

The Honourable Angus Taylor MP
Minister for Industry, Energy and Emissions Reduction
Angus.Taylor.mp@aph.gov.au

23 March 2022

Dear Minister Taylor,

We are requesting the Australian Government defer proposed changes to Carbon Abatement Contracts to 1st July 2022 so land managers and the wider carbon farming industry can properly prepare for the impact of any changes.

Carbon Abatement Contracts have already seen the equivalent of 76 million tonnes of carbon emissions stored or avoided and carbon farming projects will play a critical role in helping Australia achieve its target of net zero emissions by 2050.

However, changes were introduced on 4th March without consultation or warning and have been followed by a significant drop in the value of Australian Carbon Credit Units. Add to this the lack of operational guidelines and there remains a high level of market uncertainty amongst industry stakeholders.

Uncertainty means proponents must reassess the commercial viability of carbon abatement projects, with many at risk of cancellation or delay. These projects have an important role to play in reducing carbon emissions and provide a valuable source of income to proponents, including farmers and land managers.

We are requesting the government defer the proposed changes until 1st July to enable the development of clear guidelines on how any changes will be implemented. This will allow participants to consult on any changes with partners, including Traditional Owners, land managers and institutions providing finance.

This will return stability to the market and give participants time to understand and plan for the impact of the changes.

We are committed to working with the Australian Government to achieve its net zero target and believe a deferral is essential to maintain the integrity of Australia's carbon market.

Yours sincerely,

