

MINUTES OF PHCC STRATEGIC MEETING



PHCC Working Together
Peel-Harvey Catchment Council

Held on Thursday 17 February 2022

Department of Fire and Emergency Services, Bushfire Centre of Excellence, Peel Business Park,
20 Dollyup Street (Off Lakes Road) NAMBEELUP (with ~50% of attendees via zoom)

The Chairman opened the meeting at 9.30 am

Attendance

Board Members:	Caroline Knight	Chair
	Darralyn Ebsary	Deputy Chair
	Marilyn Gray	Treasurer
	Paddi Creevey OAM	Secretary
	Bob Pond	Executive Committee (DWER)
	Sue Fyfe	Community Member
	Veronica Metcalf	Community Member
	Amanda Batt	Community Member
	Peter Zurzolo	Community Member
	Robert Harris	Local Government Member (Inland)
	Laurie Snell	Local Government Member (costal)
	Rob Summers	DPIRD
	Adrian Parker	PDC (Proxy for Andrew Ward)
	Mark Cugley	DBCA
	Suzanne Brown	Water Corporation (Observer)
	Nicholas Dufty	DPLH (Observer)
Guest Speakers	Nancye Ganaway	DPIRD
	Carla Swift	DPIRD
	Rachel Clarke	NRM Regions Australia
	Brad Kerin	Carbon Market Institute
	Quinton Clasen	Rangelands NRM
	Anika Serer	Peel Alliance
	Adrian Goodreid	DWER
	Adam Green	DWER
	Prof Alex Gardner	School of Law, UWA
Staff Members:	Jane O'Malley	Chief Executive Officer
	Steve Fisher	Operations Manager
	Melanie Durack	Operations Manager
	Kellie Beckwith	Manager Corporate Services and Executive Support
	Charlie Jones	Community Engagement Coordinator
	Nicole Ramsay	Administration Officer
	Janine Neeling	Administration Officer
	Renee Barton	Program Manager, Healthy Waterways
	Kristy Gregory	Coordinator River Restoration Hotham-Williams
	Jesse Rowley	Healthy Waterways Officer
	Megan Leroy	Healthy Farms & Habitat Officer
	Karen Bettink	Program Manager Land Conservation
	Mick Davis	Regional Agricultural Landcare Facilitator
Apologies:	Claire Reid	Community Member
	Andrew Ward	PDC
Guests:	Andy Gulliver	Previous Board Member
	Jane Townsend	Harvey River Restoration Taskforce

The Chairman welcomed everyone to the PHCC Strategic Meeting, acknowledging guest speakers, and providing an overview of the day's proceedings.

S.1/2/22 Jane O'Malley, Chief Executive Officer: Presentation on PHCC Strategic Directions - Review of 2-year Key Achievements

A detailed report setting out the progress made against each of the Strategic Directions '2 year key achievements planned' was provided to Members of the Board prior to the meeting (Members Page).

Jane also provided an overview of the PHCC's progress against the "Key Achievement Planned" under each Goal:

Goal 1: Govern, Lead and Manage:

- Attract a diversity of Board Members, providing mentoring and support with a view to effective succession planning Contact database (Access) implemented and managed by Admin Staff
- Maintain and utilise an effective contact database

Goal 2: Secure our Future

- Review and update our Regional NRM strategy "Bindjareb Boodja Landscapes" Carbon off-sets: Initial discussions undertaken and a topic for this meeting
- Investigate potential for entering carbon off-set markets and explore a range of investment strategies

Goal 3: Influence Key Decision-Makers

- Prepare a PHCC statement on, and advocate for, Environmental Water Provisions for the health of the Peel Harvey Estuarine System and its tributaries
- Prepare an informed PHCC position on management of the catchment's forest sub-system

Goal 4: Facilitate Collaborative Adaptive Management

- Develop, communicate and facilitate implementation of a new 10 year science strategy for the Peel Harvey Estuarine System and its catchment
- Secure and Implement Stage 1 of the Peel Waterways Institute
- Develop and communicate a clear understanding of the range and value of ecosystem service provided by the Peel Harvey Estuarine system and its catchment
- Prepare an informed PHCC position on management of the Upper Catchment
- Develop a Ramsar Ambassador Program

Goal 5: Deliver Quality Environmental Outcomes

- Undertake a review of the PHCC's past projects to determine their success with a view to influencing current and future projects
- Identify, establish, and promote high priority projects

Goal 6: Engage and Enable Communities

Note – All presentations are provided for Members only, on the Members Page. Members are reminded not to share presentations without prior approval from the Authors

Carbon Off-Set Markets Presentations

S.2/2/22 Nancye Gannaway & Carla Swift, Department of Primary Industries and Regional Development (DPIRD): *Climate Taskforce – State Government Actions & the Carbon Farming and Land Restoration Program*

