

19 February 2018

The Chairperson Economic Policy Scrutiny Committee
Legislative Assembly of the Northern Territory Parliament
House DARWIN NT 0800

Via email: EPSC@nt.gov.au

Dear Sir/Madam

Re: PASTORAL LAND LEGISLATION AMENDMENT
BILL 2017

We refer to the Pastoral Lands Legislation Amendment Bill 2017 which has recently been on public exhibition. We thank you for your extension of time to provide our comments on the proposed amendments to the Pastoral Lands Act and Pastoral Lands Regulation.

The Aboriginal Carbon Fund (AbCF) is a not-for-profit company specialised in carbon farming. The founding Directors of the AbCF in 2010 were David Ross and Tracker Tilmouth.

AbCF fully supports the intent of the amendments to diversify the sources of rural income on pastoral leases.

We have reviewed the public submissions made by the Northern Territory Cattleman's Association and the Pew Charitable Trust which propose that the prescribed purposes set out in regulation 31 of the Pastoral Lands Regulation be amended to include carbon abatement and conservation; conservation land management; carbon farming; and farm-based tourism. We agree that carbon sequestration and carbon abatement projects such as those undertaken under the Commonwealth Emissions Reduction Fund (ERF) and other voluntary carbon offset standards should be included as a prescribed purpose in regulation 31.

As noted in the submission from the Pew Environmental Trust, only a very small number of projects that have been registered under the ERF and have successfully participated in the Commonwealth's \$2.55 billion ERF auctions have been in the Northern Territory. This is notwithstanding the fact that there is significant potential for carbon sequestration and abatement activity across the Territory. The projects that have been developed to date have primarily been savanna fire



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management projects which involve annual burning activity undertaken on lands of varying tenure rather than a permanent use of the land. There are almost no projects registered on pastoral lease lands under the ERF that utilise other methodologies related to carbon sequestration in the landscape.

One of the main reasons for the absence of carbon sequestration projects is the current definition of prescribed purposes for subleases in regulation 31 of the Pastoral Lands Regulation which effectively prohibits any projects that do not fall within the limited prescriptions. The only sequestration project that has been able to be developed in the Territory on a pastoral lease had to enter into complex legal arrangements in the form of a carbon rights agreement between the Government of the Northern Territory and the pastoral leaseholder to facilitate its registration as a carbon offsets project.

The proposed amendments to regulation 31 to add forestry, agriculture, horticulture and aquaculture do not, in our opinion, go far enough. Provision for conservation land management and carbon farming activities should be specifically included.

We note that there are considerable opportunities for the Territory and Territorians to benefit from the carbon farming market. This market includes both the Commonwealth funded ERF and the voluntary carbon market, where often projects with additional social, environmental and cultural core benefits attract a premium. AbCF has developed and been involved in a number of carbon projects which deliver significant benefits for indigenous communities through the creation of jobs, use of traditional practices, transfer of knowledge and improved environmental outcomes. These projects are attractive to investors who are often looking to manage not only GHG emission targets, but also their UN Sustainability Development Goal commitments adopted by their organisations.

We note that the Queensland Government is establishing a \$500 million Land Restoration Fund through the issuance of green bonds which will support various conservation land management activities, including carbon abatement and carbon sequestration projects. We believe there is significant appetite for investment in this type of investment fund which will in turn support land restoration projects. We encourage the Northern Territory Government to follow suit with a similar initiative. However, to enable the projects that underpin such a fund to take place, legal barriers to projects, such as the regulatory prescriptions for sub-leases need to be removed.

One of the drivers for the Queensland Government to establish the Land Restoration Fund was to provide economic incentives to landholders to halt and reverse the impacts of broad-scale land clearing, which can complement other regulatory controls related to native vegetation management. The same could be achieved in the Territory if the right enabling environment is provided and pastoralists are aware of the economic opportunities associated with carbon abatement and carbon sequestration projects.

We stress that should these additional categories of prescribed activities be included in regulation 31, there remains the need for free, prior and fully informed consent (FPIC) of Traditional Owners (native title holders) under the Pastoral Lands Act before a sub-lease is granted for any carbon farming or conservation management activity, to ensure their active engagement in project delivery. A stronger alternative to FPIC would be the requirement for

an Indigenous Land Use Agreement for subleases in the Pastoral Lands Legislation
Amendment Bill

In summary, carbon farming is good for the economy, jobs and the environment on pastoral
leases.

I look forward to discussing these matter in greater detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Foley', is written over a horizontal dotted line.

Rowan Foley
General Manager