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The Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee,

RE: Submission for the inquiry into the implementation, operation and administration of the legislation underpinning Carbon Sink Forests

The Sunshine Coast Environment Council (SCEC) welcomes the opportunity to make this submission with respect to the Terms of Reference for the inquiry into Carbon Sink Forest legislation. SCEC acknowledges that such legislation is a positive step towards providing incentive towards reducing carbon emissions. However, the legislation does need 'fine tuning' to ensure that it achieves its intended purpose and provides incentive for the right reasons. This submission outlines several points that need to be considered and included in Carbon Sink Forest Legislation.

1. Prohibition of clearing or draining land to plant Carbon Sink Forests

Australia's biodiversity is being lost at an alarming rate due to land clearing. Coastal Development, which requires draining swamps, wetlands or low lying land, is also a major culprit in the struggle to prevent fragmentation and associated impacts such as species extinction. Legislation needs to explicitly ensure that no land should be cleared or drained in the installation of Carbon Sink Forests. Such forests should only be established on land that has already been cleared.

2. Enhancing biodiversity through mandatory planting of mixed native species

The concept of planting Carbon Sink Forests also has potential to enhance biodiversity. Legislation needs to provide for mandatory planting of a variety of native species including ground covers, shrubs and canopy species.

3. Prohibition of removing Carbon Sink Forests for at least 100 years after planting

Allowing tax deductions over a period of 14 years and 105 days may encourage removal of a carbon sink forest after that time. A period of 14 and 105 days years is no where near enough time for a forest to establish, create it's own balanced ecosystem and contribute properly to diminishing carbon emissions. SCEC suggest that legislation should increase this time frame to at least 100 years or more. Given the fact that carbon emissions and their impacts last far longer than the life span of the company or industry creating them, it is reasonable to implement a longer time period. To be completely effective, protect biodiversity and fulfil the purpose of a true offset, carbon sink forests should never be cut down.

4. A minimum forest height of 2 m not sufficient

To claim tax deductions a carbon sink forest must reach a minimum height of 2 m and crown cover of 20%. In many cases, native canopy species will naturally exceed a height of 2 m and canopy cover of 20%. Therefore, achieving a minimum forest height of 2 m and canopy cover of 20% is unrealistic in terms of achieving maximum carbon emission offset. These figures should be raised, especially in areas with greater rainfall and more sufficient soils where native vegetation is more prolific, which would also be beneficial for biodiversity. If removal of carbon sink forests was prohibited for 100 years or more after planting, many would exceed 2 m and 20% cover.

5. Use of recycled water to maintain Carbon Sink Forests should be a tax deduction

As it stands, costs associated with water facilities for carbon sink forests are not tax deductible. It is true, in these times of water scarcity, that an assessment of the amount of water required to maintain a Carbon Sink Forest should be carefully considered before implementation. Once this assessment has been made, it should be mandatory (in order to claim a tax deduction) that the water used is sustainable. Recycled options would be the most environmentally friendly source. Claiming a tax deduction for the use of recycled watering systems would not only promote planting carbon sink forests but would also contribute to their longevity.

6. Tax deduction on fencing and weed removal costs to protect Carbon Sink Forest from impacts

At present costs associated with fencing carbon sink forests are not tax deductible. In some cases, such as grazing properties, damage to biodiversity of carbon sink forests may occur as a result of surrounding land use. This would impede on the effectiveness of the forest to reduce carbon emissions. Provided that the carbon sink forest consists of multiple species, it would be beneficial in these situations to allow tax deductions for fencing costs if proof could be provided to ensure the fence will assist the protection and effectiveness of the carbon sink forest. Removal of weeds from the forest would also serve to protect biodiversity and maximise reduction of carbon emissions and should also be tax deductible.

7. Taxpayers without business should be able to claim carbon sink forest tax deductions

To claim tax deductions for carbon sink forests, a tax payer must carry a business for tax purposes. This section prohibits small scale land holders from participation in the scheme if they do not have a business. SCEC believes that small scale landholders will contribute to carbon sink forests and should be encouraged – not excluded. Therefore, this section should be abolished to maximise participation and effectiveness.

General recommendations

It is vitally important that carbon sink legislation does not give the impression that it is an alternative to curbing production of carbon emissions. Carbon Sink Forest legislation must be implemented in conjunction with and in support of other tools which enforce lower / zero emission targets as well as use of clean energy in order to address the overall issue of climate change.

Regards
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