



National  
Native Title  
Council

10 September 2008

Carbon Pollution Reduction Scheme  
Green Paper Submission  
Department of Climate Change  
GPO Box 854  
CANBERRA ACT 2601

*spirit  
of  
Change*

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Dear Sir / Madam

Thank you for the opportunity to provide comments into the development of the Australian Carbon Pollution Reduction Scheme. Set out below are comments in relation to issues raised in the Green Paper.

The National Native Title Council (NNTC) is a national alliance of Native Title Representative Bodies and Native Title Service Providers (NTRB/NTS). It was informally established in August 2005, and incorporated in 2006. Its objects are, amongst others, to provide a national voice for NTRBs/NTSs on matters of national significance affecting the native title rights of Aboriginal and Torres Strait Islander people.

As you would be aware Aboriginal and Torres Strait Islander peoples have strong connections to country and caring for that country comes with a high cultural responsibility. As such, communities are deeply concerned about degradation to the natural environment whether it is from regional development, mining sector projects or climate change. With this in mind the NNTC would urge the Government to adopt an aggressive strategy to minimise the effects of climate change on the Australian landscape.

Under the right to self-determination and the principles of free, prior and informed consent, indigenous peoples must be included if not centrally involved in policies and programs at all levels relating to land. The sustainable management by Indigenous peoples of country as well as their continuing stewardship role in the conservation and sustainable use of country should be brought in as central aspects to this debate and Indigenous people should clearly play a central role in the evolving development of any carbon pollution reduction scheme.

Currently there is a significant lack of research on the benefits that Indigenous people can gain from their participation in a cap and trade carbon scheme. Neither has there been any significant research on the impact that climate change will have on traditional knowledge or the ability of Indigenous people to develop a specific market on cultural traditions. Given the tied nature of Government funding, there needs to be a flexible approach to funding native title organisations so that independent expert assistance can be sourced to assist Traditional Owners and their communities respond to the changing market and the economic opportunities it may bring.

While the Green Paper mentions the need for adaptive approaches to climate change, this scheme is based on a mitigative approach. The system appears to be based on a combination of 'polluter pays' and 'producer pays', with the cost of carbon emissions pushed up-stream to the producers of fuels (or other sources of energy) who will produce emissions. As outlined in the Kyoto Protocol, those emissions include carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, hydrofluorocarbons, and perfluorocarbons.

Companies with large emissions will be required to purchase a 'carbon pollution permit' which are transferable, can be held and traded (through auction), and be classified as a financial product under the *Corporations Act 2001*. Targets and caps for the scheme have not been set but timelines for those are included. The Green Paper places the burden of proof and monitoring on the company who is polluting.

One of the underlying assumptions of the system is that a 'carbon pollution permit' will produce incentives for polluters to reduce their carbon emissions. Carbon emissions could be reduced through Carbon Capture and Storage (CCS) and replacement of existing technologies for cleaner technologies. How this will occur is not specifically defined. However, Indigenous people or communities could potentially be involved in the Carbon Pollution Reduction Scheme through a carbon sequestration scheme. To what extent economic opportunities for Indigenous people are possible under the scheme is unclear and the NNTC would urge the Government to undertake significant discussion with Indigenous landholders and communities to investigate the economic potential before any limitations and processes are defined.

This is already being done by Indigenous peoples in the Northern Territory. In June 2007 a deal was signed between ConocoPhillips and people of western Arnhem Land for A\$1M / year for 17 years to offset 100 000 tons of the refinery's own greenhouse emission through use of traditional fire management<sup>1</sup>. This agreement is known as the Western Arnhem Land Fire Management Agreement (WAFMA)<sup>2</sup> between the Northern Territory Government, Northern Land Council and Darwin LNG Pty (ConocoPhillips is the majority shareholder). The WAFMA model, based on reducing carbon debt through the use of traditional fire burning practices could provide a basis for Indigenous peoples to enter the carbon market.

It is difficult to determine in the Green Paper whether traditional burning practices could be accounted for as carbon sequestration or under carbon capture and storage. It is also difficult to even determine how 'tree planting' is included in the system.

