



AUSTRALIAN PARENTS FOR CLIMATE ACTION

Australian Parents for Climate Action
Submission to the Department of Agriculture, Fisheries and Forestry

A National Biodiversity Market consultation

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Australian Parents for Climate Action represents over 17,000 parents, grandparents and carers from across Australia. We are Australia's leading organisation for parents advocating for a safe climate. Our supporters are from across the political spectrum, across all Australian electorates, and from varied socio-economic positions. We seek non-partisan responses to climate change and its impacts.

We advocate for Australian governments and businesses to take urgent action to cut Australia's carbon emissions to net zero as quickly as possible. We encourage Australia to take a leadership role on the world stage, leading by example and calling for other nations to take the necessary action to protect our children's futures.

For more information, visit www.ap4ca.org

This submission was prepared by volunteer Siobhain O'Leary, with input from David McEwen and has been approved by Nic Seton, Chief Executive Officer of Australian Parents for Climate Action.

Summary

- We welcome a shift in policy toward increased protection of biodiversity
- An emergency level and large-scale response is needed to halt the rate of biodiversity destruction
- A market-based solution cannot be a singular response or a substitute for other investment and reform
- Our economic systems and planning processes cannot be to the detriment of our life support systems
- All government funding and decision making should reflect the priority of safeguarding biodiversity
- Decisions making processes should sit within a more holistic nature values framework better incorporating diverse values perspectives, especially those of First Nations people
- Precautionary approaches to biodiversity destruction should be the priority. It is easier to protect what is there than try and recover it once it is gone.
- Biodiversity credits as offsets should always be an option of last resort
- Integrity and transparency of the market are paramount to success
- A poorly designed market has significant potential to do more harm than good
- Sufficient funding for ongoing and comprehensive monitoring is required to quantify success

Submission

We acknowledge the world cannot address climate change risks and prepare for adaptation without also addressing biodiversity destruction. Climate change as a key driver of biodiversity destruction and the integrity of biodiversity as an essential ally and collaborator in emissions mitigation efforts.

The release of the 2021 State of the Environment Report (SOE) provided a devastating insight into the extent of the deterioration of Australia's ecosystems and how precarious and vulnerable many of Australia's threatened species and ecosystems are.

Generally referred to as biodiversity loss, we believe this to be too passive, negating from the conversation the actions that have and are leading to biodiversity diminishing at unprecedented rates. Biodiversity is not lost, misplaced, or gone for unknown reasons, it is *destroyed* through processes of development and extraction, through determinations and decisions, including emissions reduction targets below what is scientifically required to limit global warming to safer levels for people and biodiversity. Biodiversity cannot be simply 'found' through a market solution alone. The protection of biodiversity must be addressed through a broader and more comprehensive suite of measures and reforms.

Collectively, we must acknowledge and better plan for the fact that all financial activity, as well as social, political, and cultural activity, is dependent on nature: **we** are nature. Our economic systems cannot be to the detriment of our life support systems, it is not only morally wrong but incongruent with our own survival.

It is clear from the SOE report that there have been multiple failures of regulation and inadequate protections in place within planning processes and across jurisdictions. There is insufficient monitoring and data to help truly understand the scale of destruction. It calls for a more strategic, national approach to land management and conservation efforts and an emergency level and large-scale response.

We understand the proposal of a national biodiversity mMarket as part of that response, especially with a restoration focus, seeking as it does to leverage private investment toward government biodiversity targets. While we very much welcome the increased focus on biodiversity protection and

restoration our response is framed with the proviso that the potential of a biodiversity market is as just one part of a suite of solutions required.

Government Priorities

The market cannot be a substitute for government tightening of regulations, legislative reform or as a substitute for government funding and ambitions to expand protected areas. There must also be substantial commitment to properly empowering and resourcing agencies to monitor and protect what we have and investment in upskilling where needed.

Given the creation of a market solution is, to a large extent, due to the perception that “the scale of the task is beyond government and individual landholders”¹, with stated limitations in government funding, it would be prudent for the government to immediately end all subsidies, and compliance exemptions, for industries known to have the most significant impact on biodiversity destruction such as native forest logging, high intensity agriculture and fossil fuel extraction, to redeploy these funds to the aims of biodiversity protection.

Similarly, a moratorium should be placed on the approval of any new or expanded fossil fuel projects in line with International Energy Agency recommendations to limit warming to 1.5 degrees.² Not to do so would be to create a situation where the government was seeking to leverage private investment toward biodiversity protection, while simultaneously *actively funding and advancing biodiversity destruction*. Given the government's claimed fiscal constraints, funds should be allocated in a way that achieves the stated aims of positive outcomes for nature through investment.

