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SUBMISSION TO LEGISLATIVE ASSEMBLY

STANDING COMMITTEE ON NATURAL RESOURCE MANAGEMENT (CLIMATE CHANGE)

Inquiry into Emissions Trading Schemes
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Scope

The NSW Irrigators Council are not Climate Change or Emissions Trading experts. We do not have in house scientific resources and do not seek to provide scientific advice.

Aside from general comments with respect to agricultural production, this submission concentrates on policy implications for water users.

Introduction

The availability and reliability of water is clearly at the heart of irrigation.

Emissions trading is likely to have a significant impact on water availability. As such, the impacts on irrigated agriculture and the possible resultant decrease in production must be taken into account.

Agriculture is recognised as a major emitter of carbon.

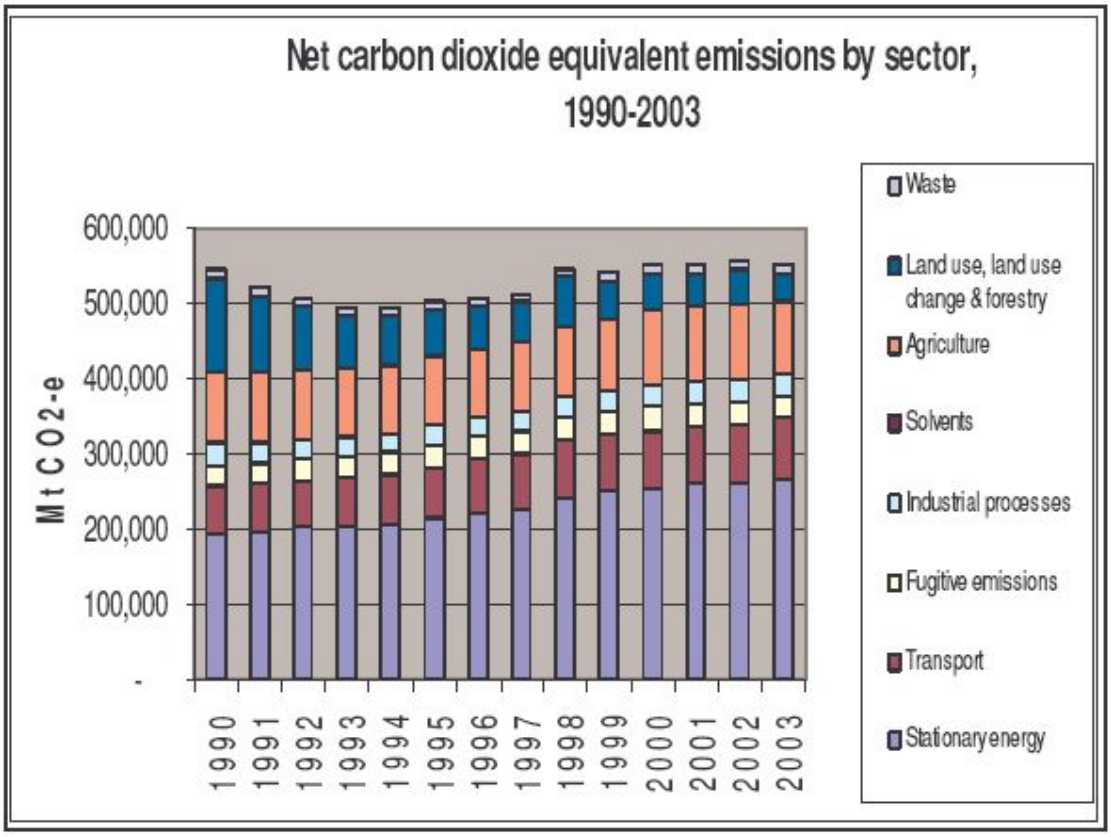
At the same time, it has the capacity to be a major player in carbon sequestration. Consideration of its beneficial carbon impacts must be given.

Carbon Emissions

Agriculture is responsible for a significant amount of Australia's CO2 emissions. Australia is criticised for being a significant producer of CO2 – when measured on a per capita basis. Such measurement, and the resultant criticism, does not take into account the fact that around 80% of Australia's agricultural production is exported. In light of this, 80% of the CO2 emissions created by agricultural production in Australia ought be accounted for in the per capita figures of those countries importing our production.

Along with this consideration, it should be noted that agriculture is certainly not the largest emitter of carbon in Australia. Figure one (below) shows relative emissions of CO2 by sector between 1990 and 2003. Stationary energy is by far the largest contributor of greenhouse gasses.