Australia has opted out of Article 3.4 of the Kyoto Protocol which includes: forest management, revegetation, grazing land management and crop land management. The Green Paper states, "Australia only accounts for soil carbon under land-use change. Accounting framework for Australia's Kyoto target does not include carbon sequestration in other land areas, such as croplands and grazing lands". Where fire-burning practices would be included in this system is unclear.

The combustion of biofuels is internationally accounted for at a 'zero rate.' Because of this, as a fuel source they are not included in the 'carbon pollution permit' system. Because of this, an incentive is created for polluters to move towards the use of biofuels. This presumably would count as a reduction in carbon pollution and mean the company could sell their 'carbon pollution permit.'

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<sup>1</sup>[http://www.ilc.unsw.edu.au/resources/documents/Climate\\_change\\_overview.pdf](http://www.ilc.unsw.edu.au/resources/documents/Climate_change_overview.pdf)

<sup>2</sup> <http://www.atns.net.au/agreement.asp?EntityID=3638>; and also <http://www.nt.gov.au/business/blog/documents/IED%20Presentation%20-%20West%20Arnhem%20Fire%20Abatement%20Project.pdf>

A large scale move toward biofuels could increase the demand for biofuels, which would need to be sourced either in Australia or overseas. Another possible option is for Indigenous peoples to be involved in the production of biofuels. However, there are implications and questions related to this including: what kind of crops will be planted, will they be genetically modified, will they be planted as monocrops, will the planting of biofuel crops change the soil carbon?

In particular, where will these 'biofuels' be produced. Whilst an opportunity would be to populate areas where food crops have degraded the environment over time, however it is important that biofuel crops do not threaten the security of food growing areas, for example the Western Australian wheatbelt region. Producing biofuels in other regions may also place pressure on the environment or change the soil biota if the trees are an introduced species to that region (for example taking a Tasmanian blue gum and producing plantations in Western Australia).

There are potentially a number of native species that can be used for both food production and biofuels (eg some of the acacias), but this market needs to be open to Indigenous people. The NNTC would argue that the establishment of any new markets in Australia based on native species would need to actively include Indigenous peoples, or compensate the holders of that knowledge<sup>3</sup>.

The permit system is applicable only to larger polluters and appears to be based on an assumption that in itself it will provide an incentive for larger polluters to reduce their debt. The Green Paper does not specify how the largest polluters will reduce their CO<sub>2</sub> and other Kyoto emissions, however makes an assumption that technological innovation or energy efficiency will produce this result.

Because the permit system only applies to the large polluters, it does not provide incentives for Indigenous businesses (eg land management) to be involved in a carbon market. It therefore excludes potential businesses from entering this market. The NNTC seeks clarification on this matter and would also argue that significant work needs to be done to ensure that Indigenous landholders can participate in the scheme at an optimum level.

It is difficult to tell from the Green Paper whether 'carbon sequestration' or 'carbon capture and storage' will form part of the accounting system. There needs to be clarification on what forms of 'carbon sequestration' will be allowable, and how this will be accounted for in the reporting.

Two funds are created to provide 'compensation' to businesses that will be affected by this policy; however, no funds are provided to create incentives for research and development to produce technological innovations to decrease Kyoto emissions. The NNTC believes that significant funding needs to also be quarantined to facilitate the participation of Indigenous landholders and their communities in the Scheme. Such funding could be used to undertake research into the economic opportunities for Indigenous people as well as the development of specific markets based on traditional knowledge and cultural practices.

A potential opportunity for Indigenous land holders would be the potential for renewable energy infrastructure, such as wind turbines and solar panels, to be situated on Indigenous held land. This could provide economic opportunities in the market for Indigenous communities and should form part of the consultation with Indigenous land holders.

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<sup>3</sup> See Articles 31 and 32 of the United Nations Declaration on the Rights of Indigenous People.

I trust the above comments are useful for your purposes, however if you require any further information or have any queries please do not hesitate to contact the A/Executive Officer, Carolyn Betts on (08) 9263 8718 at your convenience.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Brian Wyatt', with a decorative flourish underneath.

Brian Wyatt  
Chairperson