

Australian Government – Department of Agriculture, Fisheries and Forestry Briefing

Held at NSW Farmers Association conference room

Friday 1 August, 2008

Present : Luke Jerdan (NSWFA)
David Eyre (NSWFA)
Julie Gaglia, Manager, Mitigation Policy, Climate Change Branch
Andrew Gregson (NSWIC)

9 others

Discussed: Carbon Pollution Reduction Scheme (CPRS) Green Paper

Background: The intent of the meeting was to run through the Government's preferred options as outlined in the Carbon Pollution Reduction Scheme (CPRS) Green Paper released on 16 July. They were very keen to get our feedback on the options and to discuss any issues we had in relation to the possible coverage of agriculture under the scheme.

Copies of the Green Paper were provided prior and can be downloaded from:

<http://www.greenhouse.gov.au/greenpaper/index.html>

also a Fact Sheet - Carbon Pollution Reduction Scheme and farmers

<http://www.greenhouse.gov.au/greenpaper/factsheets/fs5.html>

In addition they have scheduled regional forums (the regional forums are directed at farmers).

White Paper and draft legislation will be finalised at the end of 2008. Coverage not before 2015 (They say = free permits for 5 years). Forestry option in 2010 (Reforestation not definite).

Agriculture will not before 2015 with final decision on inclusion or exclusion 2013 (when NZ include). There are a large number of small emitters in agriculture (varies for other industries) and hence compliance costs far too high.

New Zealand look at covering upstream rather than farm gate. Paper says understanding of supply chain lacking due to its complexity. Moving point of obligation may remove incentive and point of emission.

Considering any "option in" accreditation process for farms. Those accredited will have less cost.

There is no proposal to cover emissions from deforestation as its simply too hard due to intermittent nature. Don't account for sequestration in crop or grazing lands.

Forestry emissions recorded when harvested and with incentive is for long term and not plantation. They expect strip plantings in agriculture etc.

No "robust" work yet (but ABARE considering) how much permanent increase in forestry. Depends on scheme design and value. (COAG considering water licences).

Preliminary work says the price above \$100 prior to conversion from Agriculture.
Work between ABARE and Treasury doesn't currently contemplate water impacts. May and Julie commit to looking at more closely with NSWFA and NSWIC.

Forest = Capacity to reach 2 m with a 20% ground cover

"The thing about forestry is that its all upside"

NOTE: This is potentially another incentive for Managed Investment Scheme (MIS) etc to plant new permanent plantations.

ISSUE: Incentive to plant not trees but orchards etc with an annual yield?

NOTE: If water cut off and trees die, will have to buy in the market. Lost carbon ??incentive to buy High Security water or convert General Security water.

FUEL: Agriculture gets offset for 3 years. Heavy road vehicles 1 year with review.

Emission – intensive Trade Exposed (EITE) support

30% of permits go to this sector with 10% to Agriculture.

Assistance to those with intensity upwards 1500+/\$m revenue (60%)

2000+/\$m revenue (90%)

(This is only to covered sectors – not agriculture yet).

Australian Farming Future – Climate and Research Programme

\$46.2m over 4 years

- 3 priorities
1. Reduce greenhouse pollution
 2. Better soil management
 3. Adapting to climate change.

Research with an emphasis on showing how it can be applied on the ground. Large scale collaborative projects encouraged.

First round approvals 5 September, 2008.

ENDS