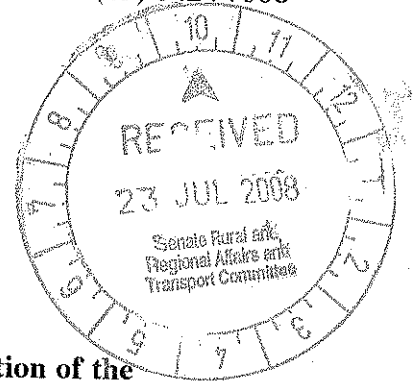


PETER C. SIMS OAM
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17 July, 2008

The Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600 (Email: rrat.sen@aph.gov.au)



Dear Chair and Committee Members,

**Inquiry into the Implementation, Operation and Administration of the
Legislation Underpinning Carbon Sink Forests**

I wish to provide you with a written submission prior to the closing date of 31 July 2008 that relates to the legislation that is now before Parliament.

I understand that this legislation as it now stands gives a full tax deduction for the cost of planting trees as carbon sinks. This is basically flawed as there is nothing in the legislation to:

- (i) prevent the establishment of a monoculture, instead any trees planted should be mixed species so that a diverse forest community is established;
- (ii) there is no time stated for the 'carbon sink' trees so planted to remain in the ground - any trees planted must stay in the ground for either a stated period of time (100 years), or preferably for the life of that species. Trees cannot be cut down or burnt but must be kept in the ground;
- (iii) provide a clear direction so that any trees planted must be on land that is of a classification that is unsuitable for agricultural food production and on any land that contains native vegetation;
- (iv) ensure land to be converted to trees is covenanted to retain trees as a 'carbon sink'

Contrary to the intent of CO2 reduction, any of the cashed-up large emitters of CO2, such as cement companies, aluminium companies, energy corporations can effectively use their profits as an offset, taking land and water out of agricultural production to establish plantations of trees in the context of setting up a national carbon emissions market. What could be considered is a set of direct incentives to all emitters of CO2, both large and small, to reduce their output of CO2. This could be either through R&D grants, low interest loans or tax concessions for capital expenditure that would enable changes to be made to reduce emissions of CO2.

The Climate Change Environmental Regulations that must be attached to the Legislation should ensure that any plantings are genuine sinks and undo the potential damage to rural and regional Australia, to prevent good farming land from going under monoculture plantations (without regard for water, biodiversity, actual climate change outcomes, etc) to enable big polluters and timber companies to claim dubious tax credits.

This bill is disguised as a routine tax schedule, effectively an extension of the Managed Investment Scheme to cover trees for carbon or for fibre and I therefore cannot accept it in this form.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Peter C. Sims". The signature is fluid and cursive.

Peter C. Sims