

Carbon Neutral
PO Box 353 Floreat WA 6014
Tel: 1300 851 211
Fax: 08 9200 4425
contact@carbonneutral.com.au
www.carbonneutral.com.au
ABN 99 124 696 966

Submission 012
Date received: 12/04/2011



12 April 2011

Secretary

House of Representatives Standing Committee on Climate Change, Environment and the Arts

By email: ccea.reps@aph.gov.au

Re: Carbon Credits (Carbon Farming Initiative) Bill 2011
Sequestration offsets projects - tree planting

I am writing in support of the Carbon Farming Initiative (CFI) legislation.

This initiative has the potential to drive funding into rural communities, increase green collar jobs and improve the natural environment whilst simultaneously contributing to domestic climate change adaptation and mitigation measures.

If the CFI goes ahead as planned it will provide security to Australia's carbon industry which employs thousands of people around the country and contributes to greenhouse gas abatement beyond the Government's commitments. Carbon Neutral has already received interest from international organisations looking to invest in carbon projects in Australia under a program such as the CFI. If the CFI is linked with a carbon price scheme in Australia this, combined with an increasing voluntary market and overseas interest, has the potential to direct significant funding into farming communities and deliver multiple environmental outcomes for all Australians.

Furthermore, the urgency of the need for strong action on climate change demands a suite of options being brought to the table. In our view, native biodiverse plantings by Carbon Neutral under the CFI will aid the drawdown of carbon from the atmosphere. Most leading scientists now agree that simply reducing emissions at the source will not be enough to stop dangerous climate change occurring. Accordingly, the CFI is a critical piece of legislation that must be supported by all parties given the current climate emergency we are now facing.

Carbon Neutral is a not for profit, ethical environmental organisation. We are concerned at comments from some factions expressing concerns with the legislation. We wish to respond with on the following key issues related to the CFI and ultimately support the passing of the legislation:

1. *Comparison with managed investment schemes (MIS)*

Comparing the CFI with MIS is not valid. The MIS schemes were tax-driven investments funded by high net worth investors under corporate management structures. The CFI scheme will enable farm families the opportunity to generate carbon credits by integrating trees into the farm program, typically on marginal land. This will enhance farm viability and assist to keep farm families on the land who may otherwise be forced to sell under financial pressure to corporate and foreign buyers.

2. *Potential adverse impact of carbon offset projects*

Project proponents could be required to seek approval from local or regional governments to ensure the projects fit appropriately within the natural resource management plans of the area and do not have adverse impacts on biodiversity, water and agricultural production.

Many local governments in WA currently do this. To minimise the potential impact of large-scale monoculture plantings (such as oil mallees) in a region, a cap on monoculture plantings could be considered. This could be linked to the proposed introduction of a biodiversity rating system within the Carbon Farming Initiative methodology and verification framework.

3. *Strong links to an Australian carbon price scheme*

It is essential that the offsets produced under the CFI are available for use within a future carbon price scheme to allow companies to meet their liability and that this is not capped. This will channel much needed funding into important projects such as the biodiverse reforestation projects Carbon Neutral implements in partnership with farmers. If the scheme is well designed to mitigate against adverse impacts this can only be a positive for the green carbon industry, rural communities and farmers.

4. *Climate change adaptation and mitigation*

Native biodiverse tree plantings such as those offered by Carbon Neutral will also help build ecosystem resilience, thereby assisting in climate change adaptation and mitigation in the face of a warming climate. While Carbon Neutral plants all over Australia, the majority of our plantings continue to be in the south-west of Australia. This is not only an area predicted to suffer significantly from climate change (which is already happening) but also one of the world's 25 biodiversity hot spots. CFI plantings by Carbon Neutral will help those ecosystems adapt and mitigate the losses suffered in the drying and warming climate of the south west.

Yours sincerely,

Ray Wilson
Chief Executive Officer