In relation to wider reforms, we acknowledge the Minister's commitment to the introduction of new environmental legislation – due in 2023 – including a new Environmental Protection Agency with enforcement powers; the commitment to standalone Indigenous cultural heritage legislation; and note the government is due to formally respond this year to the statutory review of the EPBC Act led by Professor Graham Samuel. We look forward to this response.³

Determining Value

We urge that the consideration of legislative and regulatory reform be coupled with a reorienting of the values frameworks for decision-making processes, so that processes employ a much broader and holistic “nature values framework”:

As a member of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystems Services (IPBES) the Australian Government should follow the recommendations of the IPBES 2022 Values Assessment Report (Summary for Policymakers).⁴ Developed with input from 82 scientists and experts from across the world, the report incorporates significant cross-disciplinary approaches from experts in social science, economics, and the humanities. It is the first UN report to include Indigenous-led chapters recognising and respecting the worldviews, values and traditional knowledge of indigenous peoples and local communities.

The report provides guidance for embedding diverse values of nature into decision-making and policymaking, acknowledging that different stakeholders value nature in different ways, often not quantifiable in financial terms. Sustainability-aligned values seek a more diverse valuation of nature as a foundation for reconciling social, economic and ecological dimensions. A key finding of the report is that “*Decisions based on a narrow net of market values of nature underpin the global biodiversity crisis*”.

It is certainly true that the interconnected and interdependent nature of biodiversity is difficult, if not impossible to quantify in economic value terms. In addition, a human-centric approach to ecosystem services valuation needs to be balanced with the right of nature to exist, independent of humans.

Any area proposed for a biodiversity protection project under the new market mechanism will not suddenly become ‘of value’, simply by having had a financial framework applied. As the IPBES report

¹ [Biodiversity market fact sheet \(amazonaws.com\)](https://www.amazonaws.com/biodiversity-market-fact-sheet)

² [Net Zero by 2050 – Analysis - IEA](https://www.netzero.org/analysis)

³ [National Press Club address, Minister for the Environment and Water Tanya Plibersek](https://www.nationalpressclub.com.au/addresses/minister-for-the-environment-and-water-tanya-plibersek)

⁴ [Methodological assessment regarding the diverse conceptualization of multiple values of nature and its benefits, including biodiversity and ecosystem functions and services | IPBES secretariat](https://www.ipbes.org/assessment-reports/2022/values-assessment-report/)

demonstrates, there are First Nations communities who already deeply value the biodiversity of country in ways that go beyond economic value, and may not be easily quantified by non-indigenous institutions and processes. Some groups have been fighting long and challenging legal battles to preserve biodiversity on country with limited access to legal or financial frameworks.

There are also other community groups and individuals who have been fighting for the protection of biodiversity, often at great personal risk, again regardless of any ascribed financial value. It would be counter intuitive to not also review government approaches to consulting with these groups, giving proper weight to calls for protection which ultimately will also deliver biodiversity protection. Groups fighting for biodiversity protection now, outside the market, should have equal access to opportunities to protect biodiversity for its intrinsic value as will corporations seeking to do so for profit under a new market. As the Minister said, *“Australians really care about the landscapes they live in, and about the precious places they will never visit, but want protected anyway. They just need a government that cares as much as they do.”*⁵

To illustrate this, one example is the ongoing fight of the Gomeroi people, as well as local farmers, against coal and gas interests in the Pilliga in NSW. While the coal expansion and gas projects in Narrabri were approved under the previous government, the cases illustrate how preserving against biodiversity destruction is better achieved through protection than through projects seeking to restore biodiversity once it is gone.⁶

The Pilliga is of sacred, immeasurable value to the Gomeroi people. It is a vital recharge zone of the Great Artesian Basin, a life blood for the region’s farming, and home to many threatened species. Some describe it as a biodiversity oasis in an otherwise degraded farming landscape. At a national level the Pilliga is also important for mitigating climate change impacts, but *only* if it remains intact. Any market-scheme should not deny stakeholders seeking to protect areas like the Pilliga the ability to defend biodiversity and cultural heritage.

Precautionary Approaches

The addition of a biodiversity market should not be in lieu of planning and regulation reform, the priority must be to protect existing intact ecosystems.

