



Tasmanian Farmers and Graziers Association

POLICY STATEMENT

PLANTATIONS ON FARMLAND

Preferred outcome

Tasmanian farmers rely on a diversity of activities to sustain commercial viability in a competitive environment. Individual farm enterprises must be able to access the widest possible range of land use options to maximise profitability. Plantations for wood production, as well as shelter and other benefits, are a legitimate activity in that regard

Background

The TFGA recognises that the establishment of plantations on cleared farmland is a contentious issue among members.

On the one hand we have members who are actively growing their own plantations as an integral part of their farm enterprises, and on the other, members who see land under plantations as land lost to other agricultural industries with consequent loss of scale, prospects for down stream processing and the like.

Considerations here are:

- the importance of farmers being able to decide the way that they use their farms;
- the importance of farmers being able to sell land for the best price they can get, to release capital for retirement, reinvestment elsewhere or other reasons;
- the importance of plantations for many farm enterprises, as an income earning land use as well as for firewood, shelter and the like;
- the fact that any reduction in the scale of production of individual products in a district tends to reduce prospects for down stream processing (such as vegetable or meat processing works) and may increase production costs as a result;

A concern that has been raised in relation to plantations is the extent of the forest estate owned by big forestry companies. Indications are that since 1999, the number of rural properties purchased by companies for the purposes of establishing plantations is in the order of 1.1% of all rural properties in Tasmania (S. Eldridge, CEO Private Forests Tasmania 10/2006). This figure relates to a period when the land purchasing activity of forestry companies under Managed Investment Scheme (MIS) programs has been particularly aggressive.

Our Position

- The TFGA believes that plantation establishment is a legitimate agricultural land use.
- Tasmanian farmers operate in a free-market economy and individuals should not be restricted in how they make their land use decisions.
- There should be minimal regulation of land use on farms by Government and farmers must have the opportunity to maximise business returns.
- Government should not tell farmers who they can or cannot sell their land to or what they can or can't grow on it.
- We do not support broad-scale regulation of plantations on private land by Government through mechanisms such as the State Policy for the Protection of Agricultural Land or Local Government Planning Schemes.
- Concerns relating to plantation development should be addressed as specific policy issues relating to water interception, taxation, rural social change, chemicals in the environment, native browsing damage and the like.

Related Policy Statements

- Managed Investment Schemes
- Plantations and Water
- Plantations and Rural Communities



Tasmanian Farmers and Graziers Association

POLICY STATEMENT

MANAGED INVESTMENT SCHEMES (MIS)

Preferred outcome

Tasmanian farmers rely on a diversity of activities to sustain commercial viability in a competitive environment. Individual farm enterprises must be able to access the widest possible range of land use options to maximise profitability. Plantations for wood production, as well as shelter and other benefits, are a legitimate activity in that regard

Background

The TFGA recognises that the establishment of plantations on cleared farmland is a contentious issue among members.

A particular issue for many is a perception that forestry companies are able to pay higher prices for farms than other farmers are, based on an ability to tap into funds from investors for whom a primary motivation is taxation benefits, through Managed Investment Schemes.

Considerations here are that:

- there should be no tax payer subsidy for particular industry sectors over others by Government through taxation provisions;
- farmers should be able to sell land for the best price they can get, to release capital for retirement, reinvestment elsewhere or other reasons;
- any reduction in the scale of production of individual products in a district tends to reduce prospects for viable down stream processing (such as vegetable or meat processing works) and may increase production costs as a result.
- Government should be encouraging innovative ways to leverage outside investment into agriculture, including through both corporate and private business models.

Managed Investment Schemes are currently used in industries other than wood production, as well as the wood production sector. Important examples in Tasmania are beef cattle, niche commodities like truffles and nuts, and other horticulture crops. A recent decision by the Federal Government means that access to MIS status will be banned for all industries other than wood production as of 30 June 2007, although there is a good chance that this will be revised to allow a phase-out period for non-plantation "agribusiness MIS" of some 12-months.

