



opportunities in a new climate

Where does the wine sector sit in terms
of Australian climate policy and the global carbon market

The Carbon Farming Initiative and Emission Reduction Fund

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The_AWRI

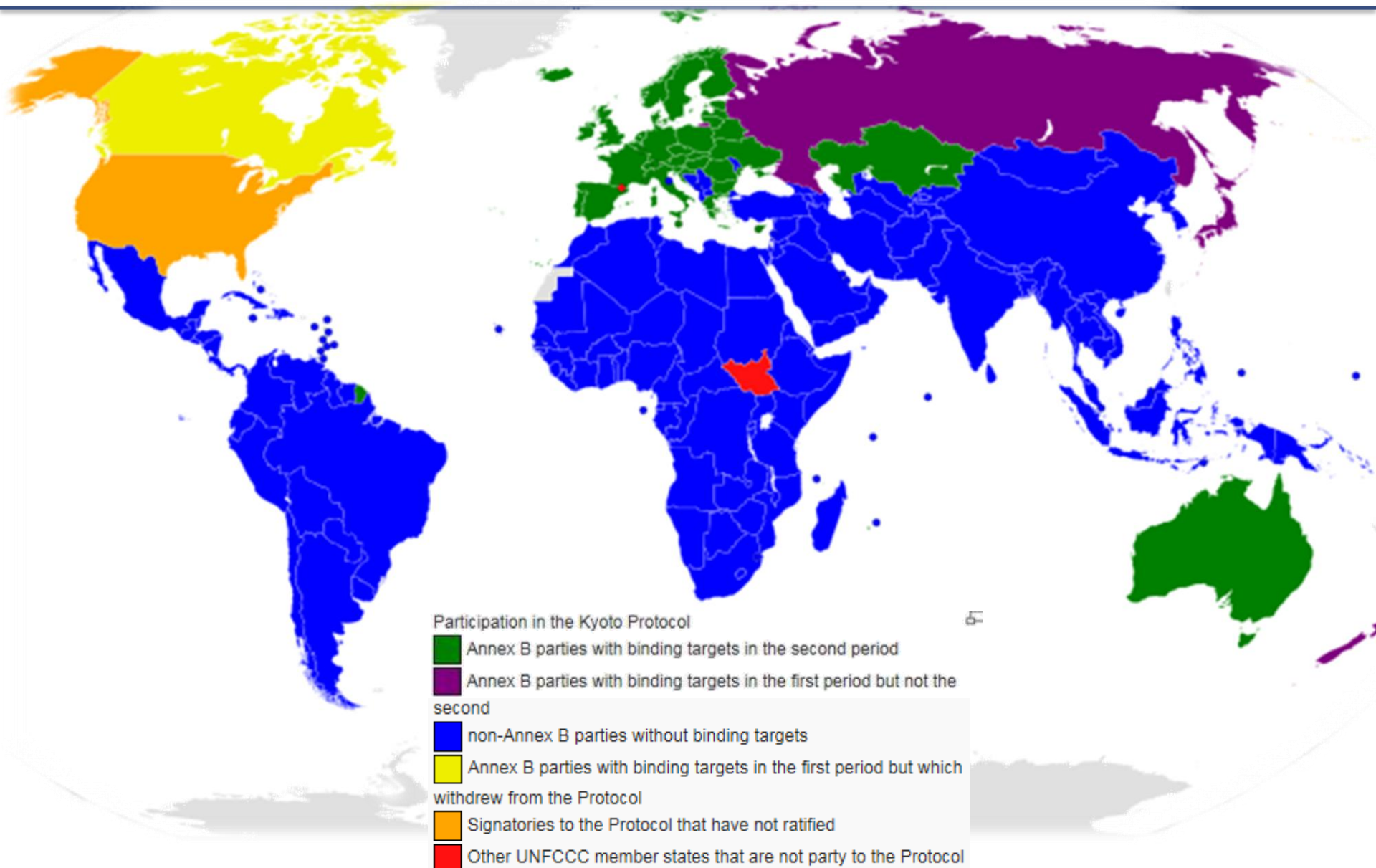


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International perspective –Kyoto Protocol



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Global Carbon Markets & Australia



