



UPDATING THE AUTHORITY'S PREVIOUS ADVICE ON MEETING THE PARIS AGREEMENT

Contact Details

Greening Australia

Alistair Phillips, Head of State Government Relations:

Contact Phone Number: [REDACTED]

Contact Email: [REDACTED]

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THE POLICY TOOLKIT REQUIRED TO MEET THE PARIS AGREEMENT - SUBMISSION FROM GREENING AUSTRALIA

Introduction

Greening Australia thanks the Climate Change Authority for the invitation to provide a submission in response to their July 2019 Consultation Paper: Updating the Authority's Previous Advice on Meeting the Paris Agreement.

Greening Australia has considered the consultation paper, and attended the CCA's consultations sessions in Melbourne (1 August 2019) and Sydney (8 August 2019).

This submission is structured to present key points in a 'dot point', brief and accessible style. We welcome further questions and discussion arising from our submission.

Key points

- **Stepping up Sequestration:** Greening Australia recognises the urgent need globally to accelerate carbon sequestration^{1,2}, and the pivotal, global carbon sequestration role Australia can play in this action as one of the planet's six largest continents³. Using our data, along with public data from Government Departments, CSIRO and other research institutes, Greening Australia has started constructing prioritised opportunity maps for biodiverse carbon sequestration across Australia through environmental plantings.
RECOMMENDATION: That CCA includes references to the strong position Australia holds as an international land/service provider in carbon offsetting.
- **Sequestration vs Energy Efficiency:** There is growing recognition given the extent of atmospheric carbon loads, and the likely continued increase in carbon pollution in at least the medium term, carbon sequestration must be accelerated **in** parallel with efforts to reduce carbon pollution (energy efficiency, green energy, etc)⁴.

¹ [CSIRO-NAB Australian National Outlook 2019](#)

² [A Vaughn \(July 2019\) Billions of extra trees may give us 20 years to tackle climate change, *New Scientist*](#)

³ [IPCC Global Warming of 1.5 °C](#)

⁴ [J-F Bastin, et al \(July 2019\), The global tree restoration potential. *Science*. 365. pp 76-79.](#)

RECOMMENDATION: That under the sub-headings, *FOR THE AGRICULTURE AND LAND SECTOR* (p 3) and *FACTORS THAT HAVE CHANGED SINCE THE AUTHORITY'S PREVIOUS ADVICE* (p 4) CCA set out strong points around the international recognition that carbon sequestration is now considered as important as carbon pollution reduction in combating climate change.

- **Biodiverse carbon sequestration:** Future climate analysis, modelling and method development is required to 'future proof' biodiverse carbon plantings. There is a mounting body of analysis along with policy and program level interpretations of the science that is continually improving biodiverse carbon methods. Greening Australia has developed climate resilient restoration methods – which are perfectly suited to biodiverse carbon plantings. We are significant collaborators with CSIRO, universities and the broader Australian research sector in climate resilience science.

RECOMMENDATION: That CCA includes a section in the final report that discusses and recommends the need for biodiverse carbon offset plantings to withstand and survive the coming changes in climate and conditions.

- **Co-investments/ Co-benefits:** Greening Australia supports goals to sequester carbon from native trees on farms that underpin regenerative agriculture programs while increasing the supply of ACCU's. Much needed diversified farm income can be provided through farm carbon sequestration services, along with bio-physical resilience (from shade, shelter, fodder) to climate shocks and longer-term change like repeated drought. Carbon-centred co-benefit investment is likely to build resilient regions and provide critical farmer support through contributing to farm productivity and mental health in the bush.

There is a need for real life case studies that show different configurations of native trees in productive landscapes and the financial analysis of improvements to farm productivity and diversify income from carbon revenue. Co-benefits need to be recognised for the integrated-policy outcomes – such as biodiversity and water quality gains being delivered through well-designed biodiverse carbon plantings. Economic benefits of investment under the Climate Solutions Fund are more likely to benefit a broader range of landholders (including Traditional Owners) across a broader geographic area if co-benefits are prioritised.

RECOMMENDATION: That CCA provide a discussion and recommendations on efficiency gains, and overall effectiveness of well-designed co-benefit carbon project structures that return significant productivity, biodiversity, water quality, indigenous employment and sequestration outcomes.

- **Climate Solutions Fund:** The Climate Solutions Fund builds on the Emissions Reduction Fund which is established on the principles of reducing emissions at lowest cost and purchasing genuine and additional emissions reductions. Its other stated aims include: to boost agricultural productivity, support jobs for Indigenous communities and improve biodiversity and water quality, and reduce greenhouse gas emissions. Greening Australia supports these aims, along with any steps to increase the effectiveness of the Commonwealth's role in carbon abatement.