The first step must include the reform and redesign of legislation to address drivers of biodiversity destruction, including:

- **Land clearing & Deforestation**

Land clearing of native vegetation, for farming, mining and urban expansion, is a major driver of habitat loss and has been growing with *“profits from agriculture, forestry and mining...driving up clearing rates”*.⁷ The competing interests of industry and biodiversity safeguarding need a more balanced response. There is the need for a more coordinated national approach for project approvals, monitoring of land use changes and policing of illegal land-clearing, with significant fines for breaches of protection laws. This should be accompanied with a national coordinated approach to the redesign of cities to minimise the impacts of urban sprawl on wildlife habitat.

Native forest logging should be phased out as rapidly as possible. *“Australia’s native forests are among the richest biomes on Earth”*⁸, some recognised as *“global biodiversity hotspots”*. In the immediate term we urge the government to adopt the Samuel EPBC review recommendation to remove the Regional Forest Agreements’ exemption from the EPBC Act.

- **Rising greenhouse emissions (including the related impacts of drought, floods, and warming oceans)**

A priority for protecting biodiversity must be the adoption of more ambitious emissions reduction targets by 2030, above the current 43% target, and a more ambitious timeframe to achieve net zero. Targets of 75% off 2005 levels by 2030 and net zero by 2035 are consistent with an Australian contribution commensurate with a 1.5 degree pathway. Exceeding 1.5 degrees puts enormous and increasing pressure on biodiversity. According to the IPCC Sixth Assessment Report: Impacts,

⁵ [National Press Club address. Minister for the Environment and Water Tanya Plibersek](#)

⁶ [NWPA present their objection to the Narrabri Stage 3 Coal Mine Expansion to the IPC](#)

⁷ [Australia state of the environment report 2021](#)

⁸ [Australia state of the environment report 2021](#)

Adaptation and Vulnerability Report, the risk of “very high extinction for endemic species in biodiversity hotspots is projected to at least double from 2% between 1.5°C and 2°C global warming levels and to increase at least tenfold if warming rises from 1.5°C to 3°C.”⁹ Limiting emissions and associated warming is paramount to protecting biodiversity: every degree matters.

Worsening climate change impacts not only threaten biodiversity directly but have the potential to limit biodiversity market opportunities, including the long-term success and permanence of gains. Changing rainfall patterns and other extreme weather events put more pressure on species and habitats already threatened and will potentially undermine project outcomes before they have a chance to succeed.

Threats to biodiversity from climate change are expected to increase even as we rely on thriving ecosystems to help reduce the impacts of climate change. One very relevant impact of climate change on biodiversity in Australia is the increased intensity and frequency of fires from warming.¹⁰ Already in 2022 nature-based carbon credit projects have been destroyed in fires in the USA. Included in this fire loss are planned buffer reserves for safeguarding against future impacts which were meant to last a century and have now diminished in just ten years.¹¹

Without accompanying greater ambition on climate targets and an end to native forest logging, nature-based biodiversity credits will remain vulnerable. Conversely, more ambition on emissions reduction targets, in line with limiting warming to 1.5 degrees, has the potential to incentivise investment in nature-based solutions that have the co-benefit of reducing emissions while also protecting biodiversity.

- **Project approval processes**

Biodiversity offsets, like greenhouse emissions offsets, should be an option of last resort, and should never be considered a go-to for developers. A project proposing to use biodiversity offsets to supposedly neutralise its harm should, *prima facie*, be considered the wrong project. That’s not how nature works.

Once you’ve destroyed an ecosystem it is gone, and in many cases it may take hundreds or thousands of years to regenerate. A compensatory benefit elsewhere is of zero benefit to the affected ecosystem, and in any case is unlikely to provide equivalent biodiversity benefit during its establishment.

Just as with the apparent rorting and minimal benefit of the Australian Carbon Credit Unit scheme, biodiversity offset schemes have been found to be subject to serious failures.

We contend there should be stringent tests in terms of public, societal benefit vs environmental harm. Private benefit to developers should never be a reason to allow the use of biodiversity offsets. Given the sixth mass extinction is already unfolding faster than scientists had feared, greed cannot be an excuse for accelerating destruction.

CONSIDERATIONS FOR THE BIODIVERSITY MARKET

Australian Parents for Climate Action asserts the following should be considered to ensure the financial intervention in biodiversity protection is a force for *positive* change in the *long-term*, and can be quantified and demonstrated as such.

Protocols

Protocols should be concerned with ensuring market projects are delivered with high integrity. This will rely on the advisory board representing broad and significant ecological and project management expertise.

The focus of protocols should go beyond no net loss toward biodiversity net gain. This will be difficult to achieve if credits are widely used as offsets, given like-for-like replacement of ecosystem destruction is rarely achievable.

