

To the Senate Committee Inquiry on Carbon Credits (CFI) Bill 2011,

As an organic resource recovery operator I've spent much time considering the wider socio-economic factors of carbon emissions – waste – fertiliser – fuel and farming. A large factor not covered in the carbon farming initiative that changing farming practices will result in increased food security for Australia.

The carbon farming initiative is an excellent way to foster new farming habits, with particular focus on the reduction in carbon emissions and the potential for carbon sequestration.

Awarding farmers for improved low emission impact farming techniques such as no (reduced) till and reduced synthetic fertiliser-use will provide instant results for a carbon emission reduction.

The risk of delaying such a system will punish early adopters, who are generally the pioneers of such low carbon farming techniques. Early adopters for increased carbon sequestration on their farms must have a mechanism that they can be rewarded on.

Mechanisms for payment should be quick and reversible, if required; this can be performed in a similar method to the R&D tax concession offered by the DIISR. Tax credits are given instead of payment, in order to reduce the yearly tax liability of CFI adopters. If a company consistently runs in to tax losses a percentage of the value of the credits (not of the tax loss total) can be paid out. Tax credits will be extremely helpful to farmers whose average fuel expenses in the production of crops, beef and dairy are 32.4%, 21.1% and 15.4% (Veil food report 2011) consecutively. Fuel as a percentage cost to food production will increase markedly over the next decade increasing the cost of food dramatically.

The other point for the CFI to address is the issue of using compost to increase soil carbon levels and the level of carbon retained from any addition after 100 years. The use of compost as a substitute for synthetic fertilisers has been well documented, and provides farmers with incentive to compost on farm waste which further reduces the release of methane and nitrous oxide from untreated animal wastes. Encouraging farmers to adopt on site composting will reduce organic waste going to landfill, as farmers will get paid to take organic waste for compost production. Increased production of compost in Australia will provide a low carbon foot-print fertiliser reducing our reliance on imported fertilisers. This will also provide an additional revenue source to farmers increasing Australia's food security.

Kindest regards

Andrew Swann