

TO: Climate Change Authority
DATE: 17/2/2016

FROM: Angus Atkinson
RE: Climate change policy

Thank you for allowing me the opportunity to provide a submission in response to the Climate Change Authority's (CCA) *second draft report of its Special Review on Australia's climate goals and policies*.

I am a mixed farmer from central NSW. Our family farm has significant areas of native vegetation that we have been forced to locked-up because of NSW and Commonwealth Government native vegetation legislation. The reason why my property rights were **stolen** was because society considers the native vegetation to be extremely valuable despite the fact that they paid nothing for it. We have never been compensated for our losses associated with the State and Commonwealth Governments decision to lock up our land despite the fact that the Commonwealth Government used the estimated reduction in greenhouse gas (GHG) emissions to meet its GHG reduction targets.

The main issues I wish to raise are:

- 1: Agriculture must be considered a special case in the GHG policy (like international shipping);
- 2: Agricultural R & D organisations must be allowed to use industry wide reduction in emission intensity that have resulted from programs they have developed and implemented in any GHG emission program;
- 3: "Environmental effectiveness" and "Least cost" evaluation methodology must be radically improved.
- 4: All Agricultural GHG emission programs must allow intensity projects and be able to include environmental benefits as a part of the assessment;
- 5: An investigation into the Emission Reduction Fund Native Forest Protection Projects;
- 6: Australia must not purchase/use overseas emission reductions credits;
- 7: Climate policy should include either an ETS or carbon tax not direct action.
- 8: The Commonwealth Government must improve the message of climate change to get better community support.

One general comment is that the report is extremely city centric eg only talk about "firms" no mention of farm, the vast majority are family farms not firms.

The following table are my specific comments relating to the report.

Pg	Section	Comment	Comment
	1.4	Without changes to native veg laws almost no reduction	Farmers property rights were stolen by various State Govts when a relatively small number of farmers were prevented from managing their land they lawfully owned and then the Federal Govt using the estimated reductions to meet Koyoto protocol targets
	1.4	The estimates of greenhouse gas emissions from ag were grossly exaggerated. Veg mapping over estimated clearing in NSW by over 50%	
	1.4	No mention of the extreme over exaggeration of the estimates of methane emissions from cattle	Once again farmers (cattle industry) received no benefit from the reduction in estimated GHG emission while the ERF fund projects of no benefits.

Pg	Section	Comment	Comment
	Figure 1	Clearly shows that it was only unfairly restricting farmers that targets were achieved.	No mention of incorrect assumptions used and how these errors will be credited to Australian Farmers.
8	Table 2: Land clearing regs	No mention of increased “greenness” in Australia.	No estimate of woody thickening was done or accounted for There is an assumption that figures are correct. This would appear to be very doubtful.
8		Emissions growth is because Ag can no longer carry the can.	
11	2.1.1	Least cost: Extremely simplistic, if a farmer retains mosaic vegetation structure and retains a mixture of perennial exotic and native species, the project will have a triple bottom line advantage over a project that only involves carbon reduction.	Under the ERF \$500,000,000 was given to 100 farmers not to exercise a State grant licence to manage invasive native Scrubs. This ½ Billion dollar project involved no financial nor environmental review. An example of 1 project involved: Aggregator: Terra Carbon Pty Limited Title: Ellavale Native Forest Protection Project I estimate the project is receiving over \$14,000,000. The “Ellavale Native Forest Protection Project” is located on “Ellavale” Bourke. It is located 100 km west of Bourke NSW around Fords Bridge. The township of Bourke has an average annual rainfall of 340 mm. Ellavale has been severely impacted by woody weeds including turpentine (<i>Eremophila sturtii</i>) and budda (<i>Eremophila duttonii</i>) for many years (over 100 years). The current owner paid approximately \$3,000,000 for the entire property and now the ERF has paid the owner and his aggregator \$14,000,000 to manage a small section for 10 years. NO ENVIRONMENT nor FINANCIAL EVALUATION. Why not? Cost Effectiveness!!
12	2.2	Environmental effectiveness: Extremely disceptive title! This is efficiency not environmental effectiveness! Environment involves biology not just carbon.	This is all about “To be environmentally effective, policies need to help close the gap between what emissions would have been in the absence of policies” NOT ENVIRONEMTAL EFFECTIVENESS.
12	2.3	It is a shame this was not a part of the original policy when the costs were allowed to fall disproportionately on one groups, farmers!	

