

Action on the land

Submission from The Wilderness Society into the Climate Change Authority's issue paper *Action on the land: Reducing emissions, conserving natural capital and improving farm profitability*. With a focus on forest and woodland protection and restoration.

April 2017

Context

Australians love the great outdoors - it defines our way of life and national identity. A fundamental aspect of this is love for our forests and woodlands. From towering Eucalyptus forests, to verdant rainforests, to hardy woodlands, to dense mangrove communities on our coastlines, they are a major source of recreation, well-being and pride.

Our forests and woodlands are also simply essential to our survival, purifying the air we breathe and the water we drink. They maintain the health of our soils and waterways. They are a major source of food and medicine. They act as a buffer in natural disasters like floods and cyclones, absorbing and lessening impacts to our farms, towns, cities and infrastructure. They regulate local climate including rainfall, store vast amounts of carbon and help provide a brake on runaway climate change. They sustain the existence of our native animals and plants.

Prior to European contact in Australia, about 53% of the continent was covered by forests and woodlands.¹ Following over two centuries of ongoing land clearing, logging and habitat destruction, now just 22% of Australia is covered by relatively intact forest and woodlands. This is a 62% reduction from pre-European levels. While there is further forest and woodland cover of some sort representing an additional 20% of original extent, this is classed as degraded or severely degraded, the majority being previously cleared but now regrowing vegetation of varying age. In addition, much of the remaining forests and woodlands are fragmented, inhibiting the movement of plants and wildlife and exposing these areas to greater external threats.

Beginning primarily in the early 1990s, Australian governments began to introduce tighter controls protecting our remaining forests and woodlands. This led to a drop in deforestation rates. However these protections have been wound back or seriously compromised in key places like Queensland and New South Wales. As a result - primarily due to Queensland land clearing rates - deforestation rates have once again increased. An MCG-sized area is now cleared every three minutes. One million hectares of land were cleared in the past four years in Queensland alone.²

Australia is now the only developed country with a “deforestation front” — one of eleven global deforestation hot spots.³ Annual carbon emissions from land clearing are now equal to about one third of the emissions from all coal-fired power generation in Australia (about 50Mt CO₂ per annum). The three worst states for land clearing by size in Australia are Queensland, followed by New South Wales and Western Australia.

While the data is patchy state-by-state, it is clear that the primary driver of this deforestation at a national scale by hectares is livestock grazing by a large margin, followed by cropping, logging, urban expansion and mining. For example in Queensland - where the data is most complete - 91% of the clearing in 2014/15 was for livestock grazing⁴, with about 500 landholders responsible for about 75% of all clearing.

¹<http://data.gov.au/dataset/2016-soe-land-extent-of-modification-of-major-vegetation-groups-as-assessed-by-vast> (statistics derived from this dataset)

²<https://www.qld.gov.au/environment/land/vegetation/mapping/slats/>

³http://awsassets.worldwildlife.org/downloads/fl022_living_forests_report_chapter5_28apr15.pdf

⁴<https://www.qld.gov.au/environment/land/vegetation/mapping/slats/>

The Federal Government and state governments have failed to address this serious and ongoing environmental, social and economic crisis of deforestation despite full knowledge of the problem. The *Environmental Conservation and Biodiversity Conservation Act* is weak and poorly applied, state regulations are being weakened year-by-year, and the Council of Australian Government's *Australia's Native Vegetation Framework* is unbacked by real action.

The Emissions Reduction Fund (ERF) in its current form is highly problematic and is not the appropriate tool to address the vast majority of deforestation and land clearing - and associated emissions. The Federal Government continues to spend hundreds of millions of dollars on preserving and planting trees while the states greenlight land clearing that emits millions of tonnes of greenhouse gas emissions. Following the fifth auction, the ERF has now expended more than \$1.4 billion on vegetation projects to save 122Mt CO₂e. This which will not even cover the expected 150Mt CO₂e emitted from just three years of land clearing in Australia, as projected by the Australian Government.⁵

The Federal Government refers to the "safeguard mechanism" as the backstop to ensure that gains made under the ERF are not undermined by rising emissions across the economy. However there is clearly no attempt to apply a safeguard mechanism to ensure the majority of the ERF emission reductions are not undermined by poor policies in the very sector where supposed gains are being made.