⁹ [Summary for Policymakers - IPCC \[B.4.1\]](#)

¹⁰ [How does climate change affect biodiversity? | Royal Society](#)

¹¹ [Wildfires destroy almost all forest carbon offsets in 100-year reserve, study says | Financial Times](#)

Guidelines and timelines for reporting on the projects should be rigorous, regular and publicly available including advice to stakeholders such as local groups.

The conditions a project must meet for the issuance of biodiversity credit certification should be clear, measurable, and publicly available. The depth and adequacy of project assessment, measurement and monitoring, set up to be wholly independent and well-resourced, is paramount to ensuring integrity and transparency from the outset of the market. To this end, some part or percentage of proposed project budgets, or a fee for participation in the market, should go toward a fund established for maintaining an independent agency to monitor and report on projects so they can be regularly and thoroughly assessed against stated outcomes.

The overall performance of the market towards improving biodiversity outcomes, offering value and demonstrating integrity (durability, additionality) should also be reviewed on a regular basis and findings made public.

Transparency / Integrity / Compliance and Assurance Framework

We agree that integrity is critical to the success of a functioning biodiversity market.

The carbon offset market, and by extension the Clean Energy Regulator, is currently under review over raised concerns of integrity, effectiveness, and value. The federal government instigated independent Chubb review of the CER managed carbon market is welcome and should be completed, with all changes and recommendations implemented, prior to the biodiversity market being established under the same management.

The membership and structure of the Biodiversity Market Advisory Board should be as independent as possible, include indigenous voices, ecologists and scientists, and limit the influence of business interests by appointing members with minimal ties to developers and industries who would be seeking to purchase credits. Conflicts of interest should be managed in a robust, upfront, and public way.

Public consultation should be conducted in culturally appropriate ways with different avenues for participation to ensure maximum diversity of input and opinion.

The Advisory Board may require independent secure funds to ensure its capacity to perform ongoing monitoring of the compliance of protocols and projects and to undertake periodic reviews of protocols and the overall market program.

A review of skill and resource capacity within the multiple management agencies would ensure the capacity for individual project monitoring across multiple sites Australia wide. Given the shortfall in monitoring capacity already identified as a driver of biodiversity loss this is likely to require additional investment. The long-term monitoring of projects is key to ensuring integrity so funding for monitoring should be established in a long-term secure way.

Given the recently reported issues with the NSW Biodiversity offset program the careful design of the market will have significant influence on whether the program delivers biodiversity gain, noting that the significant potential for harm also exists.

PROJECT DESIGN & IMPLEMENTATION

Strategic Overall Plan

Projects that are isolated would be less effective than those designed to be integrated as part of an overall area plan and biodiversity strategy. Projects should be assessed for their scale but also for connectivity.

The advisory board may be well placed to steward the overall market, its aims and objectives and tie in with other strategies such as the government's commitment to the 30x 30 target.

A key criticism of the NSW offset program, from the NSW Auditor General, was the absence of an overall strategy “for developing a biodiversity market or making sure it delivered the environmental outcomes required”.¹²

Stakeholder Engagement

Priority should be given to Traditional Owner led and designed projects and all projects should seek and demonstrate appropriate engagement with and consent from Traditional Owners.

Challenges to increased ambitions to protect land for nature purposes are likely to encounter conflicts as competing land use priorities arise between stakeholders. Project design and implementation should be transparent with clear conflict resolution frameworks, consultancy that seeks stakeholder input and, where appropriate, co-design to incorporate social, cultural and economic co-benefits to communities such as sustainable employment or well-being improvements.

Communication, education and awareness raising are also important aspects of project design to ensure project acceptance and durability.

Durability/Permanence

Projects must be designed for permanence.

- As above climate impacts pose a risk to ecosystems but also to project durability. Weather extremes from worsening climate change will limit the potential of available suitable long-term projects and expose projects to degradation. Projects must be designed within the context of worsening climate threats and seek to minimise these.
- Projects must be designed to safeguard outcomes from future political interference, such as changes to development zoning that could occur with changes in government at all levels.
- Permanence must be guaranteed for certificate issuance. Projects must be guaranteed for a significant time period and account for what happens in the event of fire, flood or other impacts on the project.

Additionality

(over and above what would have happened had no payment or credit been available)

The federal government has already signalled its commitment to the UN Biodiversity Conference goal seeking to protect at least 30% of the planet's land and oceans by 2030. With an emphasis on preserving an “*ecologically representative network of protected and conserved areas as part of the 30% target*”.

