

ACCU Review Implementation
Department of Climate Change, Energy,
the Environment and Water
Canberra ACT 2601
Via email: ACCUScheme@dcceew.gov.au

6 October 2023

Dear ACCU Review Implementation team,

RE: ACCU Review Discussion Paper

The Australian Land Conservation Alliance (ALCA) welcomes the opportunity to provide a submission to the Government's consultation on its *ACCU Review Discussion Paper*. ALCA is Australia's peak national body for private land conservation. We represent organisations that conserve, manage, and restore nature on land, either as direct stewards or in partnership with other landholders.

ALCA's submission focuses on:

- recommendation 3.3 (defining the ongoing role of the Commonwealth Government as a purchaser of ACCUs) and consequential recommendations on verifying co-benefits;
- recommendation 6 (new ACCU Scheme Principles), and;
- one item from Appendix A of the Discussion Paper (permanence periods [#5]).

Please note that ALCA is happy for this submission to be published in full.

Summary

The carbon market is a critical opportunity to address Australia's nature crisis alongside the climate crisis. Significant public resources are currently being invested by Government to deliver lowest cost abatement of greenhouse gas emissions in the public interest.

However, there are large opportunity costs in supporting carbon projects only according to the lowest cost and without considering other public benefits that could also be available, particularly intergenerational benefits for our shared natural environment.

And whilst Australia's nature crisis is less well-known than the parallel, interconnected, climate crisis, it is just as serious for our society and economy, with approximately half of Australia's GDP being demonstrated as having a moderate to very high dependence on nature (see below: **Context: the nature crisis**). It would appear a perverse outcome should the Government not seek to recognise the opportunity to deliver environmental benefits alongside carbon abatement wherever they are reasonably possible and maximise the public value for the Government's environmental public policy goals (for example, the Government's Nature Positive Plan¹, and the Australian commitment to the UN Biological Convention's Global Biodiversity Framework² signed in December 2022).

¹ See: <https://www.dcceew.gov.au/sites/default/files/documents/nature-positive-plan.pdf>

² See: <https://www.cbd.int/article/cop15-final-text-kunming-montreal-gbf-221222>

The Government's carbon market procurement efforts should therefore be delivered to **maximise public value** – including intergenerational public value – rather than lowest cost abatement. Specifically, this means considering co-benefits with predominantly public benefits – such as environmental co-benefits, but also social, and/or cultural co-benefits – with the cost of abatement as a subset consideration. The inclusion of the word 'public' in this approach – rather than simply 'to maximise value' – is to ensure that such procurement explicitly not consider private financial gain and thus distort the fundamental public purpose of the Government's carbon market procurement efforts.

Context: the nature crisis

Whilst Australia's nature crisis is less well-known than the parallel, interconnected, climate crisis, it is just as serious for our society and economy. 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."*³

Using the same methodology, **approximately half of Australia's GDP has also been demonstrated as having a moderate to very high dependence on nature**⁴.

The scale and devastation that the unfolding nature crisis will have upon our collective wellbeing will dwarf all but the very biggest issues facing our nation and will rival them in importance. As per the British Government's Dasgupta Review:

*"We are facing a global crisis. We are totally dependent upon the natural world. It supplies us with every oxygen-laden breath we take and every mouthful of food we eat. But we are currently damaging it so profoundly that many of its natural systems are now on the verge of breakdown."*⁵

The 2021 State of the Environment Report (released in July 2022) further confirmed that climate change was but one of several key pressures causing the accelerating decline of our environment:

"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

³ See: 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>

⁴ See: 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>

⁵ See: p1, Dasgupta, P. *The Economics of Biodiversity: The Dasgupta Review*, HM Treasury, Government of the United Kingdom; <https://www.gov.uk/government/publications/final-report-theeconomics-of-biodiversity-the-dasgupta-review>

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.”⁶

Indeed, in 2021, scientists confirmed Australia’s trajectory towards the collapse of ecosystems⁷; of all the continents in the world, Australia has seen the largest documented decline of biodiversity⁸.

In conclusion – the nature crisis is a serious systemic and intergenerational risk to Australian wellbeing requiring elevated attention. The urgent reform of Australia’s carbon market provides a critical opportunity to improve the Government’s response to the nature crisis.

Recommendations

ACCU scheme principles

1. The current description for the principle of “Environmental and regional sustainability” does not actually contain a clear mention of the environment. This should be amended to include a reference to biodiversity (or similar, for example, “nature”, or “ecosystems”) in order to reflect the “environmental” component (**additions in bold**):

“Environmental and regional sustainability – methods and scheme administration ensures carbon abatement projects contribute to enhanced **biodiversity and** land management, and resilience to climate change and avoid adverse impacts.”

Defining the ongoing role of the Government as a purchaser of ACCUs

2. ALCA supports the Government adoption of the discussion paper suggestion that *“the government... consider targeting some or all of its purchases to ACCUs from projects that deliver additional benefits, such as... other outcomes such as increasing social, cultural, environmental, and economic benefits.”*⁹, but with the focus being upon public benefits – especially, but not only environmental benefits – rather than private financial gain.
3. The Government’s carbon market procurement efforts should be delivered to **maximise public value**, with the cost of abatement as a subset consideration.

⁶ See: <https://soe.dcceew.gov.au/overview/key-findings>

⁷ See: Bergstrom et. al, ‘Combating ecosystem collapse from the tropics to the Antarctic’, *Global Change Biology*, 2021; <https://onlinelibrary.wiley.com/doi/10.1111/gcb.15539>

⁸ See: DCCEEW; <https://www.dcceew.gov.au/environment/biodiversity/conservation>

⁹ p16, ACCU Review Discussion Paper; https://storage.googleapis.com/files-au-climate/climate-au/prj270072e8cbe57c2824d8b/public_assets/ACCU%20Review%20Discussion%20Paper.pdf

4. In adopting an approach that maximises public value, the intergenerational value of environmental co-benefits should be explicitly incorporated and assessed.
5. As demonstrated by the Queensland Land Restoration Fund¹⁰, the Government could consider providing not only transparent price signals such as premium payments for ACCUs, but also direct support to proponents to help them develop projects that deliver credible co-benefits.

Verifying co-benefits

6. The Government should progress the verification framework for co-benefits (Recommendation 13 of the Independent Review of ACCUs) as a matter of priority in order to support the recommended changes to the Government's approach to procurement (as detailed above).
7. The verification framework for co-benefits in the carbon market should focus upon ensuring transparency regarding proponents' methods, co-benefit claims, and any supporting evidence.

Permanence periods

8. ALCA strongly supports Appendix A proposal #5 to "*Allow for Scheme participants to transition from 25 to 100-year permanence periods*", as this aligns with current intended permanence periods contained within the Nature Repair Market Bill¹¹, as well as the minimum length of time (99 years +) required for the *long-term conservation of nature* under Australia's National Reserve System¹².

Thank you again for the opportunity to provide a submission to the Government's consultation on its *ACCU Review Discussion Paper*. ALCA and its members look forward to ongoing engagement with the Government to help deliver the critical opportunity of leveraging the carbon market to deliver value for money for Australia's nature and other carbon co-benefits.

Australian Land Conservation Alliance

¹⁰ See: <https://www.qld.gov.au/environment/climate/climate-change/land-restoration-fund>

¹¹ See:

https://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bld=r7014

¹² See: <https://www.dcceew.gov.au/environment/land/nrs/about-nrs/requirements>

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

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 \$280 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.

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.