



# **Income Tax Assessment (Environmental and Natural Resource Management in relation to the Establishment of Trees for the purposes of Carbon Sequestration) Guidelines 2018**

---

I, Melissa Price, Minister for the Environment, make the following legislative instrument.

Dated 12 November 2018

Melissa Price  
Minister for the Environment

---

## Contents

1 Name	3
2 Commencement	3
3 Authority	3
4 Requirements	3
5 Repeal	3

<b>Schedule 1—Environmental and Natural Resource Management Guidelines in relation to the establishment of trees for the purposes of carbon sequestration</b>	<b>4</b>
---	----------

## **1 Name**

This instrument is the *Income Tax Assessment (Environmental and Natural Resource Management in relation to the Establishment of Trees for the purposes of Carbon Sequestration) Guidelines 2018*.

## **2 Commencement**

This instrument commences on the day after registration.

## **3 Authority**

This instrument is made under subsection 40-1010(3) of the *Income Tax Assessment Act 1997*.

## **4 Requirements**

For the purpose of paragraph 40-1010(2)(d) of the *Income Tax Assessment Act 1997*, the establishment of trees meets the requirements of guidelines mentioned in that paragraph if:

- (a) the trees are established as part of an eligible offsets project within the meaning of the *Carbon Credits (Carbon Farming Initiative) Act 2011*; or
- (b) the establishment of the trees complies with the guidelines set out in Schedule 1.

## **5 Repeal**

The *Environmental and Natural Resource Management Guidelines in relation to the establishment of trees for the purposes of carbon sequestration* made under subsection 40-1010(3) of the *Income Tax Assessment Act 1997* on 1 December 2008 are repealed.

## **Schedule 1—Environmental and Natural Resource Management Guidelines in relation to the Establishment of Trees for the purposes of Carbon Sequestration**

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

- (1) Compliance with this guideline may be achieved by one or more of the following as relevant to the project:
  - (a) avoiding clearing land of remnant native vegetation as determined by the relevant state or territory legislation;
  - (b) taking into account features of plantation and forestry best practice guides (such as state and territory codes of practice) relevant to carbon sink forests;
  - (c) establishing carbon sink forests in ways to avoid any significant negative impacts on water availability, including surface water and groundwater activity;
  - (d) establishing carbon sink forests in ways to enhance potential salinity mitigation benefits and prevent potential increases to in-stream salinity;
  - (e) developing a weed and feral animal management plan and fire management plan as applicable to the state or territory jurisdiction.

### **[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.**

- (1) Compliance with this guideline may be achieved by ensuring that establishment activities are consistent with regional natural resource management plans, including by identifying:
  - (a) strategies for ensuring that individual carbon sink forest plantings account for natural resource management priorities at a larger regional scale; and
  - (b) potential cumulative environmental impacts of carbon sink forest activities at a catchment scale.
- (2) 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.

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

- (1) 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.
- (2) 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.
- (3) Compliance with this guideline should include adhering to applicable state and territory, and local government land use planning legislation regarding the establishment of alternative land uses on agricultural land.

**[4] Legal rights concerning carbon sequestration in carbon sink forests should be registered on the land title in accordance with state and territory government legislation.**

- (1) Compliance with this guideline may be achieved by registration of carbon sequestration rights associated with the forest, or through registration of other relevant legal arrangements that establish ownership over and rights regarding sequestered carbon.