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# Australia's Carbon Farming Initiative

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Australia's Carbon Farming Initiative (CFI) allows farmers and land managers to earn carbon credits by storing carbon or reducing greenhouse gas emissions on the land. These credits can then be sold to people and businesses wishing to offset their emissions. The CFI also helps rural communities and the environment by encouraging sustainable farming and providing a source of funding for landscape restoration projects.

Reducing greenhouse gas emissions from the land is important in Australia since agriculture and forestry currently account for about 23 percent of the nation's emissions. Without a contribution from these sectors it will be increasingly difficult for Australia to achieve its long-term emissions' reduction target of at least 80 percent below 2000 levels by 2050.

Carbon credits generated under the CFI represent reductions in greenhouse gases in the atmosphere through:

- increasing the amount of carbon stored in soil or trees, for example by growing a forest or reducing tillage on a farm in a way that increases soil carbon; or
- reducing or avoiding emissions, for example through the capture and destruction of methane emissions from landfill or livestock manure.

Offset projects established under the CFI must use methodologies approved by the Government to calculate the number of credits earned. An independent expert committee, the Domestic Offsets Integrity Committee, assesses methodologies and advises the Government on their approval, ensuring each project leads to real and measurable reductions of emissions.

The CFI legislation also includes measures to minimize fraud and dishonest conduct and ensures that consumers can have confidence that credits are genuine. These include crediting only after emissions' reductions have occurred, a test to ensure project developers are 'fit and proper' persons, issuing and tracking credits in a central national registry, requirements for project information to be published, appropriate enforcement provisions to address non-compliance, and regulation of the issuance, transfer and retirement of credits as financial products.

Practical examples of CFI projects could include:

- The frequency and severity of savannah fires can be reduced by carrying out controlled burning earlier in the dry season, when there is less fuel on the ground. This will lead to reduced greenhouse gas emissions in the savannahs of Australia's tropical

north. Such activity has biodiversity benefits and will provide new employment and economic opportunities for indigenous Australians.

- Manure management could enable farmers to reduce emissions from intensive livestock such as piggeries. The emissions can be captured and flared or used to produce heat and electricity.
- Land managers may increase the amount of carbon stored on their land through vegetation. Revegetation along waterways, for example, can improve water quality and have biodiversity benefits. Integrating trees into agricultural systems can protect soils, prevent erosion and provide biodiversity habitat, as well as protect livestock.