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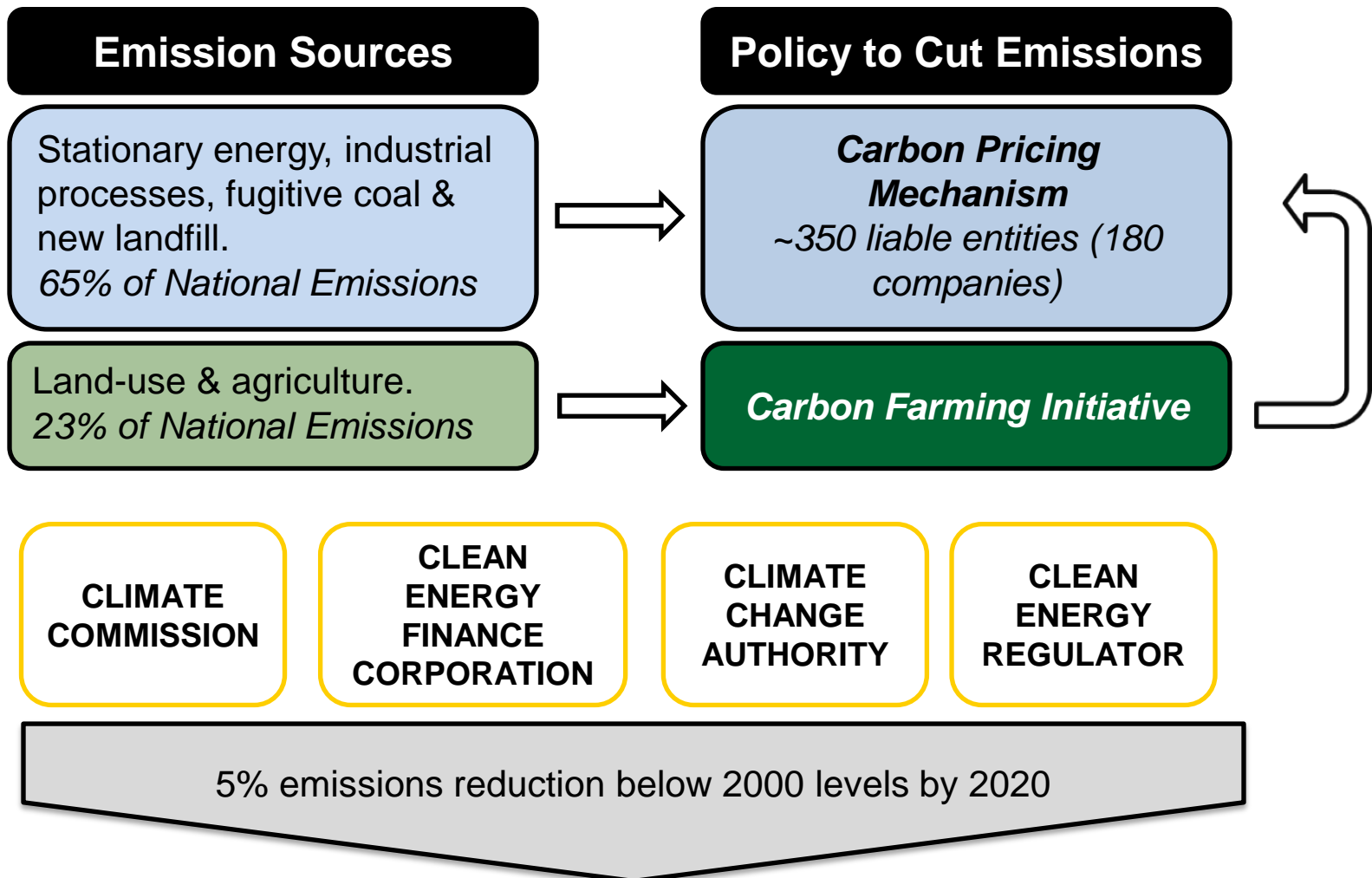
- 39 National + 23 sub-national jurisdictions have introduced cap & trade and/or carbon taxes
- Cover 25% of global emissions, carbon markets valued at US\$30 billion
- US & China cover >30% of global emissions

Source: World Bank 2014

What is the CFI?



