



## Consultation on Northern Territory draft Greenhouse Gas Emissions Offsets Policy

### About the 10 Deserts Project

The 10 Deserts Project (**10DP**) is an Indigenous land management collaboration across Australia's desert country. Sustaining the largest Indigenous-led connected conservation network on Earth, the project aims to keep Australia's outback healthy for the benefit of the entire world. The project is led by the Indigenous Desert Alliance (**IDA**) and involves some of Australia's most successful Indigenous organisations supported by international and regional conservation partners.

### Northern Territory Offsets Policy

The IDA welcomes this opportunity to input on the draft Greenhouse Gas Emissions Offsets Policy (**NT Offsets Policy**).

The experience of Indigenous groups operating carbon projects across Northern Australia demonstrates the potential of offset markets to deliver considerable benefits for Indigenous communities. The IDA is seeking to ensure that offset opportunities, and the benefits they deliver are inclusive of Indigenous desert communities.

To support Indigenous engagement in offset opportunities, we make the following points:

- 1. The IDA supports the use of ACCUs as part of the NT Offsets Policy and recommends that the policy *require offset purchasers to prioritise ACCUs that are generated by Indigenous producers, as well as those produced partially or wholly in the NT.***

Indigenous carbon projects are demonstrated to deliver a suite of significant environmental, cultural, and social benefits, aligning with broader government priorities. The prioritisation of these credits will not only support the continued growth of the Indigenous carbon industry, but will directly contribute to improved social and economic outcomes for Indigenous communities.

- 2. Use of carbon credits generated using an alternative framework**

The NT Offsets Policy currently provides that credits generated by an alternative framework will be eligible where

- They are generated in the Territory.
- Any units purchased or generated are able to be counted towards the Territory's emissions profile.



- The administering framework for the unit allows them to be surrendered to satisfy jurisdictional obligations such as emissions offset approval condition in the Territory.
- The offset units are not already required or committed to satisfy any other legislative obligations.

**a. the IDA recommends that the geographic limitation on credits to those ‘generated in the Territory’ be expanded to include projects that are partially based in the Territory.**

Indigenous land management in Australia’s North covers vast areas, often crossing State and Territory boundaries. Further, for some offset projects to be viable, they may need to cooperate and aggregate with other projects, across jurisdictions (e.g. a potential cross jurisdictional feral camel management project). The IDA recommends that the requirement for carbon credits using an alternative framework to be generated in the Territory be expanded to include carbon credits where *part* of the project generating the credits is located in the territory.

**b. The IDA recommends that the NT Offsets Policy clarify that *credits created through an alternative framework are eligible to be used as an offset irrespective if the activity/abatement is included in Australia’s National Greenhouse Accounts.***

Generally, if an emissions reduction is included in Australia’s National Greenhouse and Energy Reporting (NGER) and National Accounts, then it would be possible for an ERF methodology to be developed, generating an ACCU. It follows that, alternative credits, while generating genuine emissions reductions, are more likely to be pursued by project proponents where the activity is *not* included in Australia’s NGER or National Accounts (as an ERF method for this activity is unlikely).

There are numerous indigenous groups currently working on having a methodology developed for measuring emission reductions through the sustained management of feral animal populations, which presently is not included in the national accounts.

As drafted, the NT Offset Policy would exclude projects such as these which operate under recognised international standards, despite them generating genuine and additional emissions reductions, in addition to significant environmental, social, and economic benefits.

To allow the use of offsets from alternative frameworks, but then limit this to those recognised in Australia’s National Accounts, is contradictory, and unlikely to deliver policy outcomes, nor result in any meaningful climate or environmental benefits. Further, given that the Offset Policy proposes to allow ‘indirect offsets’ in the form of research and development – that are neither genuine offsets, nor contribute towards the NT or Australia’s National Account – such a limitation on domestic offsets generated under a credible international mechanism, appears entirely specious.



Permitting carbon credits generated under an alternative framework, regardless of whether they are included in Australia's National Accounts, will drive positive climate and environmental action in the NT, encouraging research, innovation and investment into climate solutions, and furthering progress towards a net zero 2050 target.

### **3. The IDA supports additional investment into developing offset markets, but not as 'indirect offsets'**

The IDA welcomes increased investment into research and development of new offset opportunities. **The IDA recommends that the NT Government work with stakeholders to identify complementary investment opportunities for large scale emitters.** This could include investment into research and development of new offsets methods, but could also include, for example, investment into initiatives such as the *10DP Healthy Country Offsets* (see further below: **IDA Healthy Country Offsets**), which drive genuine and verified improvements in landscape health. Another option would be to direct investment to support the start-up of large-scale indigenous projects (similar to how the INPEX Savanna Fire Management Program managed by the ILSC supports new savanna burning projects on indigenous lands).

However, the IDA is concerned by the use of the term 'indirect offset'. The recognition of research and development investment as an 'offset' risks undermining the integrity of the NT carbon market as a whole. **It is recommended that there be a clear distinction between the investment stream (potentially called an investment fund/levy) and the purchasing of carbon credits as an offset.**

### **4. The IDA recommends that the NT Offset Policy introduce ambitious emissions targets, with mandated offset requirements for emissions above a certain level.**

Ambitious targets are necessary to mitigate climate change impacts that are – and will – disproportionately impact Indigenous Australians and desert communities.

As currently drafted, there is ambiguity around what emissions need to be measured, and discretion is given to the 'Approver' to determine when emissions need to be offset. This ambiguity will undermine confidence in the market. Transparent thresholds and offset requirements will increase demand for carbon credits, driving opportunities in the NT carbon market, while also delivering positive climate outcomes.



### Background: IDA Healthy Country Offsets

Australia's deserts are home to an exceptional diversity of animals and plants including over 80 threatened plants and animals (such as bilbies and rock wallabies). The area also has immense cultural value, largely as a result of 50,000 years of continuous occupation by Indigenous people.

Despite being relatively intact, these unique desert ecosystems and the values they contain are under increasing threat due to inadequate resources for land management activities, invasive exotic weeds and introduced pests, changed fire regimes, climate change and the movement off country over the past 150 years of the lands' traditional custodians.

As a part of a strategy to facilitate increased investment into Indigenous management of these unique areas, the IDA (through the 10DP) is creating pathways for Indigenous groups to better access environmental and impact investment markets through the development of *Healthy Country Credits* - high integrity offset opportunities delivering demonstrable environmental, social, and cultural outcomes in the desert.

The IDA requests the opportunity to engage with the NT Government on how the Government can best support this initiative, including through the NT Offsets Policy, the NT Biodiversity Offset policy, and associated industry investment.