Pg	Section	Comment	Comment
13	International competitiveness	The climate policy will put Australian farmers and firms at a competitive disadvantage relative to firms in countries that do not face comparable measures	
15	Table 3	No mention of vegetation regulations	
29	3.6	“government support for research and development may be best viewed as a complement, rather than alternative, to policies that can achieve targets”.	Industry R and D and improved industry best practice must be allowed to receive carbon credits for developments that have industry wide implications on GHG emission. EG: If MLA developed a new gut bacteria that reduced methane emissions by 50% of all cattle in Aust. Why can't MLA claim reduced emission intensity and therefore carbon credits. If the average age of slaughter was reduced by 3 months while maintaining Kg produced, industry should be rewarded for improved efficiency.

Questions asked in review

	Question	Response
1	The Authority proposes assessing policies primarily on their cost effectiveness, environmental effectiveness and equity. Are these principles appropriate? Are there any other principles that should be applied, and if so, why?	<p>NO:</p> <p>All these extremely large projects (over 1 million dollars) must be properly assessed and a much more robust approach to long term management must be developed. The ERF projects can run for over 25 years and the ERF is expecting the “aggregators and the landholders to honour the contracts: FAT CHANCE/NO WAY. What fantasy island does the ERF live on!!</p> <p>All agricultural must be able to biodiversity benefits and should be compensated for these benefits.</p> <p>Cost effectiveness: as previously discussed in the previous table the ERF paid 1 farmer \$14,000,000 to manage a small part of their farm which they had purchased a few years earlier for \$3,000,000. The ERF has paid this landholder for not clearing scrubs using an almost free licence issued to improve the mosaic vegetation structure and the farms productivity in the knowledge that the scrubs will grow back in a few years anyway. With some landholders using the ERF money to clear other areas on their properties that would never had been cleared unless the EFF paid them. A proper assessment would identified this obviously ridiculous and extremely stupid project and never paid out over \$500,000,000 with absolutely no additionality.</p>

2	What lessons can be learned from Australia and overseas on the effectiveness of mandatory carbon pricing, and its interaction with other climate policies?	No comment
5	How does voluntary carbon pricing perform against the principles of cost effectiveness, environmental effectiveness and equity?	No comment
6	What lessons can be learned from Australia and overseas on the effectiveness of renewable energy targets and energy efficiency targets, and their interaction with other climate policies?	It would appear that these targets have worked well and should be maintained.
7	How do renewable energy targets and energy efficiency targets perform against the principles of cost effectiveness, environmental effectiveness and equity?	No comment
8	What lessons can be learned from Australia and overseas on the effectiveness of regulation, and its interaction with other climate policies?	Regulation has significantly impacted a relatively small number of farmers in NSW. Both the State and Commonwealth Government have forced farmers to retain native vegetation without paying any type of compensation. This is extremely unfair and is not equitable. Under the new policy farmers that are forced to retain native vegetation must be reasonably compensated for the carbon they store the biodiversity benefits the community received from locking up this land.
9	How could various types of regulation perform against the principles of cost effectiveness, environmental effectiveness and equity?	The native vegetation regulations are extremely cost effective because they cost the Government nothing. They only cost the farmer and deprive them their property rights. Environmental effectiveness: as previously stated this is an extremely disceptive title. It is only about additionality not environmental effectiveness.
10	What lessons can be learned from Australia and overseas on the effectiveness of information programs and innovation support, and their interaction with other climate policies?	Needs to be better.

