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Kimberley Land Council: Submission on second draft report – Australia's climate policy options

- 1. The Kimberley Land Council ('KLC') has a long history of working with the Australian Government on Indigenous cultural and natural resource management initiatives, and has actively engaged with Government in the development of the Carbon Farming Initiative and the Emission Reduction Fund ('ERF').
- 2. Carbon projects provide an opportunity for Indigenous people to engage in business opportunities that improve livelihoods and allow people to maintain and strengthen connection with country. In addition to carbon abatement, projects on Indigenous land deliver environmental benefits such as biodiversity, weed reduction and landscape linkages, and social benefits such as looking after cultural sites, strengthening connections with country and providing training and employment opportunities.
- 3. These opportunities can only be realised where the policy and legislative landscape actively provide support for Indigenous participation. The challenges for Indigenous people to participate in the ERF have been detailed in previous KLC submissions on this topic.
- 4. The KLC raises the following points in relation to the consultation document:

Principles for assessing policies (Question 1)

- 5. The KLC supports the proposal to assess policies on the basis of their cost effectiveness, environmental effectiveness and equity. The KLC emphasises that a fourth principle should be added identifying social and cultural effectiveness of a particular policy. In implementing any long-term policy, the Government should consider the impacts of that policy across society, including the likely long-term uptake and longevity of the proposal and its outcomes. Government policies which deliver a range of benefits, complementing the primary policy objective, are more likely to receive widespread support, and will have reduced costs both to Government and the public if the complementary benefits are taken into account.
- 6. The KLC further notes that an effective carbon policy must be sensitive to climate impacts already in the pipeline and therefore promote measures and projects that will facilitate adaptation outcomes.
- 7. A carbon policy should be assessed not only on its ability to deliver low cost, verified abatement and fair distribution of benefit/impact sharing across the community, but also, for example, its ability to create jobs, to engage marginalised communities or sectors, to protect or promote cultural outcomes and to reduce climate change impacts and risks.
- 8. For example, savanna burning carbon projects in the North Kimberley deliver abatement from reducing emissions from late season wildfires. These projects deliver not only emission reductions, but provide employment for Indigenous rangers and Traditional Owners, deliver skills development and training, increase biodiversity outcomes, reduce risks to life and infrastructure from wildfires, care for important cultural and heritage sites, return income to impoverished remote communities and have a multitude of flow-on benefits such as increased community leadership and pride and reduced detention rates. These projects position Indigenous communities to better respond to climate change impacts, such as increased wildfires, through building landscape resilience. Despite the significant benefits delivered by these projects, they are unable to compete against industry led projects on when measured purely on the basis of cost effectiveness and verified (environmentally effective) abatement.

Mandatory carbon pricing (Question 3):

- 9. The KLC notes the importance of a mandatory pricing policy as the best mechanism to achieve the targets identified in the Paris Agreement, with real reduction in carbon emissions within a timeframe that can reduce dangerous anthropogenic warming.
- 10. A mandatory pricing policy provides an opportunity to internalise the true environmental, social and cultural costs of climate change. In its implementation, it must be equitable, ensuring that costs are not simply transferred to those who can least afford them and also taking into account those who will most be impacted by climate change in Australia, people on the land and Indigenous Australians. An effective mandatory pricing mechanism will invest revenue from the price in ensuring equitable outcomes, supporting the transition to a zero emissions future, and facilitating adaptation among those most vulnerable. The KLC notes that it is not just industry that will require support through this transition, and in fact industry may be best placed not only to afford such a change, but to lead and profit from these changes through innovation and transition to new technologies. Indigenous communities will also require support to transition to a zero emissions future, requiring infrastructure and technology improvements in remote communities, among other areas.

Voluntary carbon pricing (Question 4 and 5)

- 11. The KLC notes that voluntary carbon pricing can be a useful policy to reduce carbon emissions when combined with an effective mandatory pricing mechanism. A voluntary offset mechanism, which enables sectors uncovered by a mandatory pricing mechanism, to participate in the carbon market, should be included as part of a suite of climate policies.
- 12. The Australian Carbon Farming Initiative in combination with the Carbon Price Legislative Package demonstrates how voluntary carbon pricing can facilitate least cost abatement, enable a broad scope of people to participate in emission reductions activities and promote benefits flowing to climate-vulnerable groups, including landholders and Indigenous people.
- 13. An effective voluntary carbon price should take into account the full suite of benefits provided by offset projects, as discussed in paragraph 8 above, and implement pricing mechanisms which recognise these, and the cost of realising verifiable domestic abatement.