

EMBARGO: Sunday November 28th 12.00pm

CARBON THEFT COSTING AUSTRALIAN FARMERS \$600 MILLION PA

Australian and State Government climate change policies are depriving Australian farmers of an estimated \$600m pa in potential revenue, and at the same time are not reducing greenhouse gas emissions from key emitting sectors.”

This is the conclusion of a paper on Australian climate change policies, included in the latest edition of the *Farm Policy Journal*, released today by the Australian Farm Institute.

‘State Government bans on scrub clearing have dramatically reduced Australian net greenhouse emissions and have created the impression that Australia can achieve its stated target of limiting emissions to 108% of their 1990 levels by the 2008–2012 period.’ explained Mick Keogh, Executive Director of the Institute.

“However, the figure obscures the reality that emissions from Australia’s energy and transport sectors are growing very quickly, and are already 130% of 1990 emission levels.’

Significantly, the New South Wales, Queensland and Western Australian Governments, which were at the forefront of imposing the landuse restrictions on farmers, are also the owners of the coal-fired electricity generators that are major and growing emitters of greenhouse gases.

“These Governments received more than \$900m in dividends from their respective electricity generators in 2001-2002, and continue to receive these dividends on an annual basis. Not surprisingly, these generators have not been forced to comply with blunt, regulatory controls on their activities in the same way that farmers have.”

The paper concludes that a national greenhouse emissions trading scheme could form the basis of more appropriate national policies. Under such a scheme, all sectors of the economy could be required to comply with the 108% emissions target by the 2008–2012 period. This could occur either by actions to reduce emissions, or by purchasing carbon credits from other sectors or organisations that have reduced emissions more economically.

Under such a scheme, and based on current values prevailing in international carbon markets, the greenhouse emission reductions achieved to date in the farm sector are worth in excess of \$600m pa. Under current policies, this revenue has effectively been taken from farmers by Australian and State Governments.

‘If properly implemented, a national greenhouse emission trading scheme would create real incentives for all sectors, but especially farmers, to find economically efficient ways to reduce greenhouse emissions.’ Mr Keogh concluded.

Contact: Mick Keogh BH (02) 96901388 AH 0418 256 066