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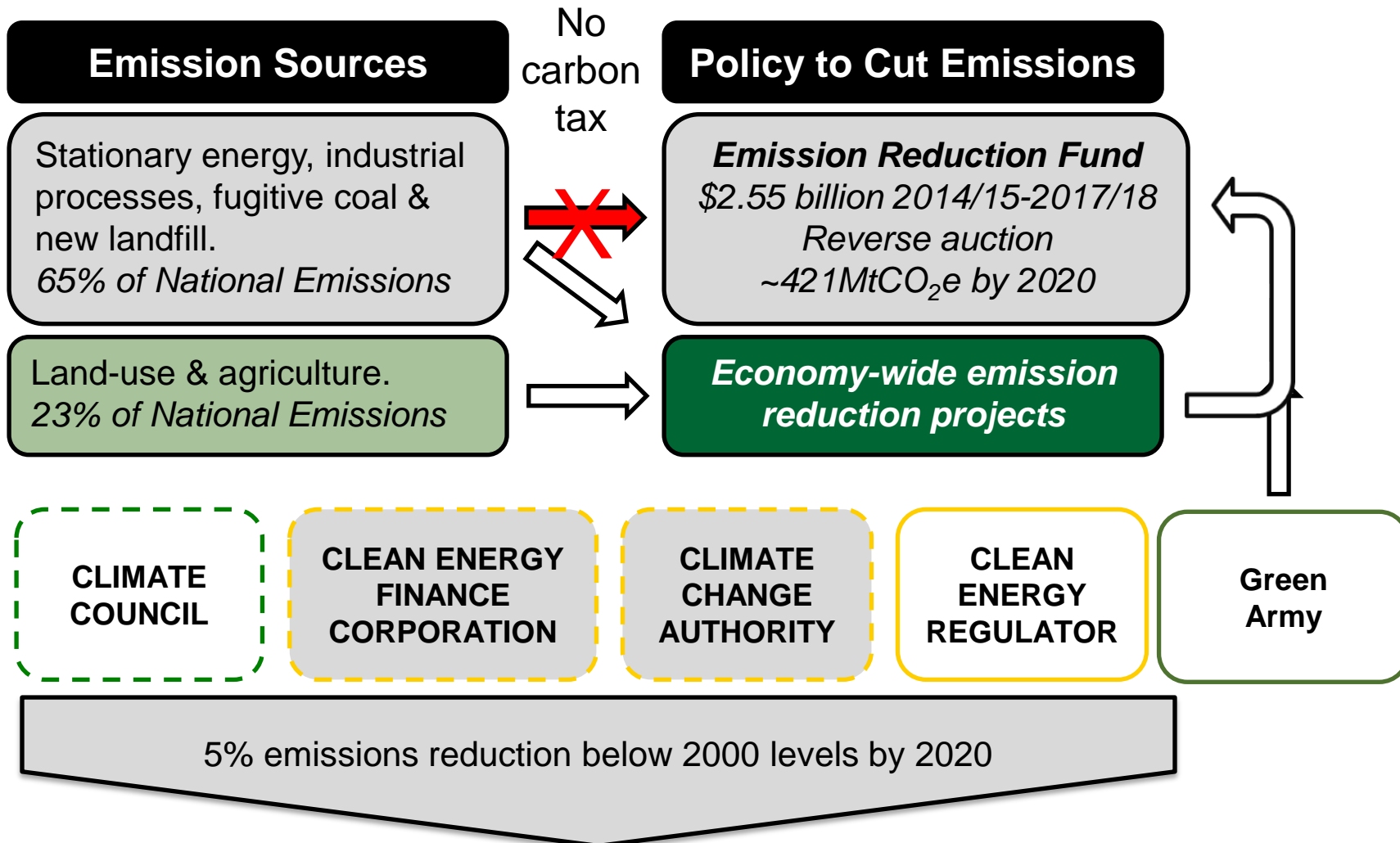


Direct Action and ERF



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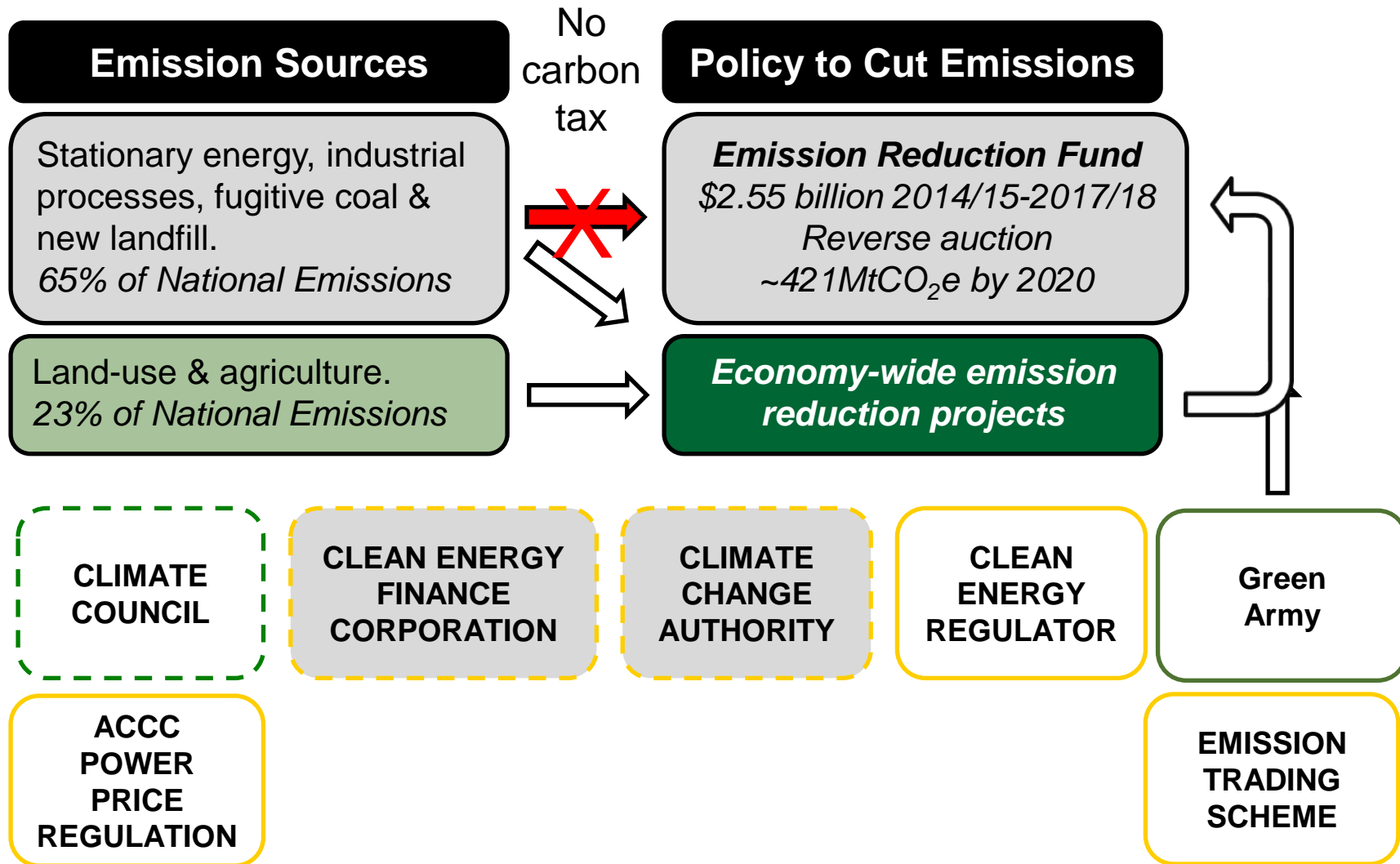
Repeal of Carbon Tax on 17 July 2014



