



# carbon house

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## The Carbon Farming Initiative

### What is it?

The Carbon Farming Initiative (CFI) is a Federal Government administered mechanism for creating accredited carbon offsets in the Australian land sector. Offsets will be able to be generated from activities such as reforestation, improved land management (soil carbon), reduced fertiliser use, reduced emissions from livestock, manure management and avoided deforestation. Due to a policy deficiency, there is currently no mechanism for creating carbon offsets from projects in Australia. The introduction of the CFI will change this.

### What is a carbon offset?

Carbon offsets are created from projects that are specifically designed to reduce, avoid or sequester greenhouse gas emissions. Carbon offsets are then purchased by organisations to balance emissions made due to their operations – either due to regulatory factors (such as a carbon tax) or voluntarily.

### Why is it important?

Regulatory and voluntary carbon markets throughout the world are valued at over \$100 billion. Whilst the market for regulatory carbon offsets in Australia has been non-existent previously, the introduction of a carbon tax or emissions trading scheme will change this. In a recent analysis undertaken by Carbon House, it was calculated that that market for CFI offsets in Australia in 2012/13 could be worth \$550 million if a carbon price was introduced as per the recommendations of the Garnaut Review.

### When does it start?

The CFI legislation entered parliament in mid-March and the scheme is due to start by end of July 2011. Due to lag times associated with carbon offset projects and the accreditation process, it is expected that the first round of CFI carbon offsets will be sold around the beginning of 2012.

### How will it work?

The CFI is designed to have as low a barrier of entry as possible and to be able to be utilised by individual landholders. Specialist consultancy firms such as Carbon House are also able to assist landholders with the process. The key role for these firms will be managing the accreditation process and brokering the sale of offsets to clients.

### What are the benefits and opportunities?

At a time when farmers throughout Australia are facing increased pressure from the impacts of climate change manifesting themselves as droughts, floods and an increase in extreme weather events, the CFI will provide a mechanism for creating new and diversified income streams whilst also achieving environmental benefits. Carbon offsetting schemes such as the CFI are also designed to provide a mechanism to finance projects that would not have otherwise been feasible without carbon revenue; including those that increase productivity.

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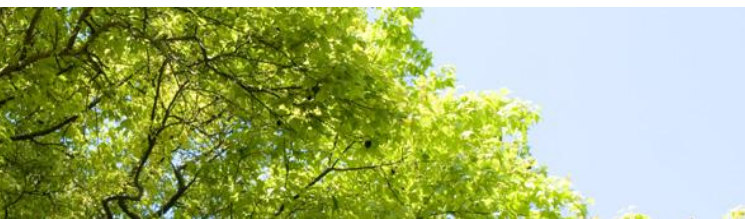
### Further information

[www.climatechange.gov.au/cfi](http://www.climatechange.gov.au/cfi)

[www.carbonhouse.com/resources](http://www.carbonhouse.com/resources)

### About Carbon House

Carbon House is an innovative and leading carbon management, carbon offsets, renewable energy and sustainability advice and projects firm based in Brisbane. Carbon House works with business, Indigenous communities and farmers to develop collaborative projects with lasting co-benefits for all stakeholders.



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