

The Hon Stephen Jones MP
Assistant Treasurer and Minister for Financial Services
c/o Budget Policy Division
Treasury
Parkes ACT, 2600
Online submission
cc: PreBudgetSubmissions@treasury.gov.au; Minister.Plibersek@dcceew.gov.au

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23 January 2024

Dear Assistant Treasurer,

RE: 2024-25 Pre-Budget Submission from the Australian Land Conservation Alliance

The Australian Land Conservation Alliance (ALCA) welcomes the opportunity to provide a 2024-25 Pre-Budget submission to the Australian Government.

Who is ALCA?

The Australian Land Conservation Alliance (ALCA) is the peak national body representing organisations that work to conserve, manage, and restore nature on privately managed land. We represent our members and supporters to grow the impact, capacity, and influence of private land conservation to achieve a healthy and resilient Australia.

ALCA member land conservation efforts have influenced over 3 million square kilometres with more than 4,000 landholders. We have over 70,000 supporters and our combined annual turnover exceeds \$325 million. Together ALCA and its members address some of the most pressing conservation issues across the country, including restoring endangered ecosystems, building the protected area estate, tackling invasive species, expanding private conservation finance, and funding and using nature-based solutions to tackle climate change.

Through their active land management, ALCA member organisations are deeply embedded in rural communities and economies, providing jobs, securing significant regional investment, and safeguarding remaining native habitat, with its many positive spill-over effects for community, wellbeing, and food security. We seek to demonstrate the role and value of private land conservation as a cornerstone of the Australian economy.

Context: the nature crisis

Despite the 2021 State of Environment Report highlighting the serious and urgent need to arrest the accelerating decline of Australian nature, we have yet to see a significant and expansion in government expenditure dedicated to reversing our decline in biodiversity.

Whilst headline policy commitments such as 'no new extinctions' and 'protecting 30 per cent of Australia's lands by 2030' are promising, Australia has not yet delivered the required expenditure to achieve these commitments.

If Australia is to be serious about protecting, managing, and restoring our unique biodiversity and natural environments, then budget allocations for biodiversity – less than half a percent of the Federal Budget – are currently inadequate. The scale, urgency, and expected impacts from collapsing biodiversity upon the wellbeing, food security and economic livelihoods of Australians requires a much greater funding response from the Australian Government.

Still highly relevant, the key findings of the Government's 2021 State of Environment Report highlight the state and seriousness of the nature crisis in Australia:

"Overall, the state and trend of the environment of Australia are poor and deteriorating as a result of increasing pressures from climate change, habitat loss, invasive species, pollution and resource extraction. Changing environmental conditions mean that many species and ecosystems are increasingly threatened. Multiple pressures create cumulative impacts that amplify threats to our environment, and abrupt changes in ecological systems have been recorded in the past 5 years.

*...Our inability to adequately manage pressures will continue to result in species extinctions and deteriorating ecosystem condition, which are reducing the environmental capital on which current and future economies depend. Social, environmental and economic impacts are already apparent."*¹

The economic impacts from the nature crisis are expected to be devastating. According to the World Economic Forum:

"Humanity has already wiped out 83% of wild mammals and half of all plants and severely altered three-quarters of ice-free land and two-thirds of marine environments. One million species are at risk of extinction in the coming decades – a rate tens to hundreds of times higher than the average over the past 10 million years....

*Human societies and economies rely on biodiversity in fundamental ways. ...over half the world's total GDP – is moderately or highly dependent on nature and its services."*²

Using the same methodology, **approximately half of Australia's GDP has a moderate to very high dependence on nature**³.

Australians care about nature, and 97% of Australians want more action to protect nature⁴.

Now is the time to demonstrate that Australia can and will care for its nature both now and for the future generations of Australians to come.

