



**INQUIRY INTO THE EXPOSURE DRAFTS OF THE LEGISLATION TO
IMPLEMENT THE CARBON POLLUTION REDUCTION SCHEME**

SUBMISSION

To

Senate Standing Committee on Economics

Prepared by:-

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Background

The Western Australian Farmers Federation (Inc) (WAFarmers) is the State's largest and most influential rural lobby and service organisation.

WAFarmers represents approximately 4,000 Western Australian farmers from a range of primary industries including grain growers, meat and wool producers, horticulturalists, dairy farmers, commercial egg producers and beekeepers.

Collectively our members are major contributors to the \$5.5 billion gross value of production that agriculture in its various forms contributes annually to Western Australia's economy.

Additionally, through differing forms of land tenure, our members own, control and capably manage many millions of hectares of the State's land mass and as such are responsible for maintaining the productive capacity and environmental well being of that land.

Introduction

WAFarmers welcomes the opportunity to provide comment to the Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme.

The Inquiry's webpage, part of the Parliamentary of Australia website notifies that "submissions to this inquiry should concentrate on the exposure draft legislation and the Carbon Pollution Reduction Scheme. Submissions about climate change policy more generally may be better directed to the separate inquiry by the Senate Select Committee on Climate Policy." At the time of writing this submission, the reporting deadline for the Senate Select Committee on Climate Policy was unknown, and as such, WAFarmers believes that it is appropriate to provide this brief submission, as our issues will be impacted by this legislation.

Submission

WAFarmers position remains that agriculture has the potential to be a greater contributor to climate change solutions than it is a contributor to its causes. This position was discussed in greater detail in our submission to the Carbon Pollution Reduction Scheme Green Paper (August 2008), and so will not be repeated here.

Whilst no decision on agriculture's inclusion in the Carbon Pollution Reduction Scheme will be made until 2013, WAFarmers believes that it is critical that this legislation creates the framework which will allow for a future balanced equation for Australian agriculture. If passed in its current form, WAFarmers believes that the Carbon Pollution Reduction Scheme will initiate immediate costs for farmers, as more than half of agricultures' obligations will be included upon introduction in 2011. These will include direct input costs as well as intermediary supply chain costs, both of which will be borne without farmers being able to derive any financial benefit from on-farm carbon sequestration activities.

WAFarmers acknowledges that agricultural emissions contribute to climate change, and in order that this is addressed, we believe that there needs to be a 'balance' of opportunities for farmers to derive benefits from on-farm carbon sequestration activities. WAFarmers believes that to enable farmers to produce sustainability and profitability through this process, a combination of additional research, and a change to the current 'rules' are required.

WAFarmers notes that the Standing Committee on Rural and Regional Affairs and Transport, in its Final Report on Climate Change and the Australian Agricultural Sector (December 2008) made three recommendations, being;

- The Government should significantly increase the research effort in relation to the potential of soil carbon as a climate mitigation measure, as a means of reducing the capital input costs to agriculture as a means of increasing resilience in agricultural systems.
- The committee recommends that the Government should provide for a full carbon accounting framework in relation to agricultural and forestry sectors in a domestic emissions trading scheme.
- DAFF should prioritise strategic planning for climate change mitigation and adaptation in agriculture and rural communities and play a greater leadership role than is currently the case.

WAFarmers supports these recommendations and believes that they are the basis for future government involvement in agriculture's response to climate change. If agriculture is to be included in the Carbon Pollution Reduction Scheme then clarification is needed on a number of areas of uncertainty. This commences with a valid and agreed process for estimating and measuring emissions, supported by the development of practical and cost-effective management practices and technologies that will reduce agricultural emissions. These however will require significant research for agricultural emissions and for the inclusion of other reduction opportunities, most notably with the incorporation of soil carbon.

Currently outside the legislative framework, WAFarmers recognises that to be included in a Carbon Pollution Reduction Scheme soil mitigation processes will require the full support of Government to lobby for the alteration of the Kyoto agreement. A range of research is essential in aiding this justification for this change, including soil management practices to develop a better understanding of carbon sequestration, the impacts of management practices on soil carbon, the role Australian soils could play in sequestering carbon dioxide from the atmosphere and analysis of the carbon life cycle in this environment. Investment in this research will be greatly enhanced by an early announcement of the Government's support for a change to the Kyoto rules.

In the absence of soil mitigation solutions WAFarmers remains concerned that plantation forestry is promoted as the 'silver bullet' solution. The Western Australian experience with mono-culture forestry has not been without problems however in recognising the role of plantations in storing carbon both above and below ground, WAFarmers believes that greater consideration should be given to the integration of trees into the farming system, as occurs with agro-forestry. In Western Australia, agro forestry in low and medium rainfall areas continues to deliver on-farm and catchment soil, environmental and economic benefits and offers opportunities in a much wider area of the land.

WAFarmers also wishes to raise concern that we have had to consider over 500 pages of this extremely important and far reaching piece of draft legislation in an extremely short review period. Whilst this has been difficult enough, it has occurred at a time when the federal opposition and cross-bench politicians have been creating significant levels of uncertainty in their likely support for the legislation. WAFarmers has found it difficult to allocate its comparatively small level of resources to a process which may be already, condemned to failure. In that difficult environment however WAFarmers continued on with this submission as we believe that there are opportunities within the carbon sequestration process for Australian agriculture which, in its current form, are in danger of not be realised.

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