The ERF is not and must not be considered a substitute for effective regulation of deforestation and land clearing. The taxpayer should simply not be paying for the protection of a public good that should otherwise be regulated. The lack of focus in the Authority's issue paper on the role of regulation is a major omission. Stopping land clearing would immediately cut our carbon emissions by at least 8 per cent per annum and save unnecessary expenses in paying for avoided deforestation via the ERF - this cannot be ignored. National leadership is required to ensure that, consistently across Australia, laws are in place to end the clearing of remnant and High Conservation Value regrowth vegetation.

On the other hand, there is a legitimate case for significant spending for restoration of natural ecosystems - particularly our forests and woodlands to complement the regulation of clearing. Such incentives could apply to land requiring native vegetation replanting or assisted regrowth in non High Conservation Value areas.

The science is clear that in order to stay within the 1.5 - 2 degrees temperature rise globally agreed under the Paris Climate Agreement, we have to phase out fossil fuel and land clearing emissions *and* sequester as much carbon as possible via natural ecosystem restoration.

Australia is one of the best placed nations worldwide to succeed in mass landscape restoration due the amount of cleared arable land per person, the presence of stable governance and the country's wealth. CSIRO points to a technical potential carbon sequestration benefit of over 500 Mt CO₂-e annually in decades to come (almost equivalent to Australia's entire annual emissions)⁶ - though in

⁵<http://www.environment.gov.au/climate-change/publications/emissions-projections-2016> According to the latest projections, Australia's land clearing emissions will be 49Mt in 2017, 53Mt in 2018, 51Mt 2019.

⁶https://www.csiro.au/~media/Major-initiatives/Australian-National-Outlook/Tech-reports/REPORT_ANO_Land_sector_sequestration_2015.pdf?la=en&hash=5A39EBEA138A246862E64B3C731964B42313433F

practice land use trade-offs will have to be made. There are further opportunities in better fire management in our northern savannas, coastal wetland restoration and feral animal control - all of which bring down greenhouse gas emissions. All of these opportunities have the potential to create long-term jobs in landscape management in rural and regional Australia.

There is clearly potential to completely reverse the current scenario and instead dramatically increase Australia's native tree cover and landscape health while transforming the economic and ecological future of rural Australia. The jobs potential is likely akin to the renewable energy boom just getting started.

But what is currently missing is the articulation of a protection and restoration vision for the nation, and the holistic, integrated policies to achieve it. While carbon sequestration should be a vital part of the vision and the primary underlying financial driver for restoration, there must be a clear national strategic vision for where restoration is best targeted, in order to also meet priority biodiversity and landscape health outcomes.

The Wilderness Society is committed to advocating for this vision and we are encouraged by the in-depth focus the Authority is taking in this area (notwithstanding the noted lack of recognition of the priority role of regulation in action on the land). Below are our policy recommendations to the Authority, including general recommendations in the three broad areas of regulation, restoration and data, and further specific short feedback in relation to the questions raised in the issues paper.

General policy recommendations

The following are three key areas of policy reform that we believe are critical to ensure “action on the land” is effective - these require actions from both the Federal Government and state and territory governments. These are critical to ensuring the best overall suites of policies:

1. End deforestation and land clearing

1a. End the bulldozing and logging of high conservation value woodlands and forests, including by bolstering Federal Government powers to regulate.

Why?: To protect the many values of our best remaining and regrowing forests and woodlands. “High conservation value” refers to vegetation classed as mature, old growth, remnant and primary as well as regrowing vegetation with important values or in important areas - falling within the six internationally recognised high conservation value categories⁷. This should include: threatened species habitat and endangered ecological communities; riparian vegetation within an appropriate buffer zone from watercourses; and expansive protection for important water catchment areas such as Great Barrier Reef catchments and the Murray Darling Basin.

