



Carbon Farming Initiative

Julia Gillard and Labor
Let's move Australia forward



Carbon Farming Initiative

A Gillard Labor Government will open up new opportunities for Australian farmers and landholders to participate in lucrative international markets for carbon credits in a new *Carbon Farming Initiative*.

Under the new scheme, for the first time, a Federal Government will help facilitate the sale of carbon credits on domestic and international markets.

Farmers and landholders will benefit from a new income stream, and the environment will benefit from reduced pollution.

Why are we doing this?

At present, there is no uniform way for farmers, forest growers or landholders to generate carbon credits and sell them into lucrative international markets.

However, agriculture and forestry will be a critical part of efforts to reduce Australia's pollution. Together, they account for around 23 per cent of Australia's total pollution.

Under the *Carbon Farming Initiative*, a Gillard Labor Government would legislate clear rules for the recognition of carbon credits that could then be sold on domestic or international markets.

This means farmers will know in advance exactly what they need to do to generate credits that are internationally recognised and available for trading.

The Carbon Farming Initiative will provide a strong incentive to identify and implement low-cost methods to reduce pollution in the agriculture and forestry sectors.

How will it work?

A farmer could enter into an agreement with a business to plant a certain number of hectares of trees on less productive parts of a farm.

Over time, as the forest matures and stores more pollution, credits will be issued. These credits will be verified by a new independent regulator.

Once these credits have been verified, they can be sold into domestic or lucrative international markets.

Buyers could include Australian companies wanting to offset their emissions.

The market will determine the price of the credits but as an example, international credits have sold for up to \$20 per tonne over the past year and a half.

There will be no restriction on the number of credits that can be generated, with initial conservative estimates suggesting this market could be worth about \$500 million over ten years.

How will we help farmers take advantage of this Initiative?

A re-elected Gillard Labor Government will provide farmers, landholders and forestry growers with the tools to understand how to generate carbon credits.

The initiative will also help link farmers, land managers and forestry operators with brokers, who could sell their credits on the domestic or international market.

This will allow farmers to keep doing what they do best, while also connecting them with those who have the monitoring and carbon retail know-how.

As part of this, Landcare, the trusted volunteer organisation which has been working with our farmers for the past 21 years, will be funded to help farmers by providing information on how to further benefit under the initiative.

Landcare will also advise farmers if there are opportunities to "pool" with nearby properties and catchment areas. It means that if farmers share parts of less productive land, they could create carbon estates and share the profits.

What kind of projects will be eligible?

Methodologies for reforestation, legacy waste emissions from landfill sites, manure management in intensive livestock production and savanna fire management (subject to successful completion of current research), could be developed, assessed and approved by December 2011.

Some forest plantings are already established and are absorbing pollution. For forestry projects, where rigorous methodology is already established, projects could apply to have crediting backdated to 1 July 2010.

Methodologies for fertiliser use and avoided deforestation could be developed, assessed and approved by December 2012.

Soil Carbon and Biochar

Building on the \$20 million in soils research under the Climate Change Research Program, the Gillard Labor Government will work at home and abroad to support further research on biochar and to fast-track methodologies for soil carbon.

We will support research and on-farm testing of biochar as a further option for land managers to contribute to reducing Australia's pollution. This will help build national capabilities to demonstrate and measure the effects of biochar on pollution.

This program will build on biochar research currently being conducted under the Government's *Australia's Farming Future* program.

A re-elected Gillard Labor Government will also work to fast-track the development of methodologies for soil carbon.

Australia is a member of the Global Research Alliance on Agricultural Greenhouse Gases and leads, with France, research collaboration on soil carbon. The Alliance will play an important role for Australia by increasing access to research and technologies.

HOW THEY COMPARE: KEY DIFFERENCES

Tony Abbott's plan relies on slugging taxpayers, bureaucrats picking winners and on credits which aren't counted internationally.

Gillard Labor – Carbon Farming	Abbott Coalition – Government fund
<p>Polluters pay for pollution cuts</p> <p>A Gillard Labor Government will set up a new market to give landholders and farmers the chance to earn money for their efforts to tackle climate change.</p> <p>Setting this up as a market is a win-win. It means polluters will pay farmers and landholders to reduce pollution – taxpayers won't foot the bill.</p>	<p>Taxpayers pay for pollution cuts</p> <p>Instead of getting polluters to take responsibility for their pollution, Tony Abbott will spend taxpayers' money.</p> <p>Experts have said his plan will increase pollution (13% by 2020). So Tony Abbott wants to slug taxpayers with a \$12 billion tax bill for a policy that will actually increase pollution.</p>
<p>Market system to provide more choice</p> <p>We know markets are the cheapest way to reduce pollution. We don't pretend to know more than farmers about their land. The market will give farmers/landholders flexibility to find the best price for their pollution efforts.</p>	<p>Government to pick winners</p> <p>Tony Abbott is relying on a big Government bureaucracy to pick winners. Farmers will have to negotiate with bureaucrats in Canberra. Previous schemes like this have been discredited.</p>

Gillard Labor – Carbon Farming	Abbott Coalition – Government fund
<p>Fiscally and environmentally credible</p> <p>A Gillard Labor Government will protect landholders and forestry operators by making sure we have high quality credits, verified by an independent regulator. This will add to the value of credits over the long term.</p>	<p>An economic risk</p> <p>Tony Abbott’s plan is an economic risk – for taxpayers and farmers/landholders. He isn’t serious about tackling climate change and his plan reflects that. It relies on methods which aren’t tried and tested and which aren’t internationally accepted.</p>
<p>Access to lucrative international markets</p> <p>Landholders, forestry operators and farmers can access lucrative international markets. International units have reached up to \$20 per tonne of carbon in recent times.</p>	<p>Government price – lump it or leave it</p> <p>Under Tony Abbott, farmers and landholders won’t have any choice but to accept whatever price the Government offers them. There won’t be the chance to access lucrative international markets.</p>

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