19 April 2017

Our ref: EV-01-0003

Climate Change Authority
GPO Box 787
CANBERRA ACT 2600

To whom it may concern,

Re: Action on the Land – Reducing Emissions, Conserving Natural Capital and Improving Farm Profitability – An Issues Paper.

On behalf of the Victorian Catchment Management Authorities (CMAs) I congratulate the Climate Change Authority on your hard work in developing this important document and welcome the opportunity to contribute to developing policy on greenhouse gas mitigation.

The Australian Government has previously supported regional natural resource management (NRM) organisations to develop climate change mitigation and adaptation plans that can be incorporated into regional NRM plans (i.e., Regional Catchment Strategies in Victoria). These plans have established what the climate impacts will be, how regional natural assets can adapt and the management strategies that are needed to mitigate and adapt in the NRM sector. The plans also identify priority landscapes for carbon sequestration and strategies to build landscape resilience to climate change.

With the benefit of this previous work in climate change adaptation and mitigation, and our experience working in the land sector, the CMAs are eager to offer comments on the Issues Paper. These are detailed below.

1. The Issues Paper recognises that many NRM practices in the land sector can provide production benefits to landholders, however in our experience, these are often not sufficient to justify their adoption to the extent that provides significant additional biodiversity or carbon sequestration benefits. Agricultural enterprises operate on an economic basis, and in the productive farming landscapes of south eastern Australia, economic incentives are required to support activities that sequester carbon and provide complementary NRM benefits.

   The CMAs in Victoria have long recognised and communicated that the Emission Reduction Fund (ERF), through its lowest cost carbon model, does not encourage NRM outcomes in Victoria, which is demonstrated by only 1% of the ACCUs issued being based in Victoria. We also believe that the model does not encourage the best adaptation options across the Nation. The lowest cost carbon policy at the heart of the ERF disadvantages many landholders in Victoria, due to the low carbon price and the inability of these landholders to access several of the highly-used methods due to present, strong state legislation (such as for vegetation clearance). High land prices also mitigate against many Victorian landholders participating in the ERF as it's lowest cost carbon approach does not provide a viable return on investment. A more appropriate mechanism would be one that achieves multiple benefits, including carbon mitigation, other NRM outcomes, and assists rural communities to adapt to climate change.

2. In developing policy based on the Issues Paper, the Authority should consider the Catchment Carbon Offsets Trial currently being undertaken by the Victorian Department of Environment, Land, Water and Planning (DELWP), Water Corporations and CMAs in Victoria. This trial seeks to meet commitments in Victoria's Climate Change Framework, the Water Plan, and catchment management and biodiversity policies, by demonstrating how projects may simultaneously deliver emissions offsets, climate resilience and improve catchment outcomes. It is intended to enhance our understanding of carbon offset opportunities and water sector emissions abatement activities. The project is scheduled to deliver preliminary outcomes in December 2017.

3. The Authority should consider freshwater blue carbon, which is carbon sequestered in wetland systems, many of which are on private land. Until recently investigations of the carbon sequestration capacity of wetlands have concentrated on coastal blue carbon habitats, although recent estimates have identified inland wetlands as the earth's largest store of terrestrial carbon. According to the most recent (2013) inventory, Victoria has more than 25,000 natural wetlands which cover an area of over 1.8 million hectares, with over three quarters occurring on private land. A large percentage of coastal saltmarsh, a major source of blue carbon in Victoria, is also found on private land.

   It is expected that the protection and enhancement of blue carbon habitat will become an accredited methodology under the ERF later this year. Allowing private landholders to make income from blue carbon offsets will allow these important environments to be managed appropriately and make more rural land profitable. More information on blue carbon habitats, both coastal and freshwater, can be found through Deakin University's Blue Carbon Lab (http://bluecarbonlab.org/). This showcases the work undertaken by the Victorian CMAs and DELWP, in conjunction with Deakin, to understand freshwater carbon.

4. Regional integrated catchment planning such as the Regional Catchment Strategies in Victoria are a useful tool for combining NRM, agriculture and climate policy. The Regional NRM Climate Change Adaptation Plans, funded by the Australian Government, have increased the capacity of regions to consider the challenges of climate change and identify priorities for supporting rural communities. Continued support of integrated catchment management through adaptive regional planning and the implementation of actions identified in Regional Catchment Strategies and associated sub-strategies will help all sectors address the challenges and adapt to climate change.

5. A large proportion of NRM programs have positive carbon benefits, including broader climate change adaptation outcomes. These include revegetation, habitat protection and restoration, wetland protection and restoration, and soil health projects. At present, the carbon outcomes are not reported by CMAs and other government bodies although there is a strong link between mitigation activities and adaptation outcomes. It is recommended that measuring and reporting on the carbon sequestration attributable to NRM activities in regions be supported to enable a clear picture of the contribution of NRM activities in priority landscapes make to carbon sequestration and mitigation of climate change. The Australian Government's National Landcare Program is an ideal platform through which this type of support could be provided.

NRM bodies are ideally placed to co-ordinate and contribute to climate change mitigation and adaptation through the implementation of existing regional NRM plans, and could make a greater contribution if supported as part of the Australian Government's climate change mitigation strategy. Table A1 below summarises the approach to carbon offsets taken by CMAs through our Regional NRM Plans for Climate Change, and demonstrates the strength of regional planning in preparing local communities to deal with the impacts of climate change.

