

# KIMBERLEY LAND COUNCIL

ABN 96 724 252 047 ICN 21



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Clean Energy Regulator  
GPO Box 621  
Canberra ACT 2601

To whom it may concern

## Submission on Enabling deep, liquid, transparent and accessible carbon markets in Australia discussion paper

1. The Kimberley Land Council (**KLC**) is an Aboriginal organisation established in 1978 for the purpose of working for and with Traditional Owners to get back country, look after country and get control of the future. The KLC's mandate is driven by its strong membership of Kimberley Aboriginal people, and delivered by an Executive Board of culturally and regionally representative directors. The KLC is the peak body in the Kimberley region representing the views of Traditional Owners in a culturally appropriate, informed and authoritative way, in collaboration with Kimberley prescribed bodies corporate.
2. The KLC actively facilitates the registration and operation of Indigenous carbon projects on behalf of native title holders. All projects supported by the KLC are owned directly by Traditional Owners. All revenue from these projects goes back to the proponents, is re-invested, and contributes directly to the regional economy, Aboriginal employment, PBC governance and capacity development, as well as ongoing and improved project operations and the co-benefits generated as a result. The KLC provides sales support for groups wishing to sell Australian Carbon Credit Units (ACCUs), but does not include financial advice or dealing and marketing in ACCUs.

## Updating the Australian National Registry of Emissions Units

3. The Australian National Registry of Emissions Units (ANREU) is an important portal for Traditional Owners to operate, control, and make decisions about their ACCU Scheme projects.
4. While updates to ANREU, such as an application programming interface (API) and increased transparency are welcome, they should not come at the cost of access for highly digitally excluded people, including Indigenous people living in rural and remote areas where the internet is often accessed via mobiles only and internet speeds can be 10 per cent of that which is available in cities (when available at all)<sup>1 2</sup>.
5. To ensure the ANREU promotes Indigenous participation in the ACCU Scheme it must be simple, robust and easy to use. The KLC recommends the Clean Energy Regulator considers several factors, including:
  - a. Ability to function in very low-bandwidth, lossy networks
  - b. A clear, easy to understand mobile interface

<sup>1</sup> Featherstone, D., Ormond-Parker, L., Ganley, L., & Et Al. (2023). Mapping the digital gap: 2023 outcomes report. ARC Centre of Excellence for Automated Decision-Making and Society. <https://doi.org/10.25916/A01G-FP91>

<sup>2</sup> Al Khawaldeh, K. (2022, December 13). 'Digital divide': Report finds some Australian rural mobile data speeds 90% slower than urban. The Guardian. <https://www.theguardian.com/australia-news/2022/dec/13/digital-divide-report-finds-some-australian-rural-mobile-data-speeds-90-slower-than-urban>

- c. Well produced, easy to understand guidance
  - d. Security features (such as multi-factor authentication) which consider the high rate of mobile phone disconnection for Indigenous people<sup>3</sup> and difficulties that Indigenous people face obtaining identification documents.
  - e. Accessibility and usability over additional features, such as the inclusion of information about co-benefits.
6. Existing frameworks for identifying co-benefits are not fit for purpose and many use inappropriate methods to simplify, quantify or classify complex evaluative material and judgements about projects, project proponents and communities.
  7. The ANREU should also be designed to promote demand-side transparency and integrity. The Clean Energy Regulator should investigate opportunities to link ANREU to National Greenhouse and Energy Reporting, Safeguard, Corporate Emissions Reduction Transparency and Climate Active. This would provide impetus and transparency about how buyers have applied a mitigation hierarchy, and how offset use compares to emissions reductions achieved on site.
  8. There may be scope for simple, factual information about projects and ACCUs (such as Indigenous provenance) to be included on the ANREU, however even these considerations quickly become complex due to project governance structures. Future proofing for the Nature Repair Act is welcome, but should not be seen as a priority at this time.
  9. As control over who owns ACCUs generated by Indigenous projects is important, the KLC welcomes facilities to provide confirmation of cancellation of ACCUs.

### **Australian Carbon Exchange**

10. The KLC supports the creation of a national, organised market to improve ACCU Scheme transparency and liquidity. An exchange would facilitate price discovery in a market which has typically operated with information asymmetries between buyers, sellers and intermediaries, while a publicly available, agreed price of the underlying value of a tonne of carbon (putting aside method and project level risks and premiums) would be useful for all market participants and would accelerate climate action.
11. Despite this value, there remains barriers for Indigenous project proponents to participate in the exchange described in the discussion paper, because:
  - a) The model would not capture the premium value of Indigenous savanna fire management ACCUs and their unique nature
  - b) The identity of buyers would not be known to sellers
  - c) Sellers would lose control of ACCUs once a beneficial interest had been created.
12. Other types of market organisation may be more appropriate and should be considered, including other types of auctions and auctions for other types of contracts (such as contracts to cancel ACCUs directly rather than transferring beneficial interests). The KLC recommends that a comparative analysis of different options for market organisation be published to assist participants to understand the chosen design.


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<sup>3</sup> Cartwright, C., & McAuliffe, C. (2020). Telecommunications Debt in Rural and Remote Indigenous Central Australian Communities (3; Telecommunications Debt in Rural and Remote Indigenous Central Australian Communities: Loans & Phones Project). <https://accan.org.au/MoneyMob%20Telco%20Report.pdf>

## Unit classes

13. The discussion paper contemplates an exchange that offers two unit classes (sequestration and emissions avoidance. If this was to be implemented, it is not clear how sequestration and emissions avoidance ACCUs for savanna fire management and blue carbon projects would be apportioned, nor is it clear how the market would price emissions avoidance units if it were a mix of savanna fire management and landfill gas ACCUs.
14. Given the premium that savanna fire management ACCUs attract when compared with other ACCUs<sup>4</sup>, KLC's experience has been that sellers are concerned about value alignment and reputational risk when selling ACCUs. Knowing a buyer is critical to finding alignment and managing risk for Indigenous savanna fire management ACCU sellers. The creation and trading of a beneficial interest in ACCUs, coupled with the 'lucky dip' model of turning beneficial interests back into ACCUs, would make this impossible.
15. Noting all of the above, including co-benefits information on the exchange would not improve market integrity under the proposed model.
16. While the KLC recognizes the need for modernisation of ACCU Scheme infrastructure such as ANREU, this should prioritise the robustness of the system and accessibility in order to promote participation by remote and Indigenous participants. In light of the proposed model for an Australian Carbon Exchange, KLC expects that Indigenous project proponents will most likely continue to sell over the counter as the exchange would not facilitate the deeper partnerships with buyers, rooted in common values, that Indigenous groups seek.

Yours Sincerely



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Kimberley Land Council

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<sup>4</sup> Clean Energy Regulator. (2024). Quarterly Carbon Market Report December Quarter 2023. Clean Energy Regulator.  
<https://cer.gov.au/markets/reports-and-data/quarterly-carbon-market-reports/quarterly-carbon-market-report-december-quarter-2023/australian-carbon-credit-units-accus>