

Abstract

The debate so far has largely been focussed on issues around land tenure and the barriers to Indigenous participation contained in the Australian Government's Carbon Farming Initiative. Once these hurdles have been overcome, the main dangers faced by Indigenous land holders will be the failure of commercial markets to engage with Aboriginal carbon producers due to the risks and lack of standards.

This paper will outline the necessity of developing Indigenous carbon industry standards and the advantages the standards will bring for selling co-benefits in the market place.

The option of buying Indigenous carbon credits with co-benefits is a concept that has commercial value only when the social, cultural and environmental co-benefits can be guaranteed.

Indigenous land owners, corporate Australia and the general public all require a relatively high level of certainty to supply and acquire genuine carbon credits. The potential for carbon projects to not deliver the commercial or social outcomes anticipated are high and need to be carefully evaluated. Getting it right will bring long term benefits to regional and rural Indigenous Australians.

Biography

Rowan Foley comes from the Wondunna clan of the Badtjala people traditional owners of Fraser Island (K'gari). Rowan has worked in the conservation and land management sector for over 20 years, starting off as a ranger at Uluru shortly after 'hand back' and later becoming the first Aboriginal Park Manager. He was the first Land Management Officer employed by the Kimberley Land Council, who now hosts a significant Land and Sea Management Unit. More recently Rowan has worked with Centrefarm Aboriginal Horticulture and RIRDC in the area of Indigenous carbon and climate change facilitating Indigenous participation and negotiations.

Indigenous Carbon Markets and Standards

The emergence of an Indigenous carbon market will be greatly influenced not only by government regulation but the development of Indigenous carbon standards and co-benefits.

At this point in time it may be difficult to see beyond the current debate surrounding the Carbon Farming Initiative (CFI) introduced by the Australian government. This is understandable as there are a number of complexities and deficiencies in the *Carbon Credits (Carbon Farming Initiative) Bill 2011*. However, now is the time to determine how Indigenous people will shape this legislation in order to support the development of our industry and engagement with carbon markets.

The National Indigenous Climate Change forum held in Alice Springs earlier this year was the start of an organised campaign which I will speak about in more detail later in this paper.

The acknowledgment that holders of Aboriginal Land Trusts in the Northern Territory and holders of exclusive possession Native Title own their carbon in the CFI is like buying a new car and the car dealer generously offering to put an engine in it.

The CFI simply acknowledges what we already rightfully own. This timid policy approach is not surprising on one level, but the fact that we should think it is an extraordinary concession is.

Of the 22% of Indigenous owned and controlled land only a minority is held by native title holders as exclusive possession under the *Native Title Act 1993* as it generally exists on land commonly classified as vacant crown land or unallocated state land. That is, land that has historically been surplus to the requirements of government or the pastoral industry, and therefore not allocated a particular tenure.

Whereas the determination of non-exclusive native title is far more relevant to Indigenous people in gaining a benefit from carbon due to it being the dominate land interest where native title holders have potential rights and

access to. The current provisions in the CFI regarding non-exclusive native title need to be clarified and strengthened.

There must be a clear political and policy direction that acknowledges holders of Aboriginal land, whether it is under Commonwealth or State based legislation, have the moral and legal rights to their carbon. This relates to existing lands such as, but not limited to, the Queensland Deed-of-Grant-in-Trust (DOGIT) land, Land Trusts established under the *Queensland Aboriginal Land Act 1991* or *Torres Strait Islander Land Act 1991* and in Western Australian Aboriginal Land Trusts established under the *Aboriginal Affairs Planning Authority Act 1972*.

This political and policy direction must be reflected in the formation of CFI by the Australian Government.

The fundamental reason why it should be in the CFI is it will provide the legal basis from which to access carbon markets. The development of carbon economies on Aboriginal lands will provide jobs and income independent of government programs. It has the potential to generate economic development activity that supports Indigenous cultural, social and environmental priorities on country.

Standards

Once access to carbon markets is established the development of national indigenous industry standards will be essential in providing certainty to companies that will have a carbon liability and the general public. Purchasing carbon credits that have been developed according to clear national Indigenous standards will mitigate risk for all involved and encourage investment. Whereas purchasing carbon credits from national and international sources that simply rely upon government regulation will carry a higher degree of risk as the requirements are externally imposed and will be more difficult to evaluate. History tells us there will always be a clever scheme to get around government regulation.