¹ 2021 State of Environment Report; <https://soe.dcceew.gov.au/overview/key-findings>

² World Economic Forum, *Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy*, January 2020; <https://www.weforum.org/reports/the-global-risks-report-2020>

³ Australian Conservation Foundation, *The nature-based economy: How Australia's prosperity depends on nature*, September 2022; <https://www.acf.org.au/how-australias-prosperity-depends-on-nature>

⁴ Borg, K., Smith, L., Hatty, M., Dean, A., Louis, W., Bekessy, S., Williams, K., Morgain, R. & Wintle, B. Biodiversity Concerns Report: 97% of Australians want more action to protect nature. The Biodiversity Council, June, 2023; https://biodiversitycouncil.org.au/media/uploads/2023_6/202305_biodiversity_concerns_survey_report.pdf

Recommendations

Environmental law reform

The Commonwealth's cornerstone legislation for nature, the *Environment Protection and Biodiversity Conservation Act 1999*, has presided over a period of continued decline in Australia's biodiversity. This legislation urgently needs reform in order to play its part in halting and then reversing Australia's declining biodiversity.

Recommendation 1: As soon as practicable, the Government progresses its commitment to introduce legislative reform to Parliament. At minimum, this legislation needs to prevent all socially and environmentally unacceptable impacts upon nature and deliver an absolute net gain in biodiversity outcomes.

National Biodiversity Strategy Action Plans (NBSAPs)

Australia is a signatory to the 2022 Kunming-Montreal Global Biodiversity Framework⁵ (GBF) produced under the United Nations Convention on Biological Diversity. NBSAPs are the internationally agreed policy mechanism for implementing the GBF.

Recommendation 2: Effectively resource the development and delivery of Australia's NBSAPs, especially – but not only – the priority targets recently identified by the Australian Government⁶. Unlike in Australia's earlier 'Strategy for Nature', it is critically important that national targets are specific, measurable, achievable, realistic, timely (SMART).

Recommendation 3: Publish a National Restoration Strategy that outlines how Australia will deliver on Target 2 of the GBF, namely, restoring 30% of degraded lands by 2030⁷.

Resource privately protected areas – a critical pathway to achieving Target 3

As a signatory to the GBF, Australia faces an unprecedented opportunity: to build a network of well-managed protected areas by 2030 (Target 3⁸). Protected areas play a central and effective role in preventing extinctions, mitigating climate change, delivering continent-wide recovery of Australian nature, and diversifying regional economies.

*Protecting Australia's Nature: Pathways to protecting 30 percent of land by 2030*⁹, recently released by ALCA, The Nature Conservancy, WWF-Australia, and Pew Charitable Trusts, details the overarching pathways to deliver 30 by 30. This report has been further supplemented by the ALCA publication: *The private land conservation opportunity to deliver for 30 by 30*¹⁰, which details the opportunities that draw upon the expertise of the

⁵ Kunming-Montreal Global Biodiversity Framework, CBD/COP/15/L25, December 2022; <https://www.cbd.int/conferences/2021-2022/cop-15/documents>

⁶ See: <https://www.dcceew.gov.au/environment/biodiversity/conservation/strategy>

⁷ For exact text, see Target 2: Kunming-Montreal Global Biodiversity Framework, CBD/COP/15/L25, December 2022; <https://www.cbd.int/conferences/2021-2022/cop-15/documents>

⁸ As above n5.

⁹ See: https://alca.org.au/wp-content/uploads/2023/11/Report3030_FINAL_web.pdf

¹⁰ <https://alca.org.au/the-private-land-conservation-opportunity-to-deliver-for-30-by-30/>

private land conservation sector – without which 30 by 30 cannot be achieved – as captured in the top-level recommendations below:

Recommendation 4: Establish a new dedicated \$5 billion fund for the purchase of land of high biodiversity importance to create new public, private or Indigenous protected areas.

Recommendation 5: Increase support for the uptake of permanent conservation covenants by:

- a. Providing direct federal support to state and territory conservation covenant programs with an explicit focus on expanding the uptake and execution of new conservation covenants expanding the protected area estate in under-represented bioregions and ecosystems.
- b. Supporting states and territories to develop enhanced protection conservation covenants in their jurisdictions, in order to attract larger scale private conservation investment.
- c. Instigating a Treasury or Productivity Commission review into federal and state tax and financial incentives and barriers to private land conservation.

For more details and supplementary recommendations, refer to the two reports¹¹.

Climate change

Australia's greenhouse gas emissions reduction pathway will not succeed without protecting and restoring nature, and the carbon it contains. The climate and nature crises are twin crises with deep mutual dependencies and interlocking solutions. They are an indivisible nexus, and the climate crisis cannot be solved without also solving the nature crisis.

