

REGULATION OF CARBON SEQUESTRATION IN WA RANGELANDS

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CARBON SEQUESTRATION

- ▶ **Offset Projects:**

1. Sequestration
2. Abatement (emissions avoidance)

- ▶ **Abatement projects**

- » Easier
- » Underway

REGULATION OF OFFSET PROJECTS

- ▶ "Carbon farming": producing and selling carbon credits.
- ▶ Accreditation schemes
 - » Non-government - e.g. Verified Carbon Standard, Gold Standard
 - » CFI - Carbon Credits (Carbon Farming Initiative) Act 2011 (Cth)

CFI OFFSET PROJECTS

Requirements:

1. Additionality

- » Extra reduction in greenhouse gases - beyond business as usual/compliance with legislative requirements

2. Permanence

- » Preventing emissions (abatement); or
- » "permanently" storing in soil or vegetation (sequestration)

3. Land tenure

4. Approved methodology

LAND TENURE

1. Carbon sequestration right

- » "The exclusive legal right to obtain the benefit of sequestration of carbon on project land."
- » Register a carbon right in the project land under the Carbon Rights Act 2003 (WA)
 - » All land in WA
 - » The only way to obtain a carbon sequestration right - except...
 - » Exclusive possession native title land

2. Possession right

- » The right to conduct the sequestration activity on the project land.

REGISTRATION OF CARBON RIGHT

1. Consent of registered interest holders
 - » Freehold land - owner, bank
 - » UCL - Minister for Lands
 - » Pastoral lease - Minister for Lands, lessee
2. Register Landgate form CR1
 - » Separate interest in the land - can transfer, mortgage etc.

CARBON RIGHTS - ISSUES

1. Carbon rights on Crown land

▶ Lands Administration Act:

"Minister may:

- a) Apply for the State to be registered as carbon right owner;
- b) Enter into a carbon covenant; and
- c) Deal with carbon right or carbon covenant." (s. 18A)

▶ Hasn't happened because:

1. No one's asked
2. No government policy
 - › Who should government give carbon rights to?
 - › On what terms?
3. Historical concerns with risk (prospect of State being left holding liability for failed projects)

CARBON RIGHTS - ISSUES (CONT.)

- ▶ Policy options for carbon ownership (pastoral leases):
 - » DAFWA/Outback Ecology Report July 2012
The impact, opportunities and risks of the Carbon Farming Initiative for the WA rangelands
 - » URS report on Rangelands Reform

CARBON RIGHTS - ISSUES (CONT.)

1. Transfer rights to carbon to pastoral lessees free of charge
2. Invite pastoral lessees to tender for rights to carbon on their own pastoral leases.
3. Call open tenders for the right to farm carbon on pastoral leases.
4. Government retains (creates then retains) rights to carbon and contracts with pastoral lessees for the management of the Crown's carbon.

...STILL CARBON RIGHTS ISSUES

- ▶ Option 1 not a free kick
 - » The land managers in control of the carbon store, reasonable motivation for increasing carbon store, reward for environmental stewardship.
- ▶ Purchase of grazing rights (other options) - why?
- ▶ Conversion to rangelands lease

SUITABLE LAND TENURE

2. Suitable land tenure

- » Freehold - fine
- » Exclusive possession native title land - fine
- » Unallocated Crown land - needs allocation
- » Pastoral lease - ?
 - › Is carbon farming a "pastoral purpose"?
 - › Can a diversification permit be issued?
 - › Is there an additionality problem?
 - › What about permanence?

WHAT'S BEING DONE?

▶ Rangelands Reform - new rangelands lease

"may be granted for any purpose that is, or purposes that are, principally consistent with the preservations of the rangelands as a natural resource" (proposed s. 142B(2) of Land Administration Act)

- » Carbon farming as a specific purpose
- » Flexibility
- » Diversity of uses (multiple uses - as of right)

WHAT NEEDS TO BE DONE

1. Rangelands Reform
2. State policy on rights to carbon on Crown land
3. State and Commonwealth getting on
4. Rangelands restoration CFI methodology
5. Getting together on native title

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