The development of industry standards is not new in Australia. Ecotourism Australia is an industry body established in 1991 as an incorporated non-profit organisation that has developed The Nature and Ecotourism Accreditation Program¹ that it regulates and promotes;

The Eco Certification Program is Ecotourism Australia's flagship program. Ecotourism and nature tourism accreditation provide industry, protected area managers, local communities and travellers with an assurance that an accredited product is backed by a commitment to best practice ecological sustainability, natural area management and the provision of quality ecotourism experiences

In regard to climate change Ecotourism Australia has taken the initiative of developing the Climate Action Certification Program (CACP) which is owned and managed by Sustainable Tourism Australia, a wholly owned company of Ecotourism Australia (EA).

I believe there is clear economic value in developing industry standards that provide certainty and for the branding of a product in the market place. However, as the viability of carbon projects take off in Australia there will be increasing pressure on indigenous land holders to participate in schemes that may not be prudent or represent value for money. The growth of 'carbon baggers' has the potential to stymie this embryonic industry if we do not take care.

Industry standards are normally voluntary and provide a clear benchmark that participants should aim towards. The national indigenous industry standards could encourage the following;

- Transparent consultation methods with suitable timeframes are followed,
- Presentation of culturally appropriate information in community workshops,
- Access to expert legal advice (in addition to using the local lawyer),
- Access to recognised carbon industry scientists and associated professionals,

¹ Ecotourism Australia website

- Agreed standards for legal contracts and agreements,
- Co-benefits are well articulated,
- Various land use options have been openly canvassed,
- Benefit sharing arrangements are clearly established,
- Proper documentation of all decision making processes,
- Long term monitoring frameworks for carbon projects are established.

The development of any industry standards must be through an organic process by interested and committed indigenous land holding bodies and relevant organisation. A national body or secretariat would be required to undertake accreditation processes and promote the brand.

Indigenous Co-benefits

The development of co-benefits as a brand is an area that the international community have adopted through the Climate, Community and Biodiversity Alliance (CCBA)². These carbon credits are the most expensive to purchase in the international market place and offer the buyer a particular product, and kudos, that other sources can not provide.

The Climate, Community and Biodiversity Project Design Standards (CCB Standards) evaluate land-based carbon mitigation projects in the early stages of development. The CCB Standards foster the integration of best-practice and multiple-benefit approaches into project design and evolution. The Standards:

- *Identify projects that simultaneously address climate change, support local communities and conserve biodiversity.*
- *Promote excellence and innovation in project design.*
- *Mitigate risk for investors and increase funding opportunities for project developers.*

In Australia the development of cultural, social and biodiversity Indigenous co-benefits is a relatively new concept which is gradually taking hold. The adoption of co-benefits will be a value add mechanism for Indigenous carbon producers and has the potential to build relationships with corporate Australia and other customers.

² Climate, Community and Biodiversity Alliance website

The delivery of genuine Indigenous co-benefits will be essential to this concept being adopted in the market place as all purchases will be strictly voluntary. If there is doubt or speculation that the co-benefits are not genuine then they will lose their value and not be purchased.

There are a variety of ways Indigenous co-benefits can be measured, valued and accredited such as using a 1-5 star system, however further research and development work is required in this area.

Ultimately, it is envisaged that in all schools, universities, corporate boardrooms and Government Departments there will be a certificate on the wall proudly proclaiming they support the Traditional Owners by buying their carbon credits with co-benefits.

In order to achieve this outcome firstly we need to get the CFI right.

National Indigenous Climate Change forum

The National Indigenous Climate Change (NICC) forum attracted a wide spread of Indigenous leaders and organisations as well as a good cross section from Corporate Australia. It was the first opportunity many had had to be briefed on the CFI and learn about the barriers such as the 'additional' restriction and 'permanence' condition. These points will be covered by the other speakers and I will not go over this ground again. However, I would like to acknowledge the support of the National Indigenous Climate Change project team, Rural Industries Research and Development Corporation (RIRDC) and the Commonwealth Scientific Industrial Research Organisation (CSIRO) for supporting this forum.

The NICC forum produced a communiqué which was the first attempt to gain a national position on climate change and development of a negotiation strategy. I think it is fair to say that we were asleep at the wheel when the Carbon Pollution Reduction Scheme was being developed by the then Prime Minister Kevin Rudd in 2008, however we are now wide awake and attempting to influence the CFI being put forward by Prime Minister Julia Gillard.

In order to do this we should take a pro-active stance of informing the Australian Government how the CFI can support our aspirations and industry requirements, rather than simply lobbying for re-active changes based on legal advice.

In conclusion, the effective implementation of the CFI will require the participation of Indigenous land holders and Indigenous carbon producers. It can be a foundation stone to build carbon economies on country. The development of national Indigenous industry standards will bring financial benefits and a higher degree of certainty in the market place. The adoption of cultural, social and biodiversity Indigenous co-benefits will add value and has the potential to build relationships. However, we need to get this right and now is the time.