How?: State governments must strengthen their forest and vegetation protection laws. The Federal Government must also establish clear legislative powers enabling them to play a stronger strategic oversight role including by preventing state governments from winding back legislation and intervening where targets are not being met. This is critical in order to meet international obligations under the Paris Climate Agreement and the UN Convention on Biological Diversity. Regulation should be applied equally across all sectors (mining, urban development, agriculture) with no exemptions.

1b. Disallow the burning of native forests as a form of renewable energy.

Why?: The logging industry and others have advocated for the burning of “native forest wood waste” as an eligible source for Renewable Energy Certificates (RECs) under the Renewable Energy Target (RET) or equivalent scheme. This will only serve to increase pressure on our remaining native forests and displace genuine renewable technologies.

How?: State governments and the Federal Government should prevent “native forest wood waste” eligibility for RECs.

2. Enable the restoration of degraded land

2a. An option to explore: establish financial incentives, including a dedicated restoration and land carbon fund and tax and rate incentives, to enable restoration, ensuring rigorous biodiversity standards and supporting communities to take advantage of this economic opportunity.

Why?: There are many benefits to investing in large-scale restoration, including climate mitigation and adaptation, biodiversity improvement, landscape and waterway health, Great Barrier Reef

⁷<https://www.hcvnetwork.org/about-hcvf/the-six-high-conservation-values>

health, community wealth generation, and job creation. An holistic approach that seeks to maximise all of these benefits together wherever possible will deliver the best value for money and positive impact for the country and the climate.

How?: The Federal Government (including via an appointed independent expert panel) could take the lead and work with state and territory governments to determine priority areas for restoration across the country. Funding for restoration would be strategic. A dedicated fund could be made available for restoration projects and further tax incentives could be explored for participating landholders and businesses. All projects should meet minimum standards for biodiversity, permanence and resilience outcomes - including by excluding monocultural plantations. The design of the scheme should ensure that the benefits from these projects flow to a wide range of communities and landholders. This includes providing skills and enterprise development, infrastructure, and support for lower income / disadvantaged communities to remove barriers to participation in projects. (See diagram at the end of this section)

2b. Reform land tenure and carbon title arrangements to provide a consistent system nationwide that incentivises protection and restoration.

Why?: There is no consistent approach to private conservation and restoration land tenure and carbon title arrangements nationwide. Many states do not yet even have a tenure type that would allow for the exclusive use of land for restoration and protection. This is a key impediment to business development and ensuring restoration projects meet the scale possible.

How?: The Federal Government should work with state and territory governments to harmonise land tenure and carbon title arrangements which would enable restoration and conservation across the country.

3. Provide world leading monitoring of progress

3a. Implement a national land clearing and restoration monitoring program, with regular, detailed data made available to the public.

Why?: There is currently a patchwork of monitoring systems across the country, including a poorly resourced national system without the depth to provide reliable state, regional and sectoral breakdown of data. This lack of high quality data makes policy making more difficult, as the problems are not fully understood and feedback of policy responses cannot be properly measured.

How?: The Federal Government should establish a centralised, national system that monitors all land clearing, forest degradation (including through logging and overgrazing), restoration and land use change *and* the associated greenhouse gas changes. It should replace state-based systems and take the best elements from the current national greenhouse gas inventory, Queensland's "SLATs" program and the latest remote sensing technologies. This includes Queensland's rigorous approach to manually validating suspected clearing events and attributing a clearing event by sector. The data should be readily available to the public, including interactive maps, GIS data, detailed breakdown of clearing by land use / sector, and the disaggregation of land sector emission accounts.