It would be our expectation that projects within the biodiversity market are *in addition* to the government's commitment to protect 30% of land and oceans by 2030. As highlighted by National Parks of NSW, this approach would take protection plans to a ‘high ambition scenario’ to include multiple approaches “*support from farmers and graziers, handback to Indigenous communities, bold new partnerships and major conservation financing from public and private sectors including carbon and biodiversity markets.*”¹³

Other considerations on Additionality.

Credits should:

- Not be applied to existing habitats that are or could be otherwise easily protected (via legislation & regulation).
- Not be part of business as usual, such as commercially necessary land improvements.
- Not part of planned restoration or legally required mitigation or restoration as part of already determined planning process requirements.
- Not be part of existing projects (such as already awarded credit under state programs).
- Have provisions applied to ensure there is no double counting, for example where a project could count towards carbon and biodiversity credits appropriate bundling should be applied which does not reduce overall gains or overall investment.

¹² [‘Utterly damning’ review finds offsets scheme fails to protect NSW environment](#)

¹³ [30 x 30: a pathway to protecting 30% of Australia's land by 2030](#)

Monitoring & Reporting

There is currently insufficient data available from long-term monitoring of biodiversity in many places across Australia. This itself is a major impediment to conservation. From the SOE *“the absence of reliable data on numerous threatened species severely limits our ability to allocate conservation resources in an informed and effective manner”*.¹⁴

Projects should incorporate scope for baseline assessment of the state of biodiversity prior to project roll out. This will help determine project appropriateness and, coupled with ongoing monitoring, will ensure final reporting accurately reflects the success of gains are properly quantified.

Accreditation / Qualification

The market proposal includes provisions for ensuring proponents of projects pass fit and proper person requirements but this should go further to a provision for genuine qualifications (or equivalent traditional knowledge) in ecological management. A standard of accreditation or certification of proponents should be designed to ensure project delivery has ecological integrity and minimises the potential harm of poorly designed or implemented projects. It would also prevent less qualified parties seeking to capitalise on the market for purely commercial reasons.

Public Register

Monitoring and reporting of outcomes of projects should be made regularly publicly available, especially to local stakeholders. Reporting should be transparent and as “real time” as possible.

Credits as Offsets

The existence of a federal Biodiversity Market should not represent an opportunity for planning processes and companies seeking development approval to abandon the Mitigation Hierarchy¹⁵. Offsets should always be seen as a last resort not a first recourse with avoidance and mitigation taking priority.

A planning process that has re-oriented planning decision making around a broader nature values approach would aim to minimise truly unavoidable biodiversity destruction and therefore would reduce the need for offsetting.

Biodiversity offsets, where allowed or utilised, for approval processes should seek as close to possible like-for-like offsets. However, offsetting biodiversity in a like-for-like way is extremely difficult to achieve, given the complexity, interdependent and long-term development of ecosystems which can take multiple decades or more to be fully established and which only functions effectively as a whole, not the sum of its parts. Lost habitat is not easily offset elsewhere.

As demonstrated by the shortcomings of the NSW scheme,¹⁶ offset programs that are poorly designed cause more harm than good, especially if approved projects relying on them proceed without adequate and guaranteed offsets already secured. A major criticism of the NSW scheme is that it has allowed developers to make payment to the Biodiversity Conservation Fund under a ‘pay now, offset later’ arrangement. This has resulted in a significant undersupply of appropriate offsets raising questions over whether the offsets will ever be secured while enabling damaging projects to progress at the expense of nature.¹⁷

The availability of a biodiversity credits market must not amount to the authorisation of destruction. Once biodiversity is destroyed it cannot easily come back.

Leveraging Investment

Beyond offsetting, which the Minister has stated is not the primary function of the market,¹⁸ it is difficult to see why companies might seek to purchase credits.

For the market to be viable there would need to be sufficient demand for certificates and associated projects. There is some discussion that corporations may be seeking to invest in projects as part of

¹⁴ [Information and monitoring | Australia state of the environment 2021](#)

¹⁵ [Offsets mitigation hierarchy - DCCEEW](#)

¹⁶ [‘Utterly damning’ review finds offsets scheme fails to protect NSW environment](#)

¹⁷ [Damning Auditor-General’s report finds Coalition’s biodiversity conservation architecture is a house of cards](#)

¹⁸ [‘Nature credits’ could make Australia the ‘Green Wall Street’ for the world, Tanya Plibersek says - ABC News](#)

expected shareholder demands for biodiversity reporting, as with emissions reporting. However, it has yet to be demonstrated that there is significant demand for voluntary investment in nature restoration from corporations who are primarily motivated by profit.

The integrity of the market could also be undermined if companies sought to use the market to greenwash or reputation launder while causing significant biodiversity harm in other jurisdictions. How the government prevents this needs to be considered.