

Victorian Landcare Council

Policy Briefing Note 13



In this Briefing, Malachy Tarpey, a VLC East Gippsland delegate, provides a detailed look at what the new Federal Government is proposing to do to soak up carbon, and what it means for landcare. We also brief you on a proposal to get advice from landcarers on new policies for landcare.

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Emissions Reduction Fund

The Government has committed to reducing Australia's greenhouse gas emissions by 5% by 2020. The Direct Action Plan (DAP) will enable industry to sell carbon abatement back to the Government through an Emissions Reduction Fund (ERF) via a reverse auction process. The lowest bidders will win contracts from a government owned investment company (Low Carbon Australia Ltd). The proposal, worth \$2.88 billion over four years, also includes funding for soil-carbon, solar and tree-planting initiatives, and a "green army" for landcare projects, costing \$300 million over four years to employ up to 15,000 youth on a training wage.

The Department of Environment has invited submissions to help design the ERF, to provide feedback on the timing of the auction process and for companies to set their own base levels for emissions. Submissions are due by 18 November 2013.

The ERF will pay for voluntary emissions reductions by industry, and seeks to offset emissions via bio-sequestration of CO₂ in soil, planting 20 million trees in public spaces and to extend the Carbon Farming Initiative (CFI), by increasing the number of approved methodologies for use in abatement or sequestration projects, and creating a shorter, 25 year investment option for land-based sequestration projects (currently 99 years).

Funding will only be paid after abatement has been achieved and proven, and payments are unlikely to be possible for activity that was going to happen anyway as part of normal business.

The DAP is supported by the energy and mining sector, but not by economists, scientific bodies or financial institutions. The policy does not have support in the Senate, so the Government may choose to abandon the DAP in 2014 and adopt an Emissions Trading Scheme instead, or we could be left with only high cost subsidies for renewable energy projects, with no money for the environment or natural resource management projects. Funds could also be diverted away from environmental projects towards drought relief for agriculture.

The ability for land managers to earn carbon credits is currently limited. Few methodologies have been approved and CFI projects are costly due to the bureaucratic burden of monitoring and reporting. Complexity and cost must be reduced if Landcare groups are to successfully bid for and manage projects. No methods are currently approved for generating soil carbon

offsets. The cost of buying in nitrogen fertiliser to maintain C:N ratios could cause net loss to farmers, if not accounted for.

If regional communities lock up farm land in large scale abatement projects for 25 years or more, then trade-offs that need to be considered include potentially lower food, fibre, and timber production and, if unregulated, altered regional water flows.

Concurrent legislation will make the process for land-clearing easier, so incentives given to landholders to abandon less productive land in favour of abatement projects could also make that land more easily accessible for fracking, coal seam gas extraction and mining of coal deposits in the future, thereby threatening ecosystems and biodiversity.

Expansion of CFI methodologies creates a risk that particular new categories of projects (such as energy efficiency projects) will soak up all available funding under the ERF. Banding of funding in each category would be required so that NRM gets a look in when up against technology such as gas flaring from the mining and waste management industries.

Issues that might need to be considered by Landcare regarding the DAP include the possibility of needing to seek sources of funding from private enterprise via an unregulated informal carbon market, lobbying government to provide stewardship payments for locking up forest on marginal land, negotiating on a regional level so that groups work collectively when tendering for abatement projects, a consideration of how to deal with compliance and auditing, and maintaining environmental integrity.

How to redesign AG NRM policy to better support landcare

Over the last ten years, since the start of the National Action Plan, increasing centralised control has choked off cash and stifled initiative in many landcare groups. Greg Hunt, Minister for Environment, promises to place landcare back at the centre of its land management efforts. The National Landcare Program will be based on three principles—*simple, local and long term*—with a promise that funding will be allocated "at a local level", with landcare at the table.

VLC delegates Ross Colliver and Moragh Mackay are designing a proposal for the National Landcare Network to put to Minister Hunt. They believe that the best way to turn the Government's aspiration into workable mechanisms is to talk to landcare. They recommend talking with those landcare groups and networks that have broken away from psychological dependence on Big Government and taken control of their own destiny. These groups and networks have strengthened their planning processes at landscape scale, and built sustaining collaborations with agribusiness, government agencies and cashed up enterprises willing to support landcare. They have finessed their approach to supporting landholder practice change, and built effective community-based governance structures.

Get out on the ground and ask these people: how they drive community action at local level; how NRM priority-setting and funding allocation needs to change to better support community initiative; what capacities need to be in place to successfully devolve more responsibility to regional and local level; what the risks are and how to manage these.

Put them in a room with leaders of those NRM regions that have been working well with landcare, and you're on a fast track to workable policy that makes Landcare *simple, local and long term*.