ERF & Amendments



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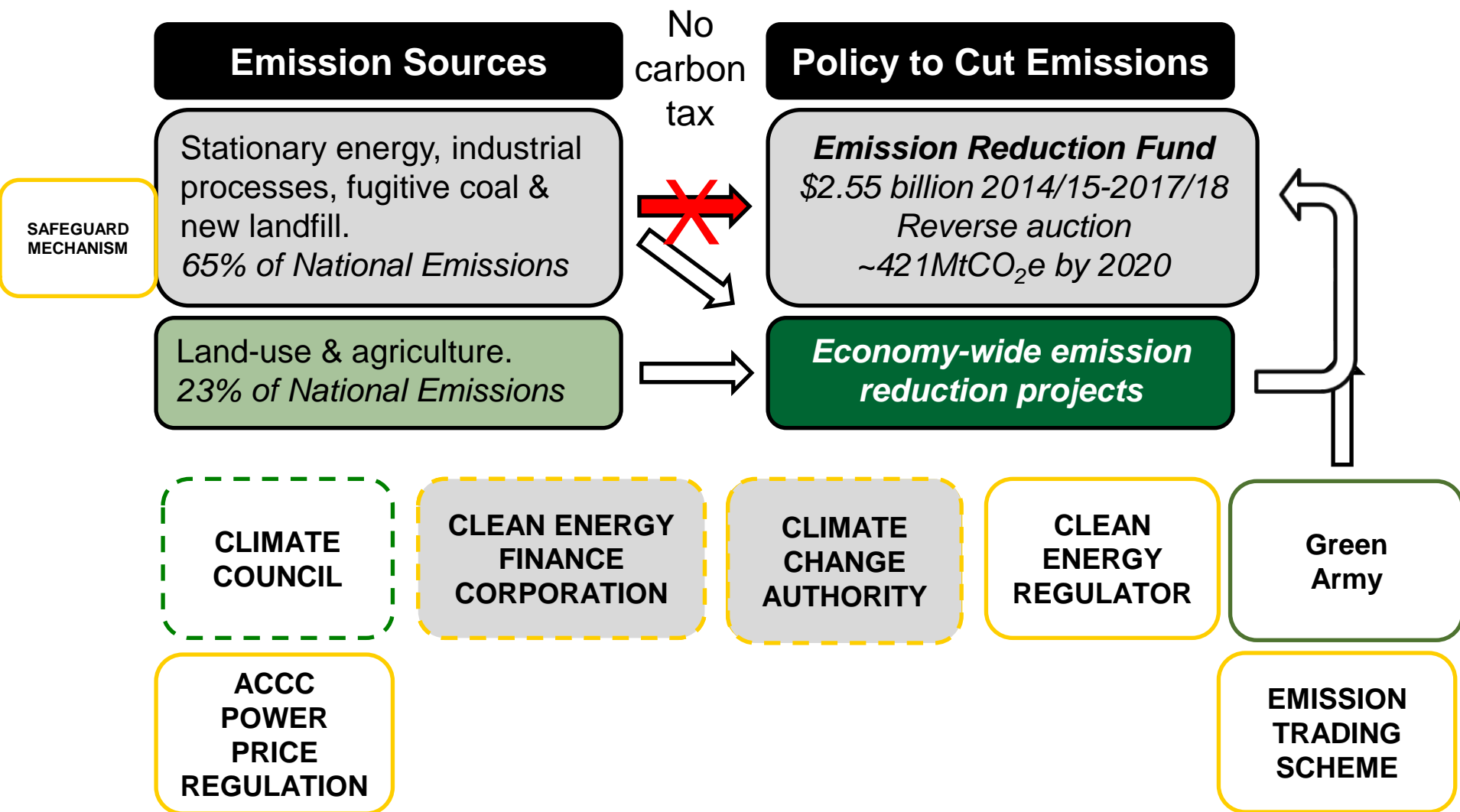


