

SUBMISSION TO THE INDEPENDENT REVIEW **OF THE ENVIRONMENT PROTECTION AND** **BIODIVERSITY CONSERVATION ACT 1999**

December 14th 2008

Due to the effects of climate change, I think it is essential at this critical time in our history that one of the most important facts we have to consider is the detrimental effect of forestry Managed Investment Schemes to our environment; not only that but also the recent agreement by the Federal Government for the commencement of the Carbon Sinks Tax Rort, a similar type of process whereby 100% tax deductions are given to companies to establish forestry plantations.

No thought has been given to the deleterious effects on the environment by the establishment of this water guzzling, anti-biodiversity, monoculture species at a time of nation-wide drought.

The following points should therefore be considered.

- As I understand it investors in these schemes were originally classed as Primary Producers, hence the 100% tax write-offs to establish the projects. However they definitely do not comply with the accepted definition of the term, and I believe the goal posts have now been changed to class them as 'special investors' enabling them to continue to benefit from this tax avoidance. **The Federal Government is therefore being denied a colossal amount of tax revenue.**
- Here in Tasmania from January to October 2005 for example, 47 properties totalling 14,831 hectares were purchased by MIS schemes and converted to plantation forests. If you superimpose a map of all the plantation forestry areas in the state over those agricultural areas with the better grade farmland, they match almost exactly. If this is allowed to continue at the same growth rate we shall have no precious arable land left.
- MIS schemes are now the largest landowners in Australia. These forestry schemes were allowed to keep their tax incentive by John Howard and yet other schemes producing crops such as walnuts, grapes and garlic were denied these advantages; where is the justice in that? They are far more environmentally friendly as they use far less water than the massive amounts required by young forestry plantations.
- No forward planning exists to explore the consequences of the massive amounts of water needed to supply these plantations. For example MIS schemes purchased 80-85% of the total tradeable water in the Murray/Darling basin. No thought had been given to the inevitable oversupply of woodchips worldwide combined with the already diminishing returns. For every 10,000

hectares of plantations there is an estimated \$27 million loss to the dairy industry. Rural communities are badly hit by these schemes.

- You can't blame the farmers for selling when they are offered such high prices for their land. However, once farming families have moved away from a rural area and monoculture takes over, the whole economic balance of the area is affected. The plantation companies remove the dwellings and so their rates go down which then reduces the local council's income. Small local businesses sell up and then the school closes etc. Here in Tasmania, Preolenna is a prime example of a small country town that died and Levendale in the south east is now also facing the possible closure of its local school for the same reason.
- Those farmers who have not sold out to the giant timber companies and have found plantations springing up all around them have discovered that their precious water supplies are drying up due to these plantations' insatiable need for water. Creeks, which even in previous drought conditions have still flowed, are now seriously degraded. This combined with aerial spraying of the plantations which drift over areas of arable land have serious repercussions. There have been numerous incidences here in Tasmania, of local waterways being polluted by chemical run-off and silt build-up from clear-felled plantations.
- **Why are forestry companies in Tasmania still allowed to clear-fell when the Federal Government is trying to get Asian governments to ban the practice and when our precious old growth, native and high conservation forests are worth far more as carbon sinks?**
- They also provide habitat for wildlife and are a huge source of biodiversity from forest floor to canopy species. **It has been scientifically proved that these mature bio-diverse forests retain far more carbon and their drain on the water table is nowhere near as much as a monoculture plantation.** Furthermore riparian growth helps to prevent the evaporation from waterways by shielding the water from the sun.
- Constant clear-felling of steep slopes in our water catchments causes chemical and silt pollution of the waterways from which comes our potable supply. Massive firebombing with napalm follows, usually in autumn, polluting our air with massive bushfires and smoke which endangers our health; followed by the application of 1080 causing agonizing death of native animals. (I believe Forestry Tasmania has now ceased this practice but private companies still use this method)
- As far as I am aware not one cent is paid by forestry companies for their **MASSIVE** groundwater uptake, whereas agricultural businesses have to pay for irrigation. This is hardly a level playing field?
- Dr Alison Bleaney from the East Coast of Tasmania has been campaigning for years to stop the chemical pollution of the St George River but despite evidence being found of contamination nothing is done.

- Bees are vital for pollinating our crops and fruit and in Tasmania the Bee-keeping Industry is suffering from the results of clear-felling as well. Leatherwood trees, found in rainforest and wet eucalypt forests have to be at least 70 years old to provide a regular supply of nectar and often these stands are found in or near forest areas due to be logged.
- Recent articles in agricultural newspapers have stated that several mainland MIS timber companies are now suffering a downturn in share price and profits, due to not only the world financial crisis but also from angry investors unhappy with poor returns. What better time then to ban the MIS scheme altogether? Surely if carbon sinks are required we should be establishing multi-species bio- diverse areas rather than water-guzzling monocultures.

I hope you will give these suggestions serious consideration in your review of the EPBC Act 1999

Signed

Estelle Ross