

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

Dear Sir/Madam

I wish to make a submission to the committee's inquiry into Capital expenditure for the establishment of trees in carbon sink forests.

As I understand it, the taxation act after recent amendments, now allows a tax deduction for investment in establishment of plantations for the purpose of acting as a carbon sink, however the legislation imposes no requirements on type of trees to be planted, nor on the length of time the trees are to remain in the ground.

This legislation is seriously flawed, not only in terms of adverse environmental (including no or little carbon gain) outcomes, but also for rural communities who are already battling the conversion of large tracts of land to tree plantations and associated loss of population and services, not to mention potential shortage of land for food crops. These are very real issue and the committee must give it serious consideration. I am surprised that a government who was elected largely because it promised action on climate change actually reinstated this legislation - giving them the benefit of the doubt, perhaps they didn't understand the implications: it's up the Senate committee to set them straight.

It is essential that regulations impose strict requirements on the plantations that are to be tax deductible. Currently there it is possible for large companies to be subsidised for short-term plantations that are a drain on water, deplete biodiversity and do not act as a carbon sink.

I therefore urge the committee to strongly recommend regulations that put in place requirements, based on independent science, that would ensure that:

- water, soil and biodiversity are not depleted;
- carbon savings are real.

This could be done, for example, through requiring that the plantations cannot be harvested within a certain time period (perhaps never); that tax deductions will only be available if the land is covenanted to this effect.

I trust the committee will give due consideration to my submission and wish it well with the inquiry.

Yours sincerely

Sharon Moore