ERF, other amendments



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CFI Amendments Bill 30 October approved in senate 31-29 vote



What's happening now?



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Timeline of government decisions and actions

25 June 2014	CFI amendment bill passed
17 July 2014	Repeal of the carbon tax
30 October 2014	CFI Bill passed in senate
24 November 2014	CFI Bill passed House of Representatives
Now	Discussion on renewable energy target
9 January 2015	New methodologies developed for review
March 2015	First auction expected
July 2015	Safeguard mechanisms start

What are emission reduction projects?



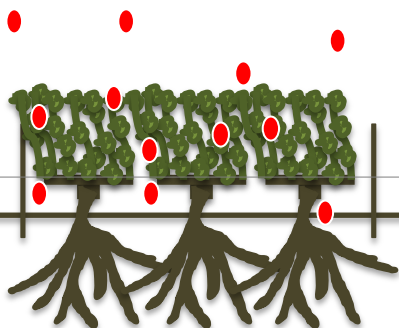
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- ❖ Financial government incentives to develop projects that will reduce GHG emissions or bind GHG in landscape
- ❖ CFI allowed only Land Use/Agriculture to participate

Reduced emissions from your crop



carbon dioxide



nitrous oxide



methane

Sequestration/binding carbon/GHG in your farm



tree plantings



soil carbon

What are emission reduction projects?



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- ❖ ERF expands projects to include the rest of the economy including the energy, industrial and transport sector

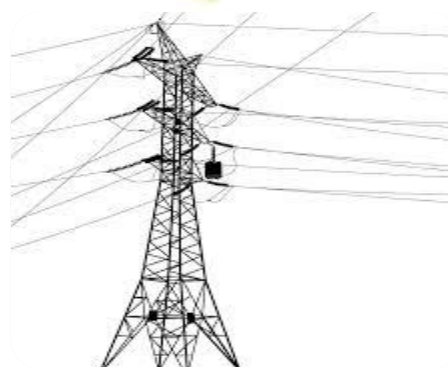


emissions capture

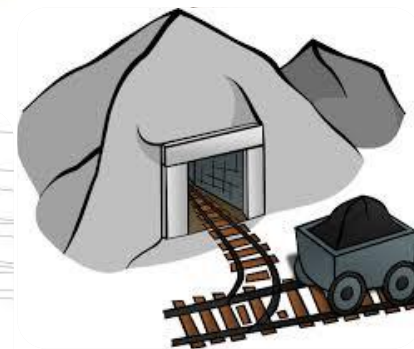
cleaning up
power stations



transport sector



energy efficiency



waste
coal mine gas

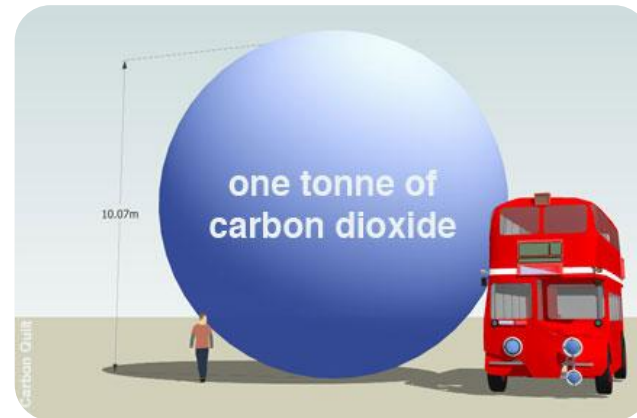
How does the scheme work?



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- ❖ Crediting of emissions reductions across the economy with carbon credits called Australian carbon credit units (ACCUs)

1 ACCU = 1 tCO₂equivalents reduced/ sequestered



- ❖ The government's Clean Energy Regulator will run 'reverse auctions' (or tender submissions) to purchase these ACCUs or the emissions reductions



What is the price on carbon?