11	How do information programs and innovation support perform against the principles of cost effectiveness, environmental effectiveness and equity?	No comment
12	What policies do you consider are best suited to which sectors and why?	An essential policy must be that emission intensity is the key driving force in agriculture. It is essential that Australian agriculture be able to effectively compete against the world and efficiency is the only way that will be achieved not a reduction in emission but an improvement in efficiency. For example cattle production in Australia is extremely efficient compared to India where the cattle are significantly older when they are slaughtered and therefore have produced significantly more methane. Industry wide efficiency savings must be allowed to be a part of the climate policy. If the Australian cattle industry can improve its cows reproductive rate or reduce the age of slaughter, the industry must be able to claim those savings and receive funding for them. It is essential it be done at an industry wide scale otherwise only extremely large farmers will be involved or aggregators will take the majority of the funding.
13	Are there sectors that are better suited to voluntary pricing in the short term and mandatory policies in the longer term and why?	No comment
14	Which international competitiveness impacts are most important to designing Australia's climate policy toolkit, and why?	No comment
15	What is the current risk of carbon leakage, in light of the Paris climate conference and associated national commitments?	No comment
16	Which sectors are most likely to face adverse impacts on their international competitiveness from climate policy and why?	Unless the new policies are properly considered unlike the current policies that prevent small to medium size farmers from being involved in the ERF, Australian Farmer will be a significant disadvantage.

17	How do you think these impacts should be addressed?	Agriculture must be considered a special case because FARMERS PRODUCE FOOD, ESSENTIAL FOR LIFE. YOU CAN LIVE IN THE DARK BUT YOU CAN'T LIVE WITHOUT FOOD.
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ERF FUND INVESTIGATION

The first round of funding allocated \$660 million dollars which went to a relatively small number of participants. Of the \$660 million, approximately \$330 million was allocated to projects in the Western Division of NSW. The projects primarily involve "Native Forest Protection" or "Regeneration". It is my understanding that all of the projects are on properties that have Property Vegetation Plans (PVP's) registered before December 2010 (probably Invasive Native Scrubs (INS) PVP or other permits to clear)

An example of these projects is shown below:

Aggregator:	Terra Carbon Pty Limited
Title	Ellavale Native Forest Protection Project
Emission reduction (T)	1,012,984
My estimate \$\$	\$14,100,737

The "Ellavale Native Forest Protection Project" is located on "Ellavale" Bourke, it is located 100 km west of Bourke NSW around Fords Bridge. The township of Bourke has an average annual rainfall of 340 mm, being west of Bourke, Ellavale's rainfall would be less than that. Ellavale has been severely impacted by woody weeds including turpentine (*Eremophila sturtii*) and budda (*Eremophila duttonii*) for many years (over 100 years). I guess that property was worth approximately \$3,000,000 and now the ERF has paid the owner and his aggregator \$14,000,000 to manage a small section for 10 years?

A very interesting point of these projects is that the NSW Government issued licences (INS PVP's) to clear the INS (Invasive Native Scrubs) prior to 2010 on these properties and then in 2015 the Commonwealth buy the licences to prevent the clearing. The fact is that most of this land isn't worth clearing for agriculture and INS would have regenerated on the vast majority.

The real sting in the tail is that the majority of this land is not worth clearing but now that owners have the ERF money they can clear other areas of their properties that would never have been cleared!

It is amazing that the 1901 Royal Commission into the Western Lands identified scrub growth as a real problem in the Western Division and in 2015 the Commonwealth Government are paying a small number of people millions of dollars not clear scrubs that aren't worth clearing and are already in place and would have continued to grow naturally.

I am no expert in this field but I am convinced that the ERF funding could be better spent and that GHG R and D should focus on efficiency/intensity not simply reduction in GHG emissions.