

Submission to Inquiry into the Implementation Operation and Administration of the Legislation Underpinning Carbon Sink Forests

by Colleen Dibley

I wish to object to this proposed extension of Managed Investment Schemes to establish carbon sink plantations on cleared farming land.

Some **26% of family farms in Tasmania have been sold** to industrial plantation development and there is continued pressure on the remaining farms. The state government has instituted [albeit temporarily] the need for councils to have desecration on siting of plantations on Classes 1,2 and 3 land but not on Class 4 land upon which, in our high rainfall and red soil areas, are the backbone of the high value cropping and dairying sector.

In our Inglis River catchment over 2/3 of the area is under plantations severely affecting the water table and an opportunity lost in Preolenna/Meunna alone of **\$4.1million** [at 2001 figures] to the local regional economy.

The economic, social and environmental devastation incurred by industrial plantation development is illustrated in my submission to the Senate Inquiry into Australian Plantation Forestry and available on the Senate Rural and Regional Affairs and Transport Committee website and at our own **Preolenna Chestnuts** website: <http://www.tassie.net.au/~cdibley/> under **Plantation Issues index**.

In my submissions to the **Review of Taxation of Plantation Forestry** I set out a number of parameters I felt were unfair when compared to the taxation regime for orchardists. In the light of a further foray into giving carte blanche to yet another land grab by companies assisting the avoidance of tax paying community I reiterate the following:

1. Tax deductibility of the **cost of the trees** be spread over the life of the trees.
2. That **investors plots** be identified with the “farmer” investor and not amalgamated into a pool.
3. That **rental for land** paid in advance by only allowed to be deducted over the life of the plantation, not in the initial year and not only at the end.
4. Any secondary markets for investors should not include the carbon sink plantation scheme proponent....it is painfully obvious that the only buyer would be the proponent. So much for all the verbiage about “long term investments like plantations need incentives....” Therefore, **secondary market disposals** to associates should be banned.
5. On allowing avoidance of **GST** for investors: they are not farmers producing food and therefore should not be exempt.

6. On the matter of certification of **carbon sink plantation management**: this should be independent and external to the industry including input from the Taxation Commissioner and the investor should be responsible for poor plantation management and any impact on other landowners. Responsible investment should be encouraged rather than investors ignoring the impacts of their speculation.

7 Carbon sink plantations should not be established in catchments with **greater than 15% plantation cover**.

The 20/20 nightmare has been an absolute disaster for rural Tasmania and unless it and other Mickey Mouse tax avoidance schemes like this are reigned in Australia's food security is in danger of being jeopardised.

I consider anyone who suggests our island nation should not be self sufficient in food to be a traitor.

Yours faithfully,
Colleen Dibley