RECOMMENDATIONS

1. **PRICE** – CCA canvass the urgent need to increase the price per ACCU to unlock large-scale environmental planting supply in southern Australia. This is potentially one of the most effective policy tools for government in meeting Paris targets. This will facilitate investment across a much wider geographic area than is currently occurring.

2. METHOD DEVELOPMENT / REFINEMENT – accelerating new method development and refinement – including regenerative agriculture practices, blue carbon (suitable wetland design) on farms. etc.
 3. DIFFERENTIATION OF ACCU TYPES / AUCTION ROUNDS – should be undertaken that can target particular methodologies or regions (as the current approach is only benefiting certain parts of the country) and/or prioritise a premium ACCU that delivers co-benefits.
 4. STRENGTHENING CORPORATE DEMAND THROUGH THE SAFEGUARD MECHASMISM – linked to annual national emissions targets and a tightening of emission targets to reduce emissions over time.
- **Previous CCA recommendations:** The CCA have made previous recommendations to government⁵ that Greening Australia see as highly relevant to the finalisation of this report: UPDATING THE AUTHORITY’S PREVIOUS ADVICE ON MEETING THE PARIS AGREEMENT.

RECOMMENDATION: That CCA include text, references or summaries of important points made to government in the previous report: REAPING THE REWARDS: IMPROVING FARM PROFITABILITY, REDUCING EMISSIONS AND CONSERVING NATURAL CAPITAL. Suggested areas for inclusion are provided at **Attachment 1**.

- **Improving Markets to accelerate the uptake of carbon sequestration**

An absence of reliable price discovery methods and the subsequent inability of investors and providers to hedge is inhibiting the development and growth of an active domestic carbon market. A viable secondary tier of participation in the market is also important to encourage greater uptake and greater liquidity.

RECOMMENDATION: That the CCA seek the Government`s commitment to establishing a futures and options carbon market exchange to support growth in the sector.

Do you want this submission to be treated as confidential? Yes / No

Do you understand the information provided about confidentiality and publication?

Yes / No

Signature of submitter:



Date: 22 August 2019

⁵ [Climate Change Authority \(April 2018\) Reaping the Rewards: Improving Farm Profitability, Reducing Emissions and Conserving Natural Capital – FINAL REPORT](#)

Attachment 1

References In CCA 2018 report⁶ that Greening Australia suggest inclusion in the current report.

Farmers and other landholders, including Indigenous communities, play a vital role as custodians of Australia's natural resources with agricultural land accounting for around 50 per cent of Australia's landmass.

While the debate on natural resource management for values like biodiversity, threatened species and water quality is often cast in terms of trade-offs with economic development, the Authority is keen to explore whether carefully crafted policies can deliver on a triple bottom line of environmental, economic and social benefits...

Properly integrated policy responses can also ensure policy instruments designed to address a particular issue simultaneously capture other benefits. For example, climate policies that promote carbon storage through reforestation can simultaneously improve NRM outcomes, provided there are measures in place to ensure plantings are located appropriately, involve the use of suitable species and have necessary water entitlements

The subsequent final report presented to the Minister for Environment in April 2018 recommended policy options to the Federal Government for creating new markets or incentives on the land so that carbon offset projects can also deliver multiple benefits.

The CCA have also stated:

The majority of this contracted abatement comes from a small number of project types: avoided deforestation, human-induced regeneration, savanna burning, soil carbon sequestration in grazing systems and manure management in piggeries (CER 2016a, 2016b). The dominance of these project types in the auctions reflects, at least in part, their comparatively low emissions reduction costs. Beyond these project types, there are other land sector activities that, at least in theory, offer cost-effective options for reducing emissions and increasing carbon storage. A challenge for government is designing policies that realise these opportunities and that identify new ways of reducing agricultural-related emissions.

As well as the important carbon storage and abatement benefits of forests, they play a major role in moderating atmospheric warming dissipating the heat of incoming solar radiation through natural photosynthetic and evapotranspiration processes.

In its 2018 report, the CCA recommended the Federal Government support new ways of incentivising carbon abatement projects that provide additional benefits such as biodiversity and productivity gains. The report gives the example of planting on trees on farms:

There are many environmental and soil conservation benefits of adding new trees to Australia's landscape. By careful planning, new trees can assist with: reducing salinity; improving water quality; enhancing habitat restoration/revegetation (e.g. mine sites); continual improvement of soil management; and waste water management.

⁶ [Climate Change Authority \(April 2018\) Reaping the Rewards: Improving Farm Profitability, Reducing Emissions and Conserving Natural Capital – FINAL REPORT](#)