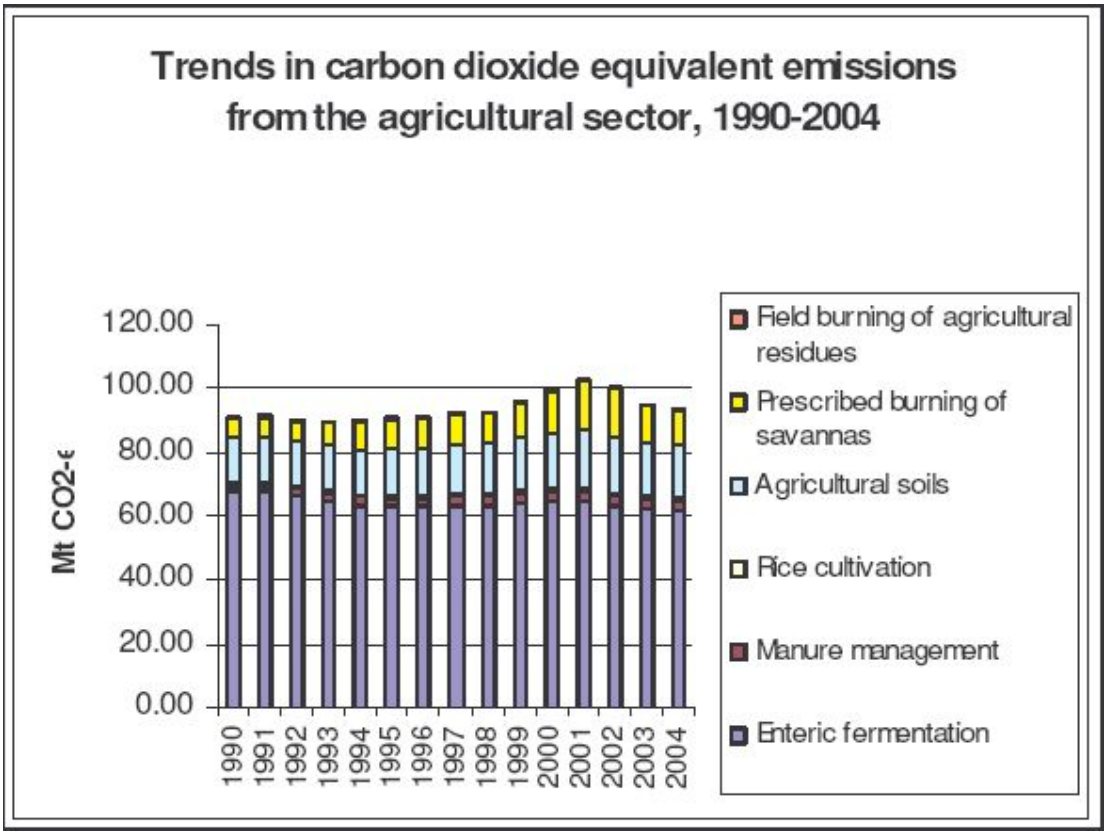
Figure One



Note specifically that agriculture is one of the few sectors where emissions are actually *decreasing*.

Figure Two (overleaf) shows total agricultural emissions of CO2 between 1990 and 2004 broken down into sectors.

Figure Two



Agriculture can contribute to the carbon issue in two ways – it can engage in methods that produce less emissions in the first instance and it can engage in practices which sequester carbon into soils in the second instance.

Both methods will involve significant expenditure on research and development of practices best suited to production and to carbon results. Given the massive expenditure on research in the energy sector for the minimal results shown to date, it is both logical and reasonable to expect that funds should be attributed to agriculture.

Specific Impacts of Emissions Trading

At the heart of emissions trading is the capacity of the market to provide credits for carbon capture and storage. Such credits are traded to emitters to allow for offset.

Plantation forests are likely to form a large part of the creation of carbon credits.

Forests are clearly significant consumers of carbon, but to achieve that they are significant consumers of water.

Typically, plantation forests are concentrated in catchment areas. As a result, runoff does not reach storages or delivery systems. As the water is taken *prior to its capture and measurement*, plantation forest consumption is not included in the New South Wales system of water licensing, Water Sharing Plans and Available Water Determinations.

No account is taken of water that is intercepted.

This issue must be address prior to a predicted significant increase in plantation forests brought about by emissions trading.