Our Position

- The TFGA believes that plantation establishment is a legitimate agricultural land use.
- Government should not tell farmers who they can or cannot sell their land to or what they can or can't grow on it.
- There must be consistent tax treatment for all primary industry;
- The current Federal Government decision to allow access to MIS for plantation wood production, but not for other industries, is decidedly unfair;
- There must be a review of the decision with an outcome which provides for consistent treatment of all industries.

Related Policy Statements

- Plantations on Farmland
- Plantations and Water
- Plantations and Rural Communities



Tasmanian Farmers and Graziers Association

POLICY STATEMENT

PLANTATIONS AND WATER

Preferred outcome:

Tasmanian farmers rely on a diversity of activities to sustain commercial viability in a competitive environment. Individual farm enterprises must be able to access the widest possible range of land use options to maximise profitability. Plantations for wood production, as well as shelter and other benefits, are a legitimate activity in that regard

Background:

The TFGA recognises that the impact of plantations on surface water supply is a contentious issue among members.

This is particularly the case given the increasing adoption of irrigation as a means of boosting farm productivity and the fact that in many catchments water for irrigation is limited in the summer growing season. In recent years we have seen cease-to-take notices by regulators on a regular basis.

The issue of recharge of creeks and rivers (and overall streamflow regime) is clearly an important part of water supply management, and the impact of land use activities on adjoining land on recharge is important in that regard.

Plantations can draw significantly on surface and sub-surface flows that would otherwise provide recharge for surface water bodies, and plantation management activities like contour ploughing contribute further to the effect. The impact has been noted in the National Water Initiative and has been such as to draw regulation overseas at least in one case.

Considerations here are that:

- the National Water Initiative requires the Tasmanian Government to assess, "...the significance of land use change activities (interception), including large scale plantation forestry, on catchments and aquifers, based on an understanding of the total water cycle, the economic and environmental costs and benefits of the activities of concern and to apply appropriate planning, management and/or regulatory measures where necessary to protect the integrity of water access entitlements system and the achievement of environmental objectives".
- a substantial number of farmers have plantations on their land as part of their business enterprises;
- all land uses and land use activities can have an impact, one way or another, on the recharge of surface and ground water systems, and

any analysis of recharge effects should include consideration of the full range of these;

- policy on the issue should not simply target plantations as a land use, but address all land uses equitably;
- recharge is one part of the total water balance in a catchment, with others being consumptive uses, water storage, environmental flow requirements, etc, and policy on recharge management should not be set in isolation.
- recharge and stream flow regimes that existed prior to European settlement naturally varied over time. Water sharing arrangements (water regimes) adopted under Catchment Water Management Plans, including treatment of interception activities, should be developed having regard to those “natural” patterns of variation.

A significant concern among members is that plantation establishment continues while the science to quantify the significance of any impacts on water resources in Tasmania is still the subject of deliberation and development.

Our Position:

- The TFGA believes that plantation establishment is a legitimate agricultural land use.
- Government needs to develop recharge policy as a part of overall catchment water management.
- Recharge policy should incorporate consideration of all land uses and land use activities relevant to catchments of concern.
- Given the rate of expansion of plantation establishment, recharge policy should be developed as a matter of urgency.
- Government water policy, including recharge policy, should be based on the principles of:
 - Protecting the historical rights of water users (stock, domestic, towns and irrigation users) in any catchment. Accordingly all new developments that result in major changes of land use should have to enter the water market to meet their water demands.
 - Setting a threshold for the proportion of each catchment that can be established to plantations.
 - Attaching conditions to plantation establishment above such thresholds, for example, the requirement for a water access entitlement (license and allocation), no net gain in plantations, forest planning and harvesting regimes, and/or offsets.
 - All water resource planning must be based on sound scientific information and thorough consultation with stakeholders.

