

QFF MEMBERS

Australian Prawn
Farmers Association

CANEGROWERS

Cotton Australia

Emerging Primary
Industries Group -

- Biological Farmers
of Australia
- Flower Association
of Queensland Inc
- Queensland
Aquaculture
Industries
Federation

Growcom

Nursery & Garden
Industry Queensland

Qld Chicken Growers
Association

Qld Dairyfarmers'
Organisation

Qld Irrigators Council
Association Inc

Qld Chicken Meat
Council

31 July 2008

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

By e-mail: rrat.sen@aph.gov.au

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

The Queensland Farmers' Federation (QFF) is the peak rural body in Queensland representing intensive agriculture, which contributes around half of the State's \$11 billion in agricultural product. Our member bodies include:

- CANEGROWERS
- Growcom (Queensland Fruit & Vegetable Growers)
- Qld Dairyfarmers' Organisation
- Cotton Australia
- Nursery & Garden Industries Queensland
- Qld Chicken Growers Association
- Australian Prawn Farmers Association
- Qld Irrigators Council
- Flower Association of Queensland
- Queensland Aquaculture Industries Federation
- Biological Farmers of Australia

The commodity members of QFF represent collectively around 14 000 farming enterprises. These enterprises are located east of the Great Divide from the border to north of Cairns, on the Darling Downs and along the southern border to the west of Dirranbandi, in Central Queensland around Emerald and on the Atherton Tablelands.

QFF welcomes the opportunity to provide input into the Senate Standing Committee on Rural and Regional Affairs and Transport, regarding the implementation, operation and administration of the legislation underpinning carbon sink forests, and any related matter.

The QFF is concerned that the new tax law which we note, will provide for a tax deduction for capital expenditure for the establishment costs of trees in a carbon sink forest, has the potential to distort the market place for rural land if the activity of existing Managed Investment Schemes (MIS) is anything to go by.

QFF is not opposed to tree farming perse as it is a legitimate alternate crop particularly on marginal land and one which existing landholders may wish to pursue as part of diversification. Tree planting also plays an important role in farm management where environmental and natural resource management risks need to be managed including riparian zone rehabilitation, shelter belts and maintaining biodiversity. At a farm level the ability to qualify for the proposed tax deductions given the requirements relating contiguous plantings could be quite limited.

At a broader level we would have to be worried about any scheme that saw arable land which was being farmed productively for food and fibre being taken out of production. Climate change and increasing climate variability have the potential to limit Australia's capacity to produce food and fibre for both domestic and export consumption. Food security and food pricing should be seen as part of a national food policy. The removal of 85 000 Ha of land from agricultural production by 2011 is not good policy unless there is a requirement to assess the social, economic and environmental impacts of these tree plantings. This becomes even more significant when most of these plantings are likely to be in the higher rainfall areas.

Clearly if it is more profitable to grow trees than food then we need to rethink the underlying policy mix. More research into sequestering carbon as part of a farming system might develop significantly more benefits for mitigating greenhouse gas emissions and still maintaining food production on an ongoing basis than simply tree farming which could tie up land for years.

It also may be premature to promote carbon sink forests when no clear rules exist for carbon trading as yet. QFF believes that Government must examine the broader suite of current and proposed policies that are designed to drive forestry. In particular, Government must also examine the impacts of MIS and the forestry component of the proposed Carbon Pollution Reduction Scheme CPRS, both of which have significant potential to influence land use in regional Australia.

QFF fully supports the Canegrowers submission provided to the inquiry.

If you require further information, please contact QFF Sustainable Agriculture Policy Officer *Adam Knapp* on (07) 3837 4747.

Yours sincerely



Gary Sansom
President

Queensland Farmers' Federation Ltd. A.C.N. 055 764 488 A.B.N. 44 055 764 488
Level 6, 183 North Quay (PO Box 12009 George St, Brisbane QLD 4003)
Phone: 07 3837 4747 Fax: 07 3236 4100 Email: qfarmers@qff.org.au
Web Site: <http://www.qff.org.au>