Nancye gave information on WA Climate Policy Background and provided an overview of the DPIRD structure and Climate Taskforce – State Government Actions touching on:

- WA Climate Policy Documents
- WA Climate Policy Governance – With respect to DPIRD
- Emission breakdown by sector and WA agriculture emission breakdown
- WA Climate Policy: For DPIRD Themes, Outcomes and Actions

- DPIRD Actions under the WA Climate Policy
- \$15 million Carbon Farming and Land Restoration Program aims to: realise agriculture's potential to sequester carbon in the landscape, and contribute to growing the WA carbon market.
- Climate Resilience Taskforce: Role and Approach
- Climate Resilience Taskforce: State and Federal Alignment
- Agricultural Climate Resilience Taskforce Activities and Fund

Carla Swift explained Carbon Farming and Emission Reduction Fund (CF-LRP). Focussing on the Carbon Farming and Land Restoration Program.

The CF-LRP is designed to:

- Overcome financial barriers to the uptake of carbon projects – start-up funding.
- Help mature the market – build capacity, knowledge sharing to enable WA agriculture to realise its potential to sequester carbon and participate in the emerging carbon market.
- Focus on land-based agriculture in the SW of WA.

Key principles:

- Maintain the integrity of farming communities and the WA agricultural industry.
- Carbon farming is a complementary activity; less productive land becomes an asset, whilst the farming business and land is more resilient.

S.3/2/22 *Rachel Clarke, NRM Regions Australia: Carbon Farming and the Emissions Reduction Fund – a national NRM perspective*

Rachel Clarke gave an overview of her role as knowledge broker for carbon farming and the NRM RA Carbon Farming Knowledge Project. Noting the progression from Carbon Curious, Carbon Committed to Carbon Champions.

Rachel presented on the roles NRM organisations are playing in the Carbon Market, focussing on a number of partnerships NRM organisations have already established including:

- Public-private sector partnerships pilot - Local Land Services in NSW with Greening Australia.
- Partnering with Industry: Carbon Neutral 2030 project with MLA, South Coast NRM, WA
- Independent support for savannah burning projects, Cape York NRM, QLD

S.4/2/22 *Brad Kerin, Carbon Market Institute: Carbon Markets Overview*

Brad Kerin presented on the Carbon Market and factors that can impact this market both internationally and within Australia. Brad also provided details on the Paris Agreement that was adopted in December of 2015 with no end date, providing the Carbon Market economic stability in investment.

S.5/2/22 *Quinton Clasen, Rangelands NRM: Carbon, the Australian Producers Consortium and working with landholders and NRMs*

Quinton Clasen gave an overview of the structure, experience and aims of Rangelands NRM. Focusing on:

- NRM point of difference - a focus on (co)benefits
- Ecological-based estimation review
- Australian Producers Consortium (APC) Social Enterprise

- Methods and their limitations
- Grazing soil carbon builders
- Soil carbon in combination with grazing

The meeting adjourned at 10:45 am for morning tea, recommencing at 11:05 am

S.6/2/22 Carbon Off-Set Market - Question and Answer Session

Panel - Nancye Gannaway, Carla Swift, Rachel Clarke, Brad Kerin and Quinton Clasen

Question 1 Peter Zurzolo – What are the benefits for NRM groups outside of primary producers?

- **Quinton Clasen** – We've touched on Savannah burning that is a key method across Northern Australia particularly for indigenous groups on environmental land. From a land management perspective there usually needs to have had a detrimental change in the past, a degradation event. That's why it tends to be restricted to agricultural sector, there are some improvements that can be made, that's why forestry and Ag are a focus.
- **Brad Kerin** – Focus is on ERF because it is difficult to do non-ERF projects in Australia. The Australian government captures the Land Use Change Emissions with satellite imagery. To do something using a different Non-Australian method the credits would have to sit overseas, it becomes difficult to manage that. This could change in the future. But the main focus is ERF. There are 39 methods that can be used, the Federal Government has an annual prioritisation method development process. Each year in the 3rd quarter methods are reviewed, for example soil carbon, blue carbon. Blue carbon is sequestering carbon in marine and coastal eco-systems focused on restoration of coastal wetlands, there are demonstration projects that have been developed in Victoria. In the future other activities may be brought into that, such as estuary management, tidal flows, etc. Focus is on Ag production now because of co-benefits and it is an extra revenue stream. Suggested to look at Clean Energy Regulator website Emission Reduction Fund with all of the methods listed on there. [Method development tracker \(cleanenergyregulator.gov.au\)](https://www.cleanenergyregulator.gov.au/method-development-tracker)

Question 2 Robert Harris – A lot of the focus seems to be on restoration, does existing remnant revegetation on private land qualify?