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CFI has \$2.55 billion allocated to reduce emissions ~421MtCO₂e



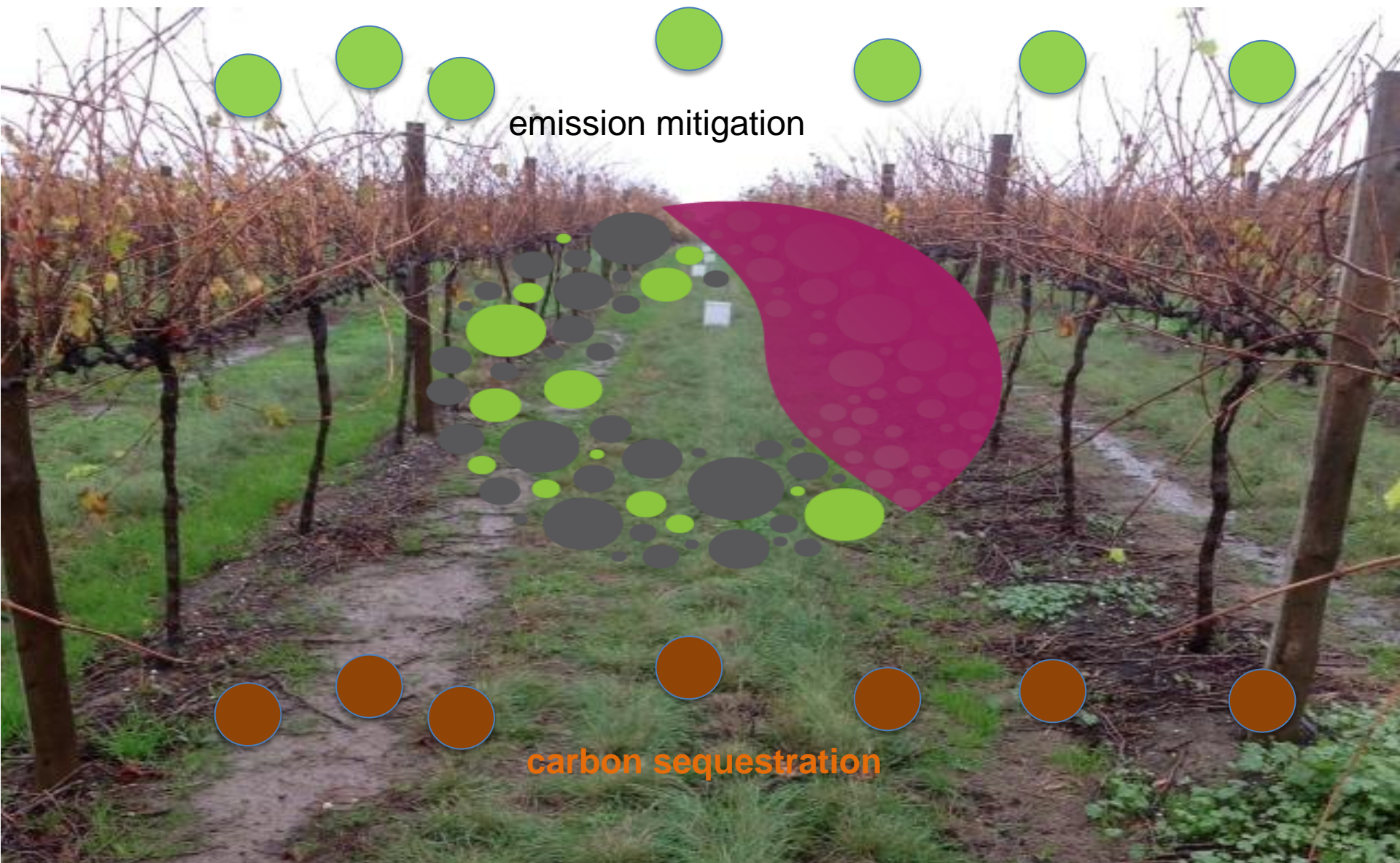
$$\frac{\$2,550,000,000}{421,000,000 \text{ t CO}_2} = \$5.9/\text{tCO}_2 \text{ abated}$$

