



Ms Jeanette Radcliffe
Committee Secretary
Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms Radcliffe

INQUIRY INTO LEGISLATION UNDERPINNING CARBON SINK FORESTS

Thank you for your letter of 11 July 2008 regarding an invitation and opportunity to make a submission on the inquiry into the implementation, operation and administration of the legislation underpinning Carbon Sinks Forests, and any related matter. The Department of Water (DoW) is generally satisfied with the Environmental and Natural Resource Management Guidelines in relation to the establishment of trees for the purpose of carbon sequestration and would like to make some clarifying comments.

1. Carbon sink forest establishment should be based on regionally applicable best practice approaches for achieving multiple land and water environmental benefits.

Compliance with this guideline may be achieved by, for example:

- *avoiding clearing land of remnant native vegetation as determined by the relevant state or territory legislation; and*
- *taking into account features of plantation and forestry best practice guides (e.g. state and territory codes of practice) relevant to carbon sink forests; and*
- *establishing carbon sink forests in ways to avoid any significant negative impacts on water availability; and*
- *establishing carbon sink forests in ways to enhance potential salinity mitigation benefits and prevent potential increases to in-stream salinity; and*
- *developing a weed and feral animal management plan and fire management plan as applicable to the state or territory jurisdiction.*

The DoW agrees with this guideline on the basis that the establishment of carbon sink forests avoid significant negative impacts on water availability to water access entitlements holders and the achievement of environmental objectives of water allocation plans. In addition, establishing carbon sink forests to enhance salinity mitigation benefits must also not impact negatively on water access entitlements holders, where they exist. Compliance with this guideline should also include:

- *avoiding the establishment of carbon sink forests in areas of shallow groundwater where there is potential for acid sulphate soil generation.*

2. Carbon sink forest establishment activities should be guided by regional natural resource management plans and water sharing plans, and environmental impacts at a catchment scale should be considered.

Compliance with this guideline may be achieved by ensuring that establishment activities are consistent with regional natural resource management plans, for example by identifying:

- strategies for ensuring that individual carbon sink forest plantings account for natural resource management priorities at a larger regional scale; and
- potential cumulative environmental impacts of carbon sink forest activities at a catchment scale.

In cases where establishment of carbon sink forests would represent a significant interception activity in a catchment that has been identified as fully allocated, over-allocated or approaching full allocation, water access entitlements must be obtained.

The DoW agrees with this guideline but would like to suggest that 'catchment' is replaced by 'water system' to account for both surface water and groundwater systems. This also applies to Guideline 3 below.

3. Carbon sink forest establishment activities should recognise and adhere to all government regulatory requirements.

Compliance with this guideline may be achieved by meeting any applicable Commonwealth, state and territory legislation, and local and regional regulations, when establishing carbon sink forests.

In cases where establishment of carbon sink forests would represent a significant interception activity in a catchment that has been identified as fully allocated, over-allocated or approaching full allocation, water access entitlements must be obtained.

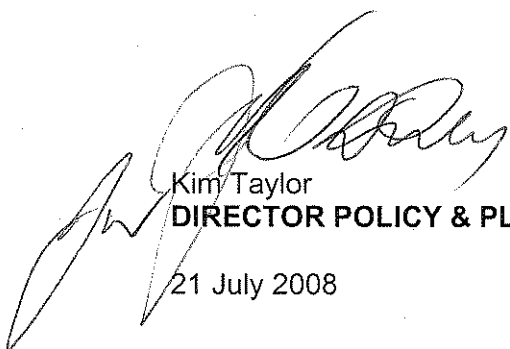
The DoW agrees with this guideline and would like to add to the second guideline: 'in accordance with the rules of a relevant water sharing plan'.

It would be beneficial for the legislation underpinning Carbon Sinks Forests to include a guideline that other legislation pertinent to tree plantations for the purpose of carbon sequestration must take into consideration water interception activities.

I trust that the comments are of assistance to the Standing Committee's inquiry.

Should you have further inquiries, please contact Mr Phillip Kalaitzis, Principal Project Officer, Policy and Planning, the Department of Water on telephone 08 6364 7119.

Yours sincerely



Kim Taylor
DIRECTOR POLICY & PLANNING

21 July 2008