

Response from Private Forests Tasmania on Nature Repair Market Bill 2023 Exposure Draft

- The Bill is likely to result in some welcome private investment in biodiversity enhancements.
- However, as currently drafted, there is a risk this investment will be skewed toward a relatively limited number of charismatic or iconic species and/or ecosystems as these more iconic species/ecosystems will be more attractive to market participants and their stakeholders. Less iconic species/ecosystems will attract less attention, despite what sound conservation science may be telling us.
- The mostly qualitative nature of the biodiversity certificates, which certificate buyers will base their purchasing decisions on, will likely result in the quantum of investment not being proportional to the quantum of real biodiversity gains
- The scheme may be challenging to administer, as well as the compliance and enforcement of the method requirements.
- Has the scheme considered natural capital accounting or environmental cost benefit analysis as tools to potentially measure environmental gain? Unitising the gains may help to minimise the potential market distortions as described above.
- The scheme should include robust measures that ensure biodiversity projects do not result in unintended consequences or adverse environmental, social or economic outcomes due to their implementation. There should be 'make good' provisions built into the scheme to ensure any unintended consequences are addressed.

Recommendations:

- The Department of Climate Change, Energy, the Environment and Water should continue to develop a framework to encourage private investment in biodiversity enhancements.
- The design of a framework should include measures that ensure investment is directed to where it is most needed rather than where it is most popular. One such measure could be to better standardise and quantify the enhancements described on the biodiversity certificates.
- The scheme should include measures that ensure biodiversity projects do not result in unintended consequences or perverse environmental, social or economic outcomes due to their implementation. There should be 'make good' provisions built into the scheme to ensure any unintended consequences are addressed.
- Building principles of natural capital accounting into the framework may assist in mitigating some of the above risks.