The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report found that protecting intact natural ecosystems is second only to ending fossil fuels as a priority economic solution to reducing emissions and meeting our global climate targets. The report found, with high confidence, that conservation, improved management, and restoration of forests and other ecosystems offer the largest share of economic mitigation potential, as an immediate action¹².

Recommendation 6: When developing climate policy, Commonwealth, State and Territory governments recognise the value of permanently protecting the carbon that is stored in existing remnant habitats – especially high-carbon habitats.

Recommendation 7: Territory and State Governments continue to explore and deliver the protection of land restored for biodiversity and climate adaptation through conservation covenants (as aligned with Australia's commitment to Target 2 of the Kunming-Montreal Biodiversity Framework¹³).

¹¹ Ibid.

¹² IPCC, 2022: *Climate Change 2022: Impacts, Adaptation, and Vulnerability*. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change

¹³ As above n7.

Recommendation 8: The Commonwealth Government amends the *Carbon Credits (Carbon Farming Initiative) Act 2011* such that carbon market procurement efforts are delivered to maximise public value (i.e. maximise social profit¹⁴), rather than lowest cost abatement.

Significant public resources are currently being invested by the Commonwealth to deliver lowest cost abatement of greenhouse gas emissions. However, there are large opportunity costs in supporting carbon projects only according to the lowest cost and without considering environmental, social, cultural, and other public benefits that are also available.

Recommendation 9: The Commonwealth Government amends the *Carbon Credits (Carbon Farming Initiative) Act 2011* to allow for a verification framework for co-benefits via regulation, including environmental co-benefits, in alignment with Recommendation 13 of the Independent Review of ACCUs¹⁵.

Sector development

The private land conservation sector receives very limited government funding or industry assistance despite the substantial public environmental, social, cultural, and economic benefits it provides.

If the private land conservation sector is to scale up to deliver on the government's nature policy goals, as well as engage with the rapid expansion and opportunity of conservation finance and the Nature Repair Market, it requires support to build its overall capacity.

Recommendation 10: The Commonwealth Government funds much-needed strategic financial investments and capacity-building of the Australian private land conservation sector, including funding for extensions support; innovation (including climate adaptation); research; biosecurity; conservation finance initiatives (including the Nature Repair Market); and talent attraction, retention, and development.

Recommendation 11: The Commonwealth Government extends the fringe benefit tax (FBT) concessions to conservation charities that are currently only afforded to Public Benevolent Institutions (PBIs – charities that relieve poverty, sickness, or destitution).

In practice, this means that environmental charities struggle to attract talent when compared with other organisations in the charity sector, let alone the wider workforce, with average salaries being significantly less than in PBIs for equivalent roles. This significantly undercuts the conservation sector's ability to deliver, and to deliver at scale.

¹⁴ Social (i.e. public and private) profit is equal to social revenue minus social cost

¹⁵ p28-29, <https://www.dcceew.gov.au/sites/default/files/documents/independent-review-accu-final-report.pdf>

Thank you again for the opportunity to provide the Government with a 2023-24 Pre-Budget submission. ALCA and its members look forward to ongoing engagement with the Government to maximise the social, economic, and environmental opportunities that can be delivered by a strong private land conservation sector.

Australian Land Conservation Alliance

About the Australian Land Conservation Alliance

The Australian Land Conservation Alliance is the peak national body representing organisations that work to conserve, manage, and restore nature on privately managed land. We represent our members and supporters to grow the impact, capacity, and influence of private land conservation to achieve a healthy and resilient Australia.

Our seventeen members are:

- Arid Recovery
- Australian Wildlife Conservancy
- Biodiversity Conservation Trust NSW
- Bush Heritage Australia
- EcoGipps
- GreenCollar
- Greening Australia
- Landcare Australia
- Nature Foundation
- NRM Regions Australia
- Odonata
- Queensland Trust for Nature
- South Endeavour Trust
- Tasmanian Land Conservancy
- The Nature Conservancy Australia
- Trust for Nature (Victoria)
- World Wildlife Fund - Australia

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Some ALCA members are statutory entities; the views expressed in this submission do not necessarily represent the views of the Government administering those statutory entities.