

COUNCIL SUBMISSION ON NATURE REPAIR MARKET BILL

Byron Shire Council acknowledges the urgent need for wildlife habitat restoration and carbon sequestration in Australia, through its Biodiversity Conservation Strategy, Climate Change Adaptation Plan, Coastal Koala Plan of Management and Agriculture Action Plan. Introduction of a nature repair market may help to scale-up investment in on-ground habitat restoration and planting of native vegetation for carbon sequestration, and Byron Shire would benefit from the injection of funds into genuine and lasting biodiversity protection and enhancement projects, on land managed by councils, farmers, First Nations owners and others.

Approximately 50% of Byron Shire is cleared land and, while some of this land is necessary for food production, other areas are marginal for agriculture. Many landholders would like to restore these areas for biodiversity, flood mitigation and to increase land health and productivity. However the financial burden and lack of resources for this is a major obstacle. The introduction of a market that rewards and funds land restoration would be a very useful tool. A nature-repair market would need to provide a sufficient financial incentive to ensure that landholders are not out of pocket if they replace cattle farming on marginal land with revegetation.

The hope is that any new scheme will have maximum integrity and effectiveness, and at the same time be one small part of a much larger suite of public funding and regulatory measures designed to cease biodiversity loss and enhance ecological restoration.

In developing the Nature Repair Market Bill, the following issues should be considered:

1. The Nature Repair Market must be clear and simple for private landholders. The complexity of existing markets, such as the carbon offsets scheme, inhibits landholders from getting involved. Many rural landholders in Byron Shire operate their farms as a secondary income stream (because income from farming is relatively low) and are still recovering from recent flood events. As such they may not have the capacity to enter into complex new land management arrangements.
2. Securing Biodiversity Certificates should be efficient. The very long establishment time taken for other land protection programs, such as BCT Conservation Agreements, has resulted in some landholders changing their minds and dropping out of this scheme.
3. It should be clear that the Nature Repair Market is different to the biodiversity offset market, and that developers and corporations are not enabled to use the market as part of their offset requirements. The NRM should have a clear goal of net biodiversity gain and must not become a biodiversity offset market that is driven by nature destruction elsewhere. Landholders in Byron Shire want to support net gains in biodiversity and are reluctant to restore their land as an offset, as they consider this is supporting a biodiversity loss elsewhere. If the Nature Repair Market becomes another offsets scheme, there is a real

risk that businesses will not take genuine steps to avoid and mitigate damage to biodiversity.

4. Funding for biodiversity actions must be sufficient to cover costs of maintenance as well as initial work. Many tree planting and restoration projects fail due to inadequate resources for follow up maintenance. Generally follow up maintenance is required for at least 3-4 years.
5. Monitoring biodiversity outcomes on certified land must be robust and transparent, but also simple and easy to apply. Methodologies such as the BAM, which is used for Biodiversity Offsets, are too complex, and therefore costly for landholders, particularly those operating at smaller scales. For farmers to engage in this market, monitoring and reporting processes need to be designed with an understanding of the needs of farmers and farm operations.
6. The program needs to be applicable at small as well as large scales. The majority of rural land holdings in Byron Shire are less than 40 ha, and the largest land holding is only 400 ha. This has prevented many landholders from entering into other carbon or biodiversity markets that require larger properties for economies of scale. Options to aggregate properties can be useful in some circumstances, but depend on goodwill and like-mindedness between neighbours. While land holding sizes are small, this should not prevent landholders in NE NSW from entering into the market, as this region is known to be one of the most biodiverse and ecologically significant in Australia.
7. The free market alone may not facilitate rapid uptake of this scheme. We recommend the Federal Government kick-start the market by committing to purchasing certificates itself (as it previously with the carbon market).
8. The Nature Repair Market alone will not be sufficient to halt biodiversity decline and environmental degradation to the extent that is needed in Australia. It should be implemented in conjunction with stronger protection legislation to end land clearing and habitat destruction, as well as direct public investment in nature repair.