

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 81
Hearing: Budget Estimates
Outcome: Outcome 2
Programme: Land Division
Topic: CARBON FARMING INITIATIVE
Hansard Page: N/A
Question Date: 10 June 2014
Question Type: Written

Senator Urquhart asked:

- 1 Has the Department sought advice from financial institutions relating to their treatment of carbon certificates as assets when assessing loan applications or financing arrangements?
- 2 Has the Department received any advice from potential participants in the CFI program relating to concerns about the recognition of carbon certificates as assets?
- 3 Does the Department consider the prospect that banks may not recognise carbon certificates as assets as a potential disincentive to people participating in the CFI program?

Answer:

1. The Department has not sought advice from financial institutions' relating to the treatment of carbon certificates as assets when assessing loan applications or financing arrangements.
2. The Department has not received advice from potential participants in the Carbon Farming Initiative relating to concerns about the recognition of carbon certificates as assets.
3. The Department expects that financial institutions would, in the normal course of business, consider a range of commercial issues when assessing loan applications or financing arrangements for properties including whether a Carbon Farming Initiative project is undertaken on the property.