

22 May 2020

SUBMISSION TO THE CLIMATE CHANGE AUTHORITY REVIEW OF THE EMISSIONS REDUCTION FUND 2020

Climate Change Australia (CCA) is a non-party-political, safe climate and clean energy group on the mid north coast of NSW. Our charter is to raise awareness of climate change, promote a transition from fossil fuels to clean energy, and lobby all levels of government to implement genuine and effective policies to address dangerous climate change. We hold the view, in common with many others, that the world is now entering a climate emergency.

Thank you for the opportunity to make a submission. We have followed federal climate policy since the first Direct Action paper in 2010 and have noted how politics and deception usually trumps effective policy. Now is another chance to improve the ERF. Our discussion and recommendations will be on the Authority's first area of focus in this review - *Maintaining integrity and optimising governance*. We have been concerned about the integrity, transparency, accountability, and emissions accounting assumptions in the Emissions Reduction Fund (ERF) for many years.

It is the agriculture and land-based projects, and related emissions reduction claims that concern us most. The majority of successful bids for ERF funding have come from the agricultural and land use sectors rather than energy, transport or industry. Most of the \$2.5 billion of taxpayers' money has been paid to farmers, landowners, and small companies set up for gain, to either plant trees or retain native vegetation that, it is claimed, may otherwise have been cleared (hence the term 'avoided de-forestation').

We understand that the integrity of the ERF is overseen by independent experts known as the Emissions Reduction Assurance Committee who check that methods and standards comply with the legislation. In doing so, the Committee aims to ensure that emissions reductions credits (or ACCUs) are issued for genuine emissions reductions.

However, it is difficult to get clear information on ERF land-based projects - how many hectares of what type of vegetation have been planted or saved, the methodology behind calculating emissions reduction, the exact location of the project, and the amount of the government grant. We are aware of the ERF project register but location information is limited to state and LGA, not property name or address, and we cannot find answers to the other criteria.

Here is a typical entry in the register -

Project description

This project protects the native forest from being deforested (cleared) and the land from being converted to an agricultural system, where a clearing permit was issued before 1 July 2010.

There is no carbon maintenance obligation on this project area.

This is a vague generic description and the last line does not inspire confidence in this project. One source we have on file says this:

Many of the contracts for avoided land clearing only last 25 years... according to the Green Institute report, 'Twenty-five year 'permanence' may represent little more than the deferral of one clearing cycle'. The report echoes but goes further than the [Climate Change Authority report from 2014](#), which found, 'some credits issued are likely to have been non-additional'.

How are these agriculture and land-based projects monitored over time, given that soils constantly degenerate and change, and trees are always vulnerable, particularly in times of severe drought and mega-bushfires? Many of the trees planted under the ERF and much of the vegetation saved from clearing are almost certain to have died in the past year or two due to the severe drought and mega-bushfires, rendering any claimed emissions reduction obsolete.

Another problem with ERF agriculture and land-based projects, which the Authority may find it hard to do anything about, but should keep referencing, is land clearing and logging. There has been a major expansion of land clearing and logging in NSW under the Berejiklian Coalition government, while the QLD Labor government is still trying to deal with the consequences of massive land clearing under the Newman government (2012-2015).

Land clearing is eliminating any small gains in emissions reduction from the ERF. Tim Hollo, executive director of the Green Institute, says, 'We are paying some people to reduce clearing with one hand while allowing a whole lot more to be cleared with the other'. The same could be said for allowing increased logging of state forests and private land. The federal government does nothing to counter this clear threat to the central plank of its emissions reduction policy, exposing it to claims that ERF agriculture and land-based projects are merely a 'fig leaf' for action on climate change.

PROBLEMS WITH THE EMISSIONS ACCOUNTING METHODOLOGY

Last, and not least, there is the issue of the quality of the emissions savings from ERF agriculture and land-based projects. How is the carbon abatement value of these trees calculated? What emissions and whose emissions is the ERF abating with these projects? Is there a recognition that these trees and this vegetation are abating global emissions rather than purely Australian emissions? The answer is assumed to be Australia's emissions, however anyone with a knowledge of the planet knows that the atmosphere is not compartmentalised into national emissions. As John Lennon sang in *Imagine*, 'Above us only sky' – above us are global emissions.

In 2016, then Minister for the Environment Greg Hunt argued that ERF auctions have purchased 'over 92 million tonnes of emission reductions from 275 projects...' (letter to the author, 4/2/16). Since this is mainly tree planting, vegetation protection and soil improvement on Australian lands, the government must think that Australia's emissions stay in the Australian atmosphere, hovering right above us, and are therefore available to be easily abated by its ERF projects!

Actually, these are global emissions and the Coalition has argued long and hard that Australia only contributes 1.5% to global emissions. Therefore, rather than the 92 million tonnes of emissions the government claims it has reduced, it would be more accurate to say that only 1.5% of this, or 1.4 million tonnes has been reduced, or only 0.25% of Australia's current total emissions of 560 million tonnes, rather than the 26-28% they are aiming for! (These figures may need to be up-dated, but the reasoning remains the same).

Under the ERF, Australian taxpayers have been paying to abate some of China's emissions, some US emissions, some Russian emissions... etc., not just Australian emissions. Perhaps this act of altruism in doing the rest of the world a favour is why this type of abatement is apparently accepted by the UN, but it is a deception that needs to be called out.

And if we stick with this logic, Australia must accept responsibility for the super tropical cyclones that hit Pacific island nations like Fiji and Vanuatu because we are the leading emitter in the Pacific and therefore it is our emissions that must be causing the increased sea surface temperatures and rising sea levels over the western Pacific that fuel these extreme weather events and make them worse. The fact is they are global emissions, but you wouldn't conclude that from the logic that drives the ERF!

CONCLUSION AND RECOMMENDATION

This nonsense must be stopped and the record corrected. Planting trees, avoided de-forestation and increasing carbon stored in Australian soils does not reduce Australian emissions *at source*, which is where the government needs to act to be most effective to achieve its Paris Agreement targets.

Land-based projects are fine, but only as additional to the main task of reducing Australian emissions at source. Emissions reduction from ERF agriculture and land-based projects should not count as real abatement.

One way to bring truth and accountability into the ERF would be to separate emissions reduction into two categories – real abatement of Australian emissions *at source*, in sectors such as energy, transport and industry, and 'other' abatement achieved through tree planting, avoided de-forestation and soils. Then apply more accurate emissions reduction accounting to each category.

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Comments are provided in good faith to assist with the 2020 ERF review to improve current policies. CCA supports any policies that are serious and effective in tackling climate change and increasing renewable energy.