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GPO Box 2528, Sydney, NSW 2001

11/04/17

Christine McDonald

Secretary, Environment and Communications Legislation Committee

Re:

Invitation to respond to the inquiry into the Carbon Credit (Carbon Farming Initiative) Amendment Bill 2017

Dear Secretary and Honourable Members of the Committee,

We are grateful for the invitation to respond to this important inquiry. By way of context, I would appreciate the opportunity to explain the mission of Australian Integrated Carbon (“AI Carbon”). AI Carbon is a social enterprise, established to deliver balanced and sustainable financial returns to investors, through undertaking important work that benefits people, landscapes and the broader economy. AI Carbon holds a financial services licence that allows for dealing in complex financial instruments such as Australian Carbon Credit Units, as created by the Act the Committee is currently investigating, to facilitate its mission.

AI Carbon works through specialist joint venture (JV) partnerships to deliver its mission. We currently have two JVs that seek to generate revenue through creation and sale of carbon credits. The first of specific relevance to this inquiry is Firestick Fund Pty Ltd is a 50% aboriginal owned business, with a specific focus on the development of sustainable landscape management in Northern Australia through realising the economic values of culture, carbon, cattle and conservation. Our other JV, Biodiverse Carbon Conservation Pty Ltd is a partnership with Australia’s largest on-ground environmental services NGO, Greening Australia. Biodiverse Carbon Conservation has a focus on developing landscape reforestation and rehabilitation projects that help people and nature thrive.

In regards to the current enquiry, we are pleased to support all of the recommended changes. We are of the view the changes are practical and pragmatic, and will ensure the credibility and rigour required for environmental legislation to make a difference are maintained. If passed as is, the proposed amendments will significantly improve the Act in regards to the ability of savanna fire management projects to generate significant abatement. We also believe the proposed amendments will open up significant opportunities for ancillary or “co-benefits” for a broad range of stakeholders. These co-benefits are all consistent with the aligned broader aims of Governments to Close the Gap, helping communities achieve economic self-reliance and independence, and enhancing agricultural production while protecting the environment and making the biodiversity of important places more resilient to climate change.

The key amendment we seek to respond to is the changes to consent requirements. The removal of the requirement for Recognised Native Title Body Corporate (RNTBC) consent to the conduct of an emission avoidance project will mark a significant improvement in the operation of the Act. We say this as the relative economic value of an emission avoidance savanna burning project on non-exclusive native title lands is generally quite low. For example, in our CFI registered “Kimberley

Carbon Cattle Conservation Culture” savanna burning emission avoidance project, covering several hundred thousand hectares of aboriginal owned pastoral leases as the seed project for an innovative social enterprise model, where, the purpose of the fire management project is to specifically deliver:

- Protect key pastoral grazing assets from fire damage- economic and natural resource sustainability
- Provide additional on-ground part time/seasonal work for ranger and pastoral teams- real jobs, real wages
- Ensure country is cared for in ways that respect traditional owners wishes- cultural asset protection
- Not just burn to maximise carbon credit production, but done in a way to deliver key regional NRM/biodiversity conservation outcomes
- Provide the foundation for skills and employment training in pathways to real jobs on country- Closing the Gap.

While there a large number of very positive benefits that may flow from pastoral station participation in the savanna burning emissions avoidance program, the relative economic value of such a CFI registered project is actually very low for many properties in the Kimberley. Therefore, as it currently stands, even very small, low value projects (that do deliver large amounts of co-benefits) would currently require a very expensive, very time consuming set of consultations to achieving full free prior and informed consent (recognised by an Indigenous Land Use Agreement (ILUA) cannot be achieved at the scale of a single (or even group) of pastoral leases. The cost of undertaking such ILUA negotiations at scale of a single pastoral lease would never be considered to be viable if it was being funded by revenues from an emission avoidance project. This needs to be taken in the context of what is the subject of the project activity: emission avoidance. An emission avoidance project carries no long term permanence obligations. As such, emission avoidance projects can be undertaken in a way that is consistent with land use planning desires and aspirations of the people from these places, (as evidenced in Healthy Country Plans) this year, without impacting on future land use decisions. AS a consequence, there is little risk for emission avoidance project proceeding and causing any negative interactions with the conditions or negatively impacting the rights of the Traditional Owners to their Native Title rights.

We are currently aware of actual situations where traditional owners living on country and managing the land are not able to earn carbon credits from savanna burning projects on pastoral leases in their own name because of complex and long-standing political issues in the RNTBC for the area refusing to give consent. If the proposed amendments become law, the law will be more successful in unlocking economic and environmental initiatives, especially for pastoralists and those who live and work on the land, managing it to a better condition for the whole of society.

In closing, we identify there is no silver bullet solution to the closely correlated issues of unsustainable land use (overgrazing and out of control wildfires), unemployment, social disruption and worsening gap between Indigenous and non-Indigenous Australians in terms of all of the key metrics of health and wellbeing, and degradation of landscape health and biodiversity (again tied back to land use management challenges).

In the regions of Australia, outside of the cities, we need a “silver shotgun”: carbon credit systems and payment for ecosystem services models that provide revenue for land managers to stay on country and improve the condition of the natural resource asset base (thereby providing opportunities to Close the Gap and improve economic viability and climatic and economic resilience of agricultural enterprises). The proposed amendments to the Act go some small way to facilitating these outcomes.

We look forward to seeing positive improvement continue to be made to the Act and to the broader discussion around the ways that the many and measurable co-benefits of well planned, carefully applied integrated natural resource management projects can lead to improved outcomes across a range of important public policy portfolios.

Kind regards,

Dr Tim Moore,

Director of AI Carbon, on behalf of AI Carbon, Mr Bill Mitchell AM.