



THE GRIFFIN GROUP

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The Secretary
Senate Finance and Public Administration Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

RE: Submission into the Inquiry on Native Vegetation Laws, Greenhouse Gas Abatement and Climate Change Measures.

Griffin welcomes the opportunity to make a submission to your Inquiry. The Griffin Group's operations cover a wide range of activities that have major potential impacts on the production (and mitigation) of greenhouse gas (GHG) emissions. These include coal mining, electricity production and agriculture, all based in Western Australia. As such, Griffin holds a keen interest in policy developments in this area and has been active in contributing to the policy debate to date.

Griffin has long advocated the use of biosequestration as a useful action to mitigate the growth in GHG emissions. We strongly support the planting of native vegetation to achieve carbon sequestration. Griffin owns several large agricultural properties for which biosequestration will enable us to directly offset some of the impacts of emissions from our Bluewaters Power Station. We believe that biosequestration through the planting of forestry sinks should play a prominent role in any broad suite of measures designed to reduce GHG emissions at least cost. To this end, we welcome the inclusion (on an opt-in basis) of forestry sinks in the proposed CPRS design. However, we also believe that GHG mitigation from agricultural activities could go a great deal further, especially through the inclusion in the CPRS (or other relevant policy instruments) of offsets (or other incentive measures) that promote carbon capture in soil. To this end, we support the Opposition's approach to carbon mitigation strategies.

'Soil carbon', whether from adding biochar or humic acids to soils, or from improved tilling methods, appears to have the added bonus of improving agricultural productivity. This is particularly important given the long term depletion of carbon in our agricultural soils through traditional farming practices. As the operator of large tracts of agricultural property, Griffin is well aware of the difficulty in managing the balance between operating in a long term sustainable manner and meeting shorter term commercial objectives. Many sustainability practices may not in-and-of-themselves be commercially viable as a measure of improving productivity. However, as is done around the world with other GHG mitigation activities, the application of an 'additionality test', where activities meeting the test parameters may also receive income from the verifiable GHG mitigation aspect of the activity, may allow more sustainable farming practices to be deployed. This yields a double dividend: Australia's GHG

emissions would be directly reduced through 'carbon storage' in soils; and Agricultural productivity in Australia would rise through improved soil productivity (leading to second order GHG emission reductions). Given the land mass available, the carbon storage potential is huge.

While we recognise that the science and methodologies around verifying carbon capture and storage in soils is currently incomplete, Griffin would urge the Inquiry (and policy makers in general) to consider implementing this potentially important mitigation activity in an appropriate manner. While initial implementation might be conservative – based on the premise that soil carbon may not prove a long-term mitigation measure – this might be analogous to the promotion of energy efficiency. In a world where energy consumption continues to grow, energy efficiency can be seen as merely avoiding an emission today that will be made tomorrow. So even under a worst case scenario – where soil carbon does not prove a long term mitigation option – its short term mitigation benefits is potentially significant and should not be overlooked. One of the major issues facing developed countries over the next few decades is the enormous task required to de-carbonise their developed economies. One thing is certain: this will take time. The ability to reduce atmospheric GHG concentrations whilst undertaking this task should not be underestimated.

Griffin is of the firm belief that soil carbon, along with other credible agricultural or forestry-type GHG mitigation activities, should be actively pursued by all levels of Australian government. Given the nature of our economy (and our particular environment), not to do so seems to ignore a fundamental and intrinsic structural component of the Australian economy.

I would be pleased to further discuss Griffin's views on this topic as may be required.

Yours sincerely_

Noel Ashcroft
Chief Executive Government Relations & Market Development