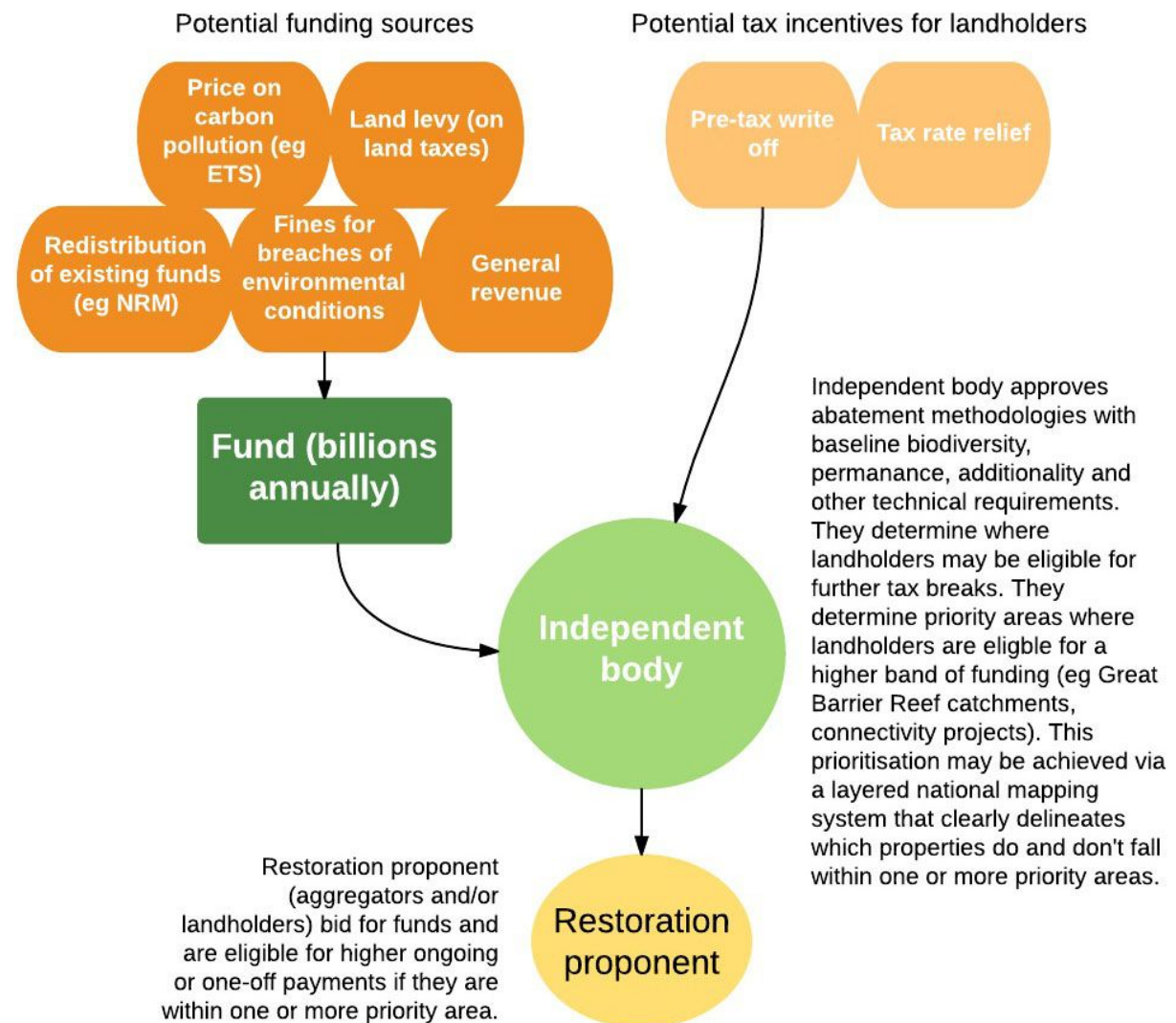
3b. Reform greenhouse gas emissions accounting and reporting to fully disaggregate land sector data and separate land sector emission reduction targets from non-land sector targets.