We would be happy to discuss our response with you in more detail. If you wish to do so please contact Kate Brunt on kate.brunt@gbcma.vic.gov.au or (03) 57647 510.

We look forward to the Victorian CMA's feedback being considered in the final document.

Yours sincerely,

Kevin Wood
Chief Executive Officer
Glenelg Hopkins CMA
(on behalf of Victorian CMAs)

Table A.1 Approach to carbon offsets proposed in regional NRM – climate change plans prepared by Victorian Catchment Management Authorities.

Key document	Objectives for carbon sequestration promotion	Landholder requirements	Carbon offset options pursued	Recognised impediments
Corangamite NRM Plan for Climate Change	Protect, enhance &/or restore high biodiversity areas. Strengthen connectivity to improve resilience. Increase soil resilience. Prioritise degraded land. Do not affect existing natural values. Align to RCS priorities.	Returns, capacity building.	Natural regeneration, revegetation, farm forestry, protection of saltmarsh, mangroves, seagrass meadows; farming methods to maximise carbon input and retention in soil.	Consider bushfire risks and catchment water yield.
East Gippsland Regional Catchment Strategy: Climate Change Adaptation and Mitigation Plan	Achieve carbon sequestration with NRM co-benefits: ecological processes, landscape connectivity and resilience, wildlife corridors.	Improve farm productivity (soil health, extra feed), financial returns.	Grazing system change (broad-acre beef and sheep production), environmental plantings (esp. riparian zones, buffer and connect high value remnant vegetation), soil, human induced natural regeneration, conservation and restoration of freshwater and estuarine ecosystems.	Carbon sequestration may not be the main driver of land management change.
Glenelg Hopkins Climate Change Strategy	Mitigate climate change through protecting existing carbon stocks and guiding future carbons sequestration.	Financial returns. Consistency with community ecological priorities.	Protect high value areas in good condition (minimal intervention), enhance high value areas in poor condition (moderate intervention). Carbon planting to improve landscape connectivity and resilience, protection and improvement of wetlands, improving agricultural soil health, carbon planting in high value agricultural areas.	Consider local hydrology, fire risk, impacts to biodiversity.
Goulburn Broken Climate Change Adaptation Plan	Climate resilience. Protect/enhance high biodiversity areas, improve landscape resilience by enhancing and connecting remnant habitat, increase soil resilience, prioritise low value/degraded landscapes.	Financial returns.	Native forest protection, environmental plantings, non-environmental plantings.	Reduction in water yield with revegetation, existing land use. Proximity to native vegetation (non-environmental plantings).

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Mallee NRM Plan for Climate Change	Maintain adaptive capacity in landscapes.	To be part of the planning process, support for changing practices.	Habitat restoration, revegetation, grazing management, enhance land management practices.	Need to consider safeguards for adverse social/community impacts, returns from sale of carbon, and viability of species used under climate change.
North Central Climate Change Adaptation and Mitigation Plan	Sequester carbon to maximise benefits for biodiversity, water and agricultural production. Build landscape integrity and address climate change impacts on natural ecosystems.	Reduce risk. Profitability, long-term sustainability of practice changes.	Vegetation: biodiverse plantings, natural regeneration, farm forestry, riparian plantings. Target areas around rivers and wetlands, buffer existing native vegetation, improve connectivity. Soil: grazing management, changed land use (cropping to grazing).	Few economically viable areas for carbon forests - need additional incentives to target tree establishment.
North East Climate Ready NRM Strategy	Climate change mitigation while preserving current land values and not increasing risk.	Generate income while abating climate change and protecting biodiversity.	Restoring and protecting native vegetation, environmental and non-environmental plantings (includes soil carbon considerations).	Consider existing land values, water interception, loss of endemic vegetation, fire risk.
PPWCMA identification of priorities for carbon plantings and protection of carbon stores	Benefits for biodiversity and land management while sequestering carbon in the landscape.	Cooperation and shared purpose.	Revegetation for green and brown carbon, and protect identified coastal shores and wetlands. Major revegetation effort for new Nature Links to improve habitat, areas with high carbon sequestration potential, and protect blue carbon.	Water production, land speculation, development restrictions, fire risk, private property rights, high land values, potential damage to Indigenous heritage.
West Gippsland Climate Change Strategy	Carbon sequestration as part of an effective response to climate change. Improve the capacity of the landscape to adapt to the future climate.	Financial incentives and support for works. Maintain agricultural production (stewardship).	Enhance and protect native vegetation, establish targeted biodiverse plantings, natural regeneration of vegetation communities, land use planning, best practice agricultural management, construct treatment wetlands for stormwater treatment, increase riverine wetland habitat.	Consider fire risk, changes to ecosystems under the new climate. Increasing demand for land and urban development.
Wimmera Carbon Ready Plan	Maximise emerging carbon investment in terms of economic, social and environmental benefit.	Properties to remain productive. Incentives and support for landholders. Research, demonstration trials, experimentation.	Revegetation and protection of high value ecosystems. Vegetation, soil and blue carbon options considered.	Fire risk, water availability, pests. Protect public infrastructure, development opportunities, high quality agricultural land.