Related Policy Statements

- Plantations on Farmland
- Managed Investment Schemes
- Plantations and Rural Communities



Tasmanian Farmers and Graziers Association

POLICY STATEMENT

PLANTATIONS AND RURAL COMMUNITIES

Preferred outcome

Tasmanian farmers rely on a diversity of activities to sustain commercial viability in a competitive environment. Individual farm enterprises must be able to access the widest possible range of land use options to maximise profitability. Plantations for wood production, as well as shelter and other benefits, are a legitimate activity in that regard

Background

The TFGA recognises that the impact of plantations on rural communities is a contentious issue among members.

A particular concern among many members is that expansion of the plantation estate in farming districts necessarily leads to a reduction in important services to farmers, as well as the community more generally. For example, expansion of the plantation estate in a dairy district, and therefore reduction of the dairy estate, may reduce the feasibility of milk collection services at previous levels, and therefore add to the costs of remaining dairy farmers.

There is also a view that expansion of the plantation estate will result in reduced population numbers and therefore a reduction in the rating base, services such as school buses, and levels of road maintenance.

Considerations here are:

- that loss of productive land from industries such as vegetables, dairy and meat, must reduce the viability of downstream processing works in Tasmania;
- that plantations are not just broad acre, company owned entities, but may also be part of integrated farming enterprises;
- that farmers should not be told what they can and cannot do on their land, by Government;
- that farmers should have the right to sell land to whomever they chose (and equally applies to leasing arrangements);
- there does not seem to be any clear evidence that general community services suffer from the fact of plantation establishment in a farming district, and there is evidence that such observed changes reflect demographic changes under way anyway, such as aging populations, movement to towns and cities, etc;

- plantation development does underpin the health of the wood processing sector in regional centres, providing full and part time work (for farming families among others) and a diversified economy in those regions.

Tasmanian agriculture is a major contributor to the state in terms of both economic and employment terms. The sector contributes some 16% of Tasmania's Gross State Product and 20% of State employment (*"The contribution of Agriculture to the Tasmanian Economy"*, TAPG & TFGA, 2006) in addition there is a significant contribution in both areas through forest management and wood production. The following table shows the relative importance of different industries as reflected in farm gate value of product.

2005 Gross Value of Agricultural Production – (Farm Gate)

Sector	\$m
Vegetables	*179.5
Livestock Slaughterings	*221.6
Wool	* 77.2
Dairy (milk)	*160.4
Cereals for grain	* 14.1
Private Plantations	**114

* *'The Contribution of Agriculture to the Tasmanian Economy'*, TAPG & TFGA, 2006

** *Approximate figure: value at time of harvest of trees currently planted to private growers; PFT, pers. comm. 2006.*

Overcoming a critical gap in baseline understanding of the current social demographics of rural districts is essential to assist with rural policy setting and local and regional planning.

The challenge is to recognise and strike a balance between the need to maintain an effective sector wide agricultural land base as a whole, and the need to allow individual farmers the flexibility to manage their farms to best commercial advantage.

Our Position:

- A mixed and broad-based agricultural industry, incorporating a viable downstream processing industry, is vital for maintaining a strong rural economy in Tasmania.
- The TFGA believes that plantation establishment is a legitimate agricultural land use.
- Government should not tell farmers who they can or cannot sell their land to or what they can or can't grow on it.
- The TFGA recognises that there is significant restructuring of rural Tasmania, as a result of multiple social and economic drivers. Plantations on farmland are but one driver. We recognise that the impact of this structural change is varied in its nature and extent across regions, catchments and sub-catchments.
- Any impacts of structural change need to be managed.
- There is a clear and urgent need for good information on demographic changes taking place in Tasmania's rural areas, to establish whether

and to what extent plantation establishment is causing or aggravating the loss of community services.

Related Policy Statements

- Plantations on Farmland
- Managed Investment Schemes
- Plantations and Water