Why?: The current accounting and reporting system is opaque and masks the true picture of emissions from land clearing and logging by presenting LULUCF emissions as net figures and including carbon drawdown from regrowth and restoration. The growing role of restoration and the negative emissions this represents will also mask emissions from other sectors if LULUCF figures are not carefully presented always as separate alongside our overall domestic emissions profile.

How?: Account for and provide regular disaggregation of LULUCF emissions in national quarterly and annual emissions updates and emission projections, including separating out emissions from native forest logging and plantations. Always present national or state domestic emissions as a total with and without LULUCF to give a true picture of our emissions profile without the growing drawdown of carbon expected in the land sector. To ensure commensurate action required in non-land sectors, an additional overall domestic target or carbon budget should be set that excludes LULUCF.

Restoration fund idea

As per recommendation 2a, below explains further the concept of a potential integrated Australian restoration fund which we encourage the Climate Change Authority to further explore.



Specific feedback

The following provides brief responses to the specific consultation questions outlined in the issues paper where we have relevant feedback:

RELEVANT CONSULTATION QUESTIONS		OUR ANSWERS
Q.1.	Are there particular land sector abatement activities, or data on land sector abatement costs, that the Authority should consider when conducting the research?	The primary cost-effective and vital intervention in the land sector that should be considered by the Climate Change Authority is effective regulation of land clearing. This will save emissions - 50Mt a year for the next few years, for example. This will also mean money spent in the land sector is earmarked for restoration - rather than avoided deforestation - projects.
Q.5.	What has been the economic impact of emissions reduction policies like the ERF on the agricultural sector?	The ERF has provided funding to some landholders for avoided deforestation projects, as well as a range of other projects. This money would have been far better spent on genuine restoration projects and instead regulations put in place to deal with land clearing.
Q.6.	Are any additional incentives needed to encourage further emissions reductions in the agricultural sector?	For the land clearing crisis - and its associated emissions - regulation is the only real solution. Incentives are valid and very important for restoration above and beyond regulatory compliance, for example low conservation-value regrowth.
Q.7.	What emissions reduction opportunities should the Authority consider that could enhance the interactions between climate mitigation, agriculture and NRM policies?	Effective regulation of land clearing, plus strategic allocation of incentives for restoration. See our fund proposal above - by bringing together disparate programs and funds into one coherent, consolidated program.
Q.8.	What climate, agriculture and NRM policy interactions should be covered in the Authority's research?	See our fund proposal - the Authority could look into this model, including determining which pools of money from which programs could potentially be consolidated into a such a fund.
Q.12.	What role, if any, should strategic NRM planning play in helping to minimise non-carbon costs and enhance non-carbon benefits of agricultural carbon projects?	See funding proposal above - an independent expert body should be charged with developed a national priority plan for restoration. This could include working with NRM groups and state and local government where appropriate, but the primary view needs to be national in scope. The risk of an NRM-only focus is a lack of national scale

