Regulation**

The Australian Government and all the State and Territory Governments, along with industry, have endorsed "*Plantations for Australia: the 2020 Vision*" with the notional target of expanding Australia's plantation area from the current 1.7 million hectares to 3 million hectares by 2020.

The 2020 Vision consists of a number of Actions which have been identified as the means of removing the key impediments to commercial plantation expansion in Australia. Action 3 (see below) deals specifically with the land use planning regulatory environment that applies to the establishment, management and harvesting of plantations.

***Action 3 – Promote development of legislation covering the rights to plant harvest and trade plantations and their products.***

*State and Territory Government to enact legislation covering the rights to plant, harvest and trade plantations so that:*

- *Plantations are treated as long rotation agricultural crops in terms of the planning approval process;*
- *Uncertainty is removed over harvesting rights;*
- *There is a streamlined approval process to facilitate plantation developments; and*
- *A range of ownership arrangements are encouraged by having a sound legal basis which is nationally consistent where appropriate, (for example, in relation to carbon rights), for separating the ownership of plantations/forest products from the land on which they grow.*

Most States have made some progress in meeting their commitment to complete the tasks which make up this Action. However, all States have approached the action in a different manner thereby requiring plantation growers who operate in different States to establish different process to deal with the system that applies in each State.

A3P acknowledges that, given the nature of the Constitution, the Australian Government is unlikely to take a significant role in land use planning regulation. However, there would appear to be significant scope for greater consistency and uniformity across jurisdictions to reduce the burden on businesses who are working to expand Australia's plantation resources.

### **Infrastructure Planning and Regulation**

Transport is a key cost and profit driver for the Australian wood and paper products industry. A consultant's report prepared for A3P (Cameron Consulting, May 2005) indicates that our industry moves about 50 million tpa with log input accounting for about 75%, other inputs 8%, product output 15% and by-product outputs 1% of volume. Transport costs across inputs and outputs average about 23% of product prices and range from 12% for paper to 37% for export woodchips. The industry is highly dependent on road freight. About 86.6% of freight for the industry is hauled by road, with about 12.0% by train and 1.4% by coastal shipping.

The location and nature of road infrastructure is a key factor impacting on transport costs but not the only one. Regulation of the use of the road network is also of vital importance. Inconsistency and competition between jurisdictions in relation to infrastructure planning, funding and regulation is leading to inferior outcomes and increased costs for all road users and particularly for industries which are highly dependent on road transport.

## **Natural Resource Management Funding Programs**

The Australian Government has invested very large sums of money in natural resource management (NRM) programs such as the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality. In many cases the expansion of Australian's commercial plantation estate would be a very effective means of achieving some of the objectives of these NRM programs such as soil and water catchment protection and biodiversity enhancement. The combination of achieving commercial wood production at the same time as obtaining NRM benefits should allow government to significantly leverage their investment in NRM programs. However, these programs have failed to capitalize on the opportunity of combining private commercial benefit and public benefit to any significant extent.

## **Building Regulation**

A3P acknowledges and supports the consistency provided by the Australian Building Codes Board and the Building Code of Australia. However, despite the existence of the Building Code there still appear to be opportunities for State and local authorities to create unnecessary and unjustified complexity and inconsistency in building regulation. Energy efficiency rating systems are one area where State regulation is becoming inconsistent and is imposing costs on homebuilders (associated with administration and achieving compliance) without achieving any significant environmental benefits.

The diversity of regulatory issues identified above illustrates the broad nature of the plantation products and paper industry and the extent to which it is impacted by the economic and regulatory environment created by Governments. Action by Government to remove duplication and inconsistency in regulations will allow the plantation products and paper industry to grow and provide significant benefits to the community particularly in rural and regional areas.

Once again thank you for the opportunity to provide a submission. If you require any further information in relation to the issues identified above please don't hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'NF 4' with a stylized flourish at the end.

Neil Fisher  
Chief Executive Officer