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PARLIAMENTARY DEBATES



THE SENATE

PROOF

COMMITTEES

**Rural and Regional Affairs
and Transport Committee**

Report

SPEECH

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BY AUTHORITY OF THE SENATE

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Questioner
Speaker Milne, Sen Christine

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Senator MILNE (Tasmania) (4.27 pm)—I rise today to take note of the report of the Standing Committee on Rural and Regional Affairs and Transport on carbon sink forests. I say at the outset that the rural and regional affairs and transport committee works very hard to get consensus reports and tries to address matters on the merits of the argument. We try not to engage issues along party political lines and have been pretty successful in upholding the concerns of rural and regional Australia in the best way we can within that context. So I am extremely disappointed that we have had to move dissent from this report. I note that the dissenting report comes from the Australian Greens, the National Party and the Liberal Party of Australia. I think that says something about the extent of dissent there is about this.

Nobody would doubt my commitment to reducing greenhouse gas emissions and to getting Australia on the right track in dealing with climate change. If I seriously believed this carbon sink forest legislation was going to do anything to reduce greenhouse gas emissions in a reasonable way, I certainly would be supporting it, but this legislation is a disaster. It was thought up by the tax department and came into the parliament purely because of former Treasurer Costello, who wanted to introduce a tax break for people planting trees to keep them as carbon stores to match the tax break for people to put in trees to cut them down under the MIS schemes. So this is just an MIS scheme by another name. Its implementation is meant to be governed by environmental guidelines, but of course those guidelines are so weak you could drive a truck through them.

The issue we have before us is the loss of prime agricultural land around Australia, as it will be swallowed up by plantations. It seems that nobody is particularly concerned about food security, but I can tell you that this committee and the dissenting senators are very concerned about food security and ask the question: where will the food come from in the future? The only joy that the government could give us on reasoning why prime agricultural land would not go to these tree plantations was to say, 'It will depend on the price of carbon, and the price of carbon is going to be so low there will be no competition and therefore food will be grown.' So I asked that, if that were the case, why were MISs so successful. I will be seeking leave at the end of my presentation to table a report on a case study in Tasmania, called *The Preolenna and Meunna story: where will the food come from?* All that is left of that rural community is a plaque, which says:

THIS PLAQUE MARKS THE SITE OF THE MEUNNA YOUTH CENTRE OPENED BY THE HON. ERIC REECE, PREMIER IN MAY 1965. THE BUILDING WAS DEMOLISHED IN 1997 AND THE SITE PLANTED BY NORTH FORESTS BURNIE AND SET ASIDE AS A MEMORIAL TO THE SOLDIER SETTLERS WHO FIRST FARMED THIS LAND IN 1955.

There is nothing left but this plaque. In fact, the Australian Council of National Trusts put it on their endangered place list in 2000 because of the genuine threat rampant plantation establishment was having on the culturally significant rural landscape. At this point, for the benefit of the Senate, I seek leave to table the report, *The Preolenna and Meunna story: where will the food come from?*

Leave granted.

Senator MILNE—The point I make here is that this legislation will not prevent prime agricultural land being planted as carbon sinks displacing food crops. I have zero confidence in ABARE's predictions of what the carbon price will do. Furthermore, it will lead to the perverse outcome of clearance of native vegetation, particularly the brigalow and the savannas across northern Australia, and that will be a disaster for carbon. So anyone who tries to tell me that this is about carbon is getting it completely wrong, because the perverse incentive will be there to convert native vegetation to plantations. The fact is that the best land with the best rainfall grows the best trees, so why wouldn't you put it on prime agricultural land if you were intent on going out there and maximising your profits from carbon? As I indicated, there will be an incentive to clear the native vegetation, because it operates

under the Kyoto rules, and under the Kyoto rules the savanna and the brigalow do not constitute forests being on the land at 1990.

There is no requirement for hydrological studies to be done in any catchment where you are going to plant these carbon sink forests. What we know from the MIS is that they have destroyed water flows in many creeks and rivers around Australia, and we still do not have proper interception legislation. So here we have a government going out and giving a tax deduction to plant yet more plantations in catchments without hydrological analysis and without interception requirements, and that can only be a horror for rural and regional Australia. Look at what has happened to the Murray-Darling. Apparently we have learnt nothing—saying that this will somehow be governed by the National Water Initiative, which the states have to comply with and have in place something by 2011. Thousands of hectares will be planted by 2011 and it will all be too late at that time.

The Department of Climate Change, we are assured, is going to check to make certain that carbon sink forests will meet natural resource guidelines and not interfere with existing patterns of water use. I say: how are they going to do that? How are they going to check compliance with any of this? Of course they cannot. They are just saying that it is a guideline, that it is flexible, that it is not mandatory and that it has to comply with state legislation. But, if there is no state legislation, then you are deemed to have complied by virtue of the fact that there is no regulation to comply with. That is certainly the case in Tasmania and in the Northern Territory, both of which have extremely weak land clearance controls and legislation. I do not think that there is any proof at all that this legislation represents a valuable policy addition that will promote greenhouse gas reductions. As I said, it is likely to lead to greater emissions from conversion of native vegetation but also it makes no claims about the volume of CO₂ that is suggested will be sequestered or the hectares that are due to be planted.

So there is nothing to say that the government's plan is that there will be X hectares or X volume of carbon. There is nothing like that. It is just purely a tax bill. They thought it up as a tax bill under pressure from the MISs and the forest industry wanting the same tax breaks for trees to stay as trees to go. Treasury thought it was a good idea; Environment was consulted as an afterthought. Even the biodiversity unit of the environment department was not consulted, so all these claims about the benefits that it is going to bring simply are not there. There are questions such as: why can't you make it biodiverse plantings? Why can't you require it to be in the ground for 100 years? Why can't it be registered on the title? There is no permanence, even, with this proposal. You do not even have to put on the title of a property that there has been a tax deduction made for an area of carbon sink forests which cannot be cut down. There should be a covenant on the title. It is easy to do and it should be there. That is what we are saying in the dissenting report from the Liberals, the Nationals and the Greens. We are saying that the guidelines should be mandatory regulations and that these regulations should be in place and adhered to—namely, that no native vegetation can be cleared for or converted to carbon sink forests; that carbon sink forests should be biodiverse and cannot be harvested or cleared; that no carbon sink forests can be established in the absence of a hydrological analysis, including groundwater and interception in the area proposed to be planted; and that, finally, to avoid the destruction of rural communities and the displacement of food crops, prime agricultural land must be excluded from carbon sink plantings.

I think that it is more than reasonable that we get mandatory regulations to give us that effect. If we do not, we will have MIS on steroids, and the fate of the community of Meuna and Preolenna in Tasmania—and we heard evidence from Queensland, from the Tully sugar communities, and from dairy communities elsewhere—will be the case right across Australia. That area in north-west Tasmania, which was an important rural community—in fact it was the birthplace of the rural youth movement—is now under a sea of plantations. There is nothing left. There is no infrastructure left except a plaque in the middle of plantation forests saying that it was once a rural community and that it was the site of the youth club and the hall in that community. That is the reality of MISs. It was a bad policy then, it is a bad policy now, and compounding it with this makes it even worse. I give notice that I intend to move for the disallowance of the regulations so that we can have these matters attended to, because they are critical for the sustainability of rural communities and the environment. (*Time expired*)