

**FOREST PRODUCTS AMENDMENT BILL 2021**

*Introduction and First Reading*

Bill introduced, on motion by **Mr D.J. Kelly (Minister for Forestry)**, and read a first time.

Explanatory memorandum presented by the minister.

*Second Reading*

**MR D.J. KELLY (Bassendean — Minister for Forestry)** [12.42 pm]: I move —

That the bill be now read a second time.

The McGowan government has made a commitment to transition the Western Australian economy to net zero greenhouse gas emissions by 2050. The McGowan government accepts the science that underpins our understanding of climate change and acknowledges that climate change has already significantly impacted our environment and community. In the recent state budget, we demonstrated our commitment to act and address our state’s contribution to global emissions. We have committed \$750 million to our climate action fund, which will drive Western Australia’s low-carbon future. Within this fund is a suite of measures to shape climate-resilient communities, create low-carbon jobs and develop new industries. Our climate action fund builds on the *Western Australian climate policy*, and includes a record \$350 million to significantly expand the state’s softwood plantation estate. This investment will also create and secure local jobs, and ensure a strong, sustainable timber industry into the future.

Sustainably produced Western Australian plantation timber will play a key role in our climate change battle. Plantation timber is renewable and has the potential to sequester millions of tonnes of carbon dioxide from the atmosphere. It is estimated that the government’s \$350 million investment will provide at least an additional 33 000 hectares of softwood timber plantation. Up to 50 million pine trees will be planted, sequestering between 7.9 million and 9.5 million tonnes of carbon dioxide equivalent. Sustainable Western Australian plantation timber also has the power to support the state to enter the carbon offsets market, generating revenue and future carbon industry jobs for Western Australians.

The Forest Products Amendment Bill 2021 will amend the Forest Products Act 2000. The primary purpose of this amendment bill is to expand the functions of the Forest Products Commission to allow it to trade in carbon assets associated with forest products. Under the existing Forest Products Act, the FPC’s functions are restricted to dealing with “forest products”, which are defined to mean trees, parts of trees and similar products. The statutory expansion of the FPC’s functions will grant the FPC the right to own, trade and otherwise deal with carbon assets. By carbon assets, I mean assets related to carbon stored in trees, such as Australian carbon credit units established under the commonwealth Carbon Credits (Carbon Farming Initiative) Act 2011 or equivalent carbon assets under such other legislative schemes as may be suitable. Under the terms of this amendment bill, the FPC will be able to deal with these carbon assets where these carbon assets are associated with forest products located on land that is either owned by the FPC or that the FPC has rights in respect of. When I speak of land that the FPC has rights in respect of, this includes land in which the FPC has sharefarming rights or some other interest. Under this bill, the FPC will not take any interest in carbon assets that may be associated with native forest on crown land. These carbon assets will be administered by the Department of Biodiversity, Conservation and Attractions on behalf of the state.

This bill will enable current and future governments to maximise the benefits from our historic \$350 million investment to expand the softwood estate. Not only will this investment secure the timber for the construction and housing market of tomorrow, but also through this bill we will unlock the carbon value potential of FPC-owned and managed plantations. Although the FPC will be playing a very active role in administering these plantation assets, it is important to note that this bill will not restrict the FPC to dealing with carbon that is associated with softwood pine. As long as forest products are located on land that is owned by the FPC or that the FPC has a relevant right in respect of—that is, the relevant forest products are not native forest located on crown land—this bill will allow the FPC to own, trade and otherwise deal with carbon assets in those forest products, regardless of species.

In order to support the FPC’s new rights in respect of carbon assets, the bill will make a number of further amendments to the Forest Products Act. Principally, the bill will amend the Forest Products Act to allow the FPC to purchase land for the purpose of establishing plantations. The act currently allows the FPC to purchase land for the purposes of office premises and to undertake research activities. This amendment will allow the FPC to also acquire ownership of land in its own name for plantation purposes, allowing the FPC to fully perform its new functions in respect of carbon assets. It is important to note that the bill will not grant the FPC an unrestricted right to acquire land for any purpose whatsoever. The bill will also grant the FPC the right to sell land that it holds.

Finally, the bill will make a number of supporting and ancillary amendments. It will grant the FPC such powers as may be necessary to exercise its new role in trading carbon and require the FPC to report on strategies for exercising those new functions as part of its annual strategic development plan. Clause 8 of the bill will insert a new section 13A into the Forest Products Act to validate a small number of freehold land purchases, for plantation purposes, which the FPC had previously made.

Sustainable plantation timber has an important role in the future of our state to create jobs, fuel the construction industry and reduce Australia's carbon footprint. The government, through the Forest Products Commission, plays a vital role in this future and the development of Western Australia's forest products and the associated carbon market. This amendment bill will enable the FPC to continue to build and maintain a sustainable and commercially viable forest products industry that provides economic and social benefits to the people of Western Australia. I am proud to be part of a government that is taking action to address climate change while at the same time growing and sustaining long-term jobs in the forestry sector.

I commend the bill to the house.

Debate adjourned, on motion by **Mr P.J. Rundle**.