



**Cabinet Secretary
Parliamentary Secretary for Climate Change and Energy Efficiency
Parliamentary Secretary for Industry and Innovation**

C12/3233

The Hon Cassy O'Connor MP
Minister for Climate Change
GPO Box 919
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Cassy
Dear Ms O'Connor

Thank you for your letter of 25 July 2012 to the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, providing an update on the Tasmanian Forest Carbon Study and the implications of the Intergovernmental Agreement (IGA) on Forests. As these matters fall within my responsibilities, your correspondence has been passed to me for response.

I would like to take this opportunity to congratulate you on the release of CO2 Australia's Tasmanian Forest Carbon Study on 6 September 2012. The Study will be a valuable resource for the development of a Carbon Farming Initiative (CFI) methodology to calculate the amount of genuine and additional abatement that could be achieved by protecting Tasmania's native forests.

The Commonwealth's position is that Tasmania should be able to realise the carbon benefits associated with trees placed in conservation reserves as a result of the IGA. As the Prime Minister, the Hon Julia Gillard MP, noted in her letter of 10 July 2011 to the Premier of Tasmania, the Hon Lara Giddings MP, the Commonwealth's position is also that there should be no 'double dipping' with respect to carbon credits that may result from forest land entering into new conservation reserves as a result of Commonwealth funding. Any funding provided to support the establishment of reserves would need to be accounted for when determining the potential for carbon crediting under the CFI.

Thank you for bringing this information to the Minister's and my attention.

Yours sincerely

MARK DREYFUS/QC MP
10/10/12