However the price on ACCUs will be
determined at first auction

Opportunities in grape & wine



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emission mitigation

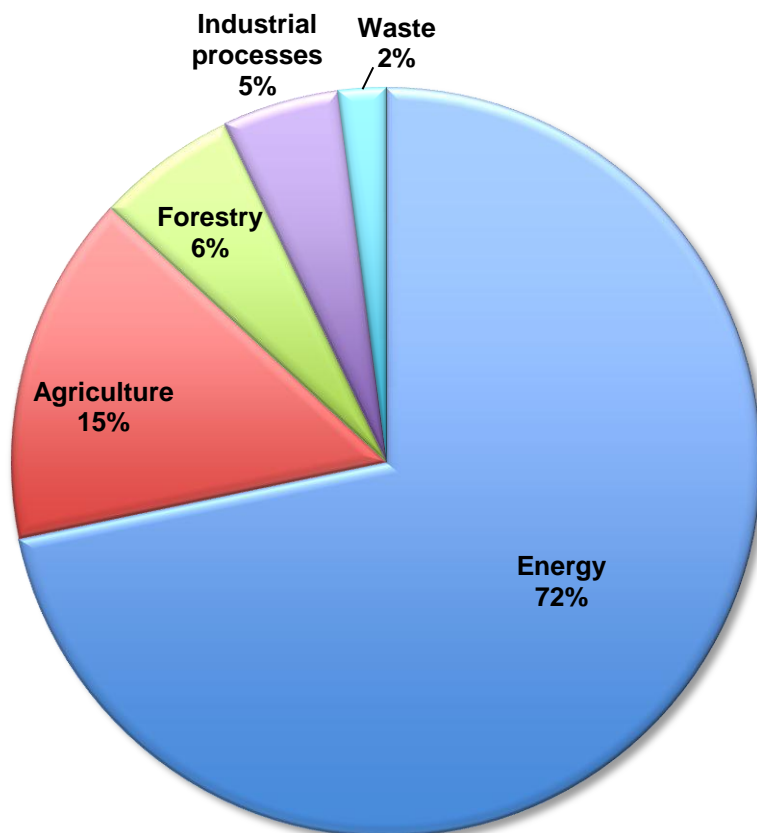
carbon sequestration

Australia's carbon footprint by sector

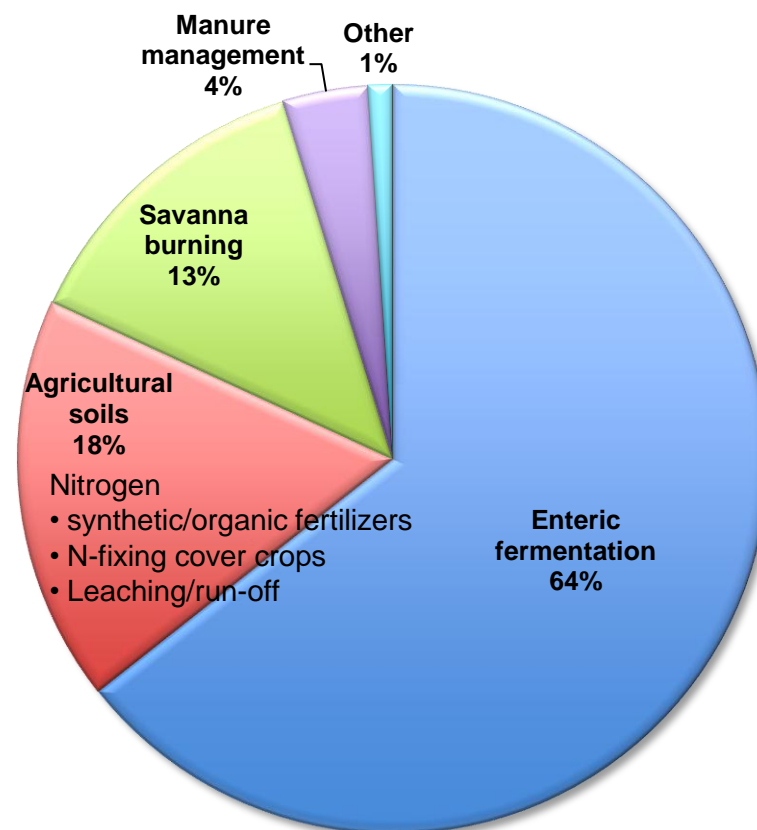


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Australia's net greenhouse gas emissions by sector



