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Dear Secretariat

Submission on the Nature Repair Market Bill

[Vets for Climate Action](#) (VfCA) is a not-for-profit, registered charity which represents over 2000 members of the veterinary profession and animal care community around Australia. Our role is educating, collaborating, and advocating for climate action within the veterinary community, broader animal care network, and government. Our Patron is Professor Peter Doherty; a veterinary surgeon, Nobel Laureate and former Australian of the Year. Our Board consists of six Directors, including Professor Mark Howden, Nobel Laureate and a current Vice Chair of the Intergovernmental Panel on Climate Change. Thirty-four former Chief Veterinary Officers and Senior Government Veterinarians work alongside us allowing mutual exchange of knowledge and experience.

VfCA is grateful for the opportunity to provide the following perspectives and recommendations regarding the Nature Repair Market Bill.

THE VALUE OF NATURE

Nature supports all life on Earth, including human life. Without the biodiversity of animals, plants and microorganisms, developed over millions of years, we do not have the healthy ecosystems that we rely on to provide the air we breathe, clean drinking water, the food we eat and life-saving drug sources as well as cultural and aesthetic benefits.

Human activity is rapidly destroying Nature, through climate change, changes in land and sea use, exploitation of natural resources, chemical and plastic pollution and dissemination of invasive species¹.

¹ <https://www.unep.org/news-and-stories/story/5-key-drivers-nature-crisis>

The loss of the benefits of Nature is largely invisible and unacknowledged because the contribution of Nature to society, businesses and Gross Domestic Product is not accounted for. The benefits that flow from Nature to humanity are currently free. We need to recognise Nature capital and its full value.

Globally there is now considerable thought being put into the public wealth of Nature as opposed to the private profit from destroying Nature. In Europe there is research underway in different countries and at different sites to determine the value of the ecosystem services². Environmental accounting in Australia has begun to identify the full contribution of the environment to the economy³.

Recommendation: The Nature Repair Market Bill should acknowledge the need for full environmental accounting and the importance of further research to determine the value of all ecosystems.

WILL THE NATURE REPAIR MARKET ENCOMPASS ALL THREATENED ECOSYSTEMS AND SPECIES?

The Department of Climate Change, Energy, the Environment and Water provides the information that projects within the Nature Repair Market may include⁴:

- improving or restoring native vegetation through activities such as fencing or weeding
- planting a mix of local native species
- protecting rare grasslands that provide habitat for an endangered species.

This statement appears to limit the eligibility of projects that will contribute to the Market.

For example, it does not include work underway to conserve threatened animal, bird and fish species; the efforts to breed coral to replace that lost from bleaching events on the Great Barrier Reef; or to provide shade for the turtles to ensure they continue to produce males as well as females.

Another example is the work of farmers who no longer till the land but grow multi-species cover crops and rotationally graze their livestock to improve the carbon sequestration and water carrying capacity of the soil.

Recommendation: The primary object of the Nature Repair Market Bill is ‘to promote the enhancement or protection of biodiversity in native species in Australia’. The Nature Repair Market Bill must include all Nature, must acknowledge the need to protect all ecosystems and native species in this country.

THE MARKET AND CERTIFICATES

The Bill sets up the structure and procedures to establish a Nature Repair Market.

² <https://www.maes-explorer.eu/>

³ [Money can't buy me love, but you can put a price on a tree \(theconversation.com\)](https://www.theconversation.com/2021/09/money-cant-buy-me-love-but-you-can-put-a-price-on-a-tree)

⁴ <https://www.dcceew.gov.au/environment/environmental-markets/biodiversity-market>

In the Factsheet on the Nature Repair Market Bill, it states that the Clean Energy Regulator will issue Australian landholders with tradeable biodiversity certificates for projects that protect, manage, and restore nature⁵.

However, it does not say what the value of those certificates will represent. Will they represent the full Nature capital of a project, for example improvement in fresh water provision, habitat delivery for wildlife, the reduced risk of bushfires following mosaic burning, or the capture of carbon dioxide by increased plant growth? Or are they only intended to reflect the cost of the work conducted by the landowner, for example the cost of the labour and materials to erect fences or plant trees?

The private sector, philanthropic bodies or commercial businesses are expected to participate and invest in this market by purchasing these certificates. It sounds profoundly optimistic to expect that private investment will fund the repair and protection of the environment to its full capital value.

Public funds must also contribute to caring for the environment. Past governments provided funding for Carbon Capture and Storage research by fossil fuel companies that has not proved particularly successful. Public funding should be redirected to environmental restoration that is known to be effective.

Recommendation: Biodiversity certificates must reflect the full value of the environment, the Nature capital. Funding the restoration of the Nature capital should not be left to the whim of the market but should be jointly funded by a combination of public funds, investment by the landowner, and private contribution.

BIODIVERSITY OFFSETS

The Nature Positive Plan⁶ released by the government at the end of 2022 announced the use of Environmental Offsets. There is little detail provided, but it seems likely these anticipated offsets will be linked to the certificates issued by the Nature Repair Market.

‘The Government is reforming Commonwealth environmental laws, including offset requirements. It will legislate a new National Environmental Standard to ensure offsets are a last resort and, if required, will more than compensate for the impacts of development.’

‘Project developers will need to first demonstrate attempts to avoid, reduce, and mitigate harm to protect the area before resorting to environmental offsets.’ This must be conducted with independent oversight to ensure every effort and initiative is made to eliminate damage by the project to the environment.

‘Project developers will be required to identify offsets within the local region that deliver a net gain for the imperilled plants or animals.’ This presumably refers to the purchase of biodiversity certificates within the Nature Market. Yet there is no indication as to how the value of the certificates purchased shall be determined to offset the damage caused by the project.

⁵ <https://www.dcceew.gov.au/environment/environmental-markets/biodiversity-market>

⁶ <https://www.dcceew.gov.au/sites/default/files/documents/nature-positive-plan.pdf>

Alternatively, project developers will be required to make a conservation payment to enable a better overall environmental outcome. 'Conservation payments would be based on the cost of like-for-like habitat restoration (including land value) and management and a premium designed to address risks and ensure an overall environmental benefit from the proposed development.' This fails to acknowledge that the ecosystem being damaged by the project will be unique (all ecosystems are) and involve a variety of species, including some that are endangered or critically endangered. It also fails to indicate whether the payment will cover the risk of further damage, eg, the breakdown of a tailings dam. Neither does it include the cost of converting the area covered by the project to its original state once the lifetime of the project has come to an end.

Recommendation: The Nature Repair Market Bill must require project developers to go to every effort, including new initiatives and new technologies to avoid damage to the environment. Allowing project developers to purchase biodiversity credits in order to obtain approval for their development will result in ongoing environmental damage, destruction of ecosystems and species extinctions.

CONCLUSION

The Nature Repair Market must be designed and operated in a way that allows the full value of the Nature capital to become understood and acknowledged by all.

The Market must not provide the means for the Minister to give approval to new industrial projects, such as new coal mines, through the purchase of biodiversity offsets. This will result in ongoing damage and devaluation of Nature.

Yours sincerely



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