



THE HON GREG COMBET AM MP
Minister for Climate Change and Energy Efficiency

SENATOR THE HON JOE LUDWIG
Minister for Agriculture, Fisheries, and Forestry

THE HON MARK DREYFUS QC MP
Cabinet Secretary
Parliamentary Secretary for Climate Change and Energy Efficiency

JOINT MEDIA RELEASE

10 July 2011

RURAL AUSTRALIANS SUPPORTED UNDER A CARBON PRICE

The Minister for Climate Change and Energy Efficiency Greg Combet, the Minister for Agriculture, Fisheries and Forestry Senator Joe Ludwig and the Parliamentary Secretary for Climate Change and Energy Efficiency Mark Dreyfus today announced measures to help the farm, land and food sectors play their part in Australia's move to a clean energy future.

The Gillard Government has decided to exclude the agricultural and land sectors from the carbon price, however these sectors will still have opportunities to secure economic rewards under the Carbon Farming Initiative.

The Government has also decided to provide significant assistance to the food processing industry to help it with the impact of a carbon price.

The farming, forestry and land sectors have as important a role to play in reducing carbon pollution as governments, households and other industries.

Farmers, forestry operators and other land managers will not pay a price for the carbon pollution from their activities. Importantly, farmers, forestry and fisheries activities will not face a carbon price for their off-road use of fuel or their on-road use of light vehicles.

The Gillard Government will also help food processors remain competitive and switch to low pollution options by providing grants for energy efficiency improvements.

These grants will come from a pool of \$150 million to be provided out of the \$200 million Food and Foundries Investment Program.

The Government will open the way for farmers and land managers to harness new economic opportunities and gain new sources of income through the Carbon Farming Initiative.

Credits generated under the Carbon Farming Initiative and recognised for Australia's international obligations under the Kyoto Protocol on climate change will be able to be sold to companies with liabilities under the carbon pricing mechanism. This includes credits earned from activities such as reforestation, savanna fire management and reductions in pollution from livestock and fertiliser.

People on the land will have an opportunity to earn new streams of income and contribute to the national effort to tackle climate change. The Government will initially be investing around \$1 billion in land sector measures over the next four years, to support the Carbon Farming Initiative, reduce emissions and maximise the benefits of storing carbon in our landscape.

Funding is targeting emerging technologies and innovative management practices by engaging more scientists and independent experts to work on improving soil carbon, reducing emissions from livestock and crops, and enhancing sustainable agricultural practices. Novel approaches, including biochar, biofuels and new crop and grazing species, will be targeted.

Funding is also available to assist agricultural industries and other organisations to test new ways of measuring, modelling and reporting on carbon pollution. This will help develop new methodologies for the Carbon Farming Initiative.

Under the carbon price package, there will also be a 15 per cent refundable tax offset for conservation tillage equipment for three years. This will improve soil carbon, water retention and productivity.

The investment of \$429 million over six years into Carbon Farming Futures will significantly increase participation in the Carbon Farming Initiative and ensure land sector abatement remains based on the best scientific foundations.

Further information in relation to the Government's Carbon Farming Initiative is available at www.climatechange.gov.au/cfi

Media contact: Combet office (02) 6277 7920
Ludwig office 0400 082 352
Dreyfus office (02) 6277 4305