Agriculture sector CO₂-e emissions

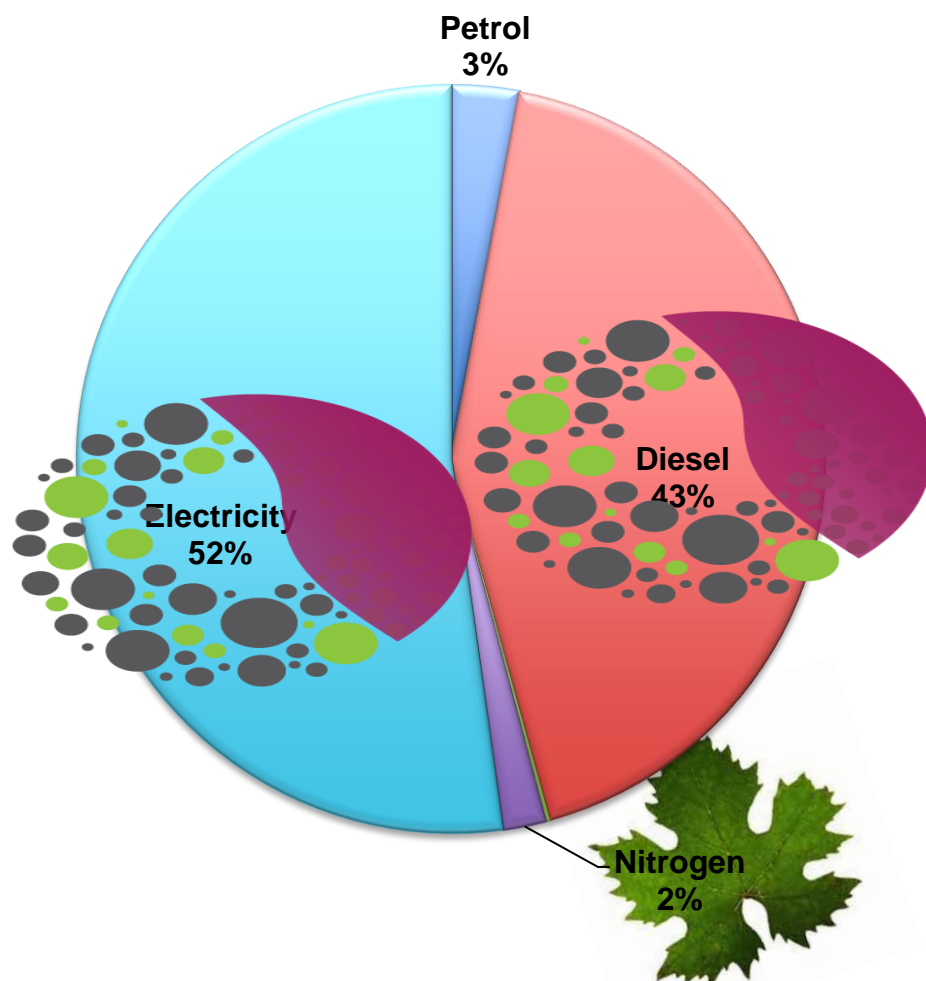


Grape and wine footprint (WFA 2013)

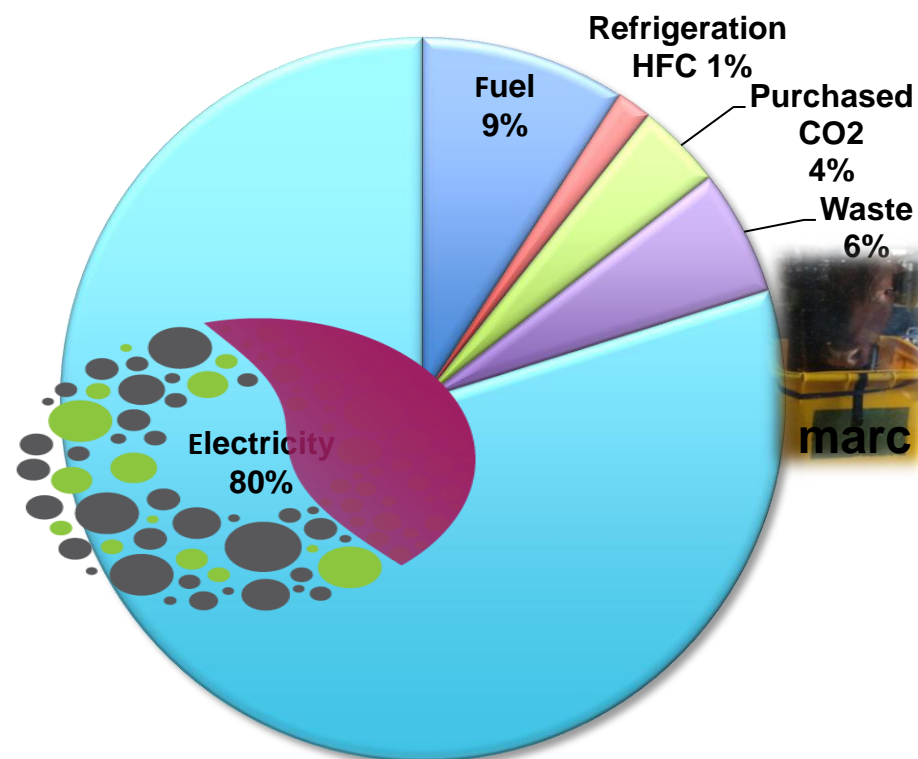


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Vineyard



Winery



AWRIs E&O role



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❖ Inform grape & wine sector:

- GHG emissions
- ERF
- Policy
- Opportunities/participation

❖ Support & advice

❖ Tools & resources

❖ GHG emission reduction strategies into farm management

Acknowledgements



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www.environment.gov.au/climate-change/emissions-reduction-fund/publications/factsheet

<http://www.mycfi.com.au/>

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