		prioritisation. Carbon and biodiversity should be jointly considered in which projects to incentivise.
Q.13.	If strategic NRM planning should be used for these purposes, whose responsibility should it be to prepare and implement the plans, and through what processes?	See funding proposal above - an independent expert panel working with relevant stakeholders.
Q.15.	What improvements (if any) could be made to existing environmental accounts and indicator systems to facilitate better integration of climate, agriculture and NRM policies?	See above recommendations on monitoring. The current land clearing / revegetation monitoring system national is flawed, opaque and lacks capacity for regional interrogation. The land clearing figures presented in the issues paper - the federal government figures - are questionable as they do not capture the large spike in recent land clearing in Queensland, as presented in Queensland Government figures.
Q.16.	Should approval-linked offset schemes give explicit consideration to the emissions reductions or carbon storage implications of compensatory mitigation actions and, if so, how?	Biodiversity offsets are deeply flawed and continue to facilitate the destruction of our remaining natural ecosystems - they should not feature in any program or scheme.
Q.17.	Are there appropriate restrictions under the ERF to manage the non-climate related risks associated with carbon offset projects? If not, how could they be improved?	More could be done to tighten methodologies for restoration that strictly require revegetation using appropriate, local species. Monocultural plantations - which face greater permanence risk and have much lower biodiversity values - should be excluded outright.
Q.18.	Should government policies formally recognise the non-climate benefits associated with ERF projects undertaken by Indigenous communities and, if so, how should this be done?	See our funding proposal above.
Q.19.	Would the development of such approaches be better left to the private sector perhaps working in partnership with non-government organisations or Indigenous communities?	No, this should be Government led to ensure a national, strategic picture guides the prioritisation of where restoration projects occur.
Q.20.	What approach, if any, should be adopted to assist carbon offset proponents to realise a monetary value for non-carbon benefits associated with their projects?	See our funding proposal above. In addition, approved methodologies and contracts need to take into account higher levels of upfront investment for tree plantings (as opposed to assisted regrowth) and the need for a higher level of upfront payments.
Q.21.	If a separate crediting approach is adopted, what integrity restrictions, if any, should be imposed on project eligibility to address additionality concerns?	See our funding proposal above - the direct grants model appears to be most closely aligned (though still distinct) from our model. The “market” would be generated by the Government fund rather than an

		offsets or compliance market - those landholders within designated priority areas would be eligible for additional payments depending on how many priority areas their property falls within.
Q.22.	If a multiple benefits accreditation approach is adopted, what should be included within the scope of the accreditation process and what models of accreditation should be used?	See our funding proposal above.
Q.23.	Should the accreditation of non-carbon benefits be led by government or left to the non-government sector?	See our funding proposal above - a prioritised mapping system - allowing for overlaps where multiple criteria are met - could be developed by an independent expert body as a more strategic and proactive approach to incentivise restoration.
Q.24.	What should the role of government be in establishing markets for multiple benefits and how can an appropriate framework be developed?	See our funding proposal above.
Q.25.	Should the government provide funding for multiple benefits? If yes, how should such funding deal with additionality issues?	Yes, see our funding proposal above. The methodologies should ensure that funded projects restore degraded landscapes - must be biodiverse and suitable to the local areas. Baseline payment for a project should be a carbon payment, provided only to those projects that already meet strict additionality and permanence requirements and the methodology mentioned above. Projects with one or more priority restoration area would then be eligible for additional funding as further incentive to encourage restoration in targeted areas.
Q.26.	To what extent are existing NRM grant programs designed to capture complementary carbon benefits?	The existing NRM grant programs appear to be unstrategic with regards to maximising carbon and biodiversity benefits and targeting restoration into priority areas.
Q.27.	Are there opportunities to improve the linkages between climate change mitigation policies and NRM grant programs?	See our funding proposal above - NRM grant monies could be rolled into this fund and treated as part of an holistic restoration / carbon program.
Q.31.	Are there opportunities for improved linkages between climate change mitigation and pest and weed management policies to maximise climate and NRM outcomes?	Yes potentially more could be done examining feral animal control - particularly camels - as a form of emissions reduction.
Q.32.	To what extent do publicly-funded agricultural R&D and extension programs focus on the reduction of emissions and the opportunities to simultaneously mitigate emissions and improve productivity?	There are huge opportunities for publicly-funded R & D and extension programs to focus on restoration science and economics. Further studies into the technical and jobs potential for restoration in

		<p>regional communities should be a priority areas. . The projects that attempt to maximise productivity and emission reduction by variations in farming practices - while important - do not represent anywhere near the scale of carbon sequestration possible via natural ecosystem restoration. R&D funds need to encompass restoration science and economics.</p>
<p>Q.33.</p>	<p>Are there opportunities to re-orientate publicly-funded agricultural R&D and extension programs towards reducing emissions from NRM and agriculture?</p>	<p>Yes as much as possible of these funds should go towards restoration science and economics.</p>