- **Rachel Clarke** – At the moment existing remnant revegetation does not qualify as it doesn't meet the additional test as essentially it already exists so it isn't contributing anything additional in abatement. Whole Farm method is under development at the moment which may allow for opportunities to include existing vegetation to at least be included in areas which are carbon estimation areas. The existing remnant revegetation may not contribute to accumulating ACCUs unless it is under a certain age. Possibly planting within remnant revegetation may be included.
- **Quinton Clasen** – Human induced revegetation that has not been managed well can also be included if management of the revegetation is changed and improved.
- **Carla Swift** – There may be room to enhance remnant vegetation with increased planting. The Biodiversity Stewardship program is coming up which is designed to integrate with carbon projects as well. Using a baseline measurement your carbon credits are based on this point forward and this is why it has been complicated to try and integrate remnant vegetation as an existing carbon stock.

Question 3 Andy Gulliver – High Level Drivers of Behaviour Change – Human induced environmental challenges have been created as we externalise the environmental costs of business as usual. What are the prospects for natural capital accounting to allow a mechanism for internalising those costs, so they are built into business as usual and that provides an economic driver for behaviour change?

- **Brad Kerin** – Yes, this is high on the agenda now. Certainly a lot of companies are grappling with the concept of natural capital, particularly large asset holders are trying to understand the value of the natural assets that they have. To understand the risk to an asset you need to understand the value. Until now there hasn't

been a clear widely accepted method of measuring that. Over the last few years capital carbon accounting has really moved forward in leaps and bounds. There are leading companies that are already looking into and have this on their balance sheet. This requires an understanding of climate change and carbon to be able to then have your big picture strategy and understand risk. In terms of behavioural change a lot of the pressures that are coming on companies are pushing companies to take a meaningful approach, and if these concepts and behaviours are not being embedded into the company it is being picked up by investors, shareholders, at AGMs, by activist groups and others. In the next few years we should see a big uptake in corporate disclosure management.

Question 4 Adrian Parker – What is DPIRDs engagement strategy with networks (regional development commissions state-wide, NRM grants, JTSI) to make sure we align our objects in this space and ensure we achieve the leverage that is going to be necessary?

- **Carla Swift** – Nancye Gannaway will answer this question directly to Adrian via email. There is a proportion of funding within the department allocated specifically to engagement. In her presentation Nancye did mention engagement with Regional Development Commissions. DPIRD is undertaking strategic planning to set up projects that will encourage and attract the leverage of more funding. If done well this will hopefully attract more funding from the State Government as well.

Question 5 Bob Pond – Value of an ACCU? If an ACCU is a 25 year thing do you expect that to depreciate over time? If something has a 99 year lease and you're selling with 98 years to go, is it worth more than if you have 2 years to go? Is there a renewal mechanism?

- **Brad Kerin** – This is where it gets tricky as it comes down to what the contract terms are. Every project is going to be set up differently. Depending on the permanence period that has impacts on the value of the credits that you have. For a shorter life project there is higher likelihood that the abatement that has been sequestered in the landscape might disappear or be cut down after the permanence period, so often there is a discount applied to the total volume of abatement. With Government funding using taxpayer funding, so trying to get the most volume of emissions reductions for the lowest cost, this has artificially kept the prices down. The difference with the market moving toward the private sector is you're seeing valuation of co-benefit on top of just the carbon. Co-benefits are valued in different ways by private sector. Values come down to the specifics of contract.

Question 6 Sue Fyfe – Are things such as Climate Change factored in to that price? What happens in relation to farm succession and leasehold farms?

- **Brad Kerin** – The general approach to climate change is that the impacts might be local but the response is global. If you reduce emissions here it is good for the rest of the world. The value of the carbon doesn't respond to the local circumstance or the climate impacts of a local region. It is valued globally no matter where it comes from. There are risk of reversal buffers built into contracts as part of the ERF at around 5% at the moment, in the future a higher buffer may be put in place. Fires recently in California have meant that larger estates have had an impact on the value of the credits beyond the buffer.
- **Carla Swift** – It could be that the Cleaner Energy Regulator will notify the Land Titles Office that there is a registered carbon project on that land but it isn't a caveat so if the land sells the project still sits with the seller of that land and the buyer would need to agree to maintain that carbon stock or the project may be revoked at that point meaning any ACCUs accounted for in the project would need to be repaid. It is not insurmountable but it can be complicated. Future planning is essential even if the farm doesn't sell to ensure future generations will maintain longer term projects.
- **Quinton Clasen** – Another mechanism in Landgate, you can lodge a carbon right and the contract is essentially attached to the carbon right.
- **Brad Kerin** – There has been an increase in questions from landholders on this topic. Particularly for private sector contracts land sale, often the process hasn't been stipulated in the contract. Banks and regional land

values don't have an understanding of carbon markets or the value of a carbon project on the land. Other questions can come up around permanence periods and project costs to future generations.

Question 7 Mick Davis – What is the usual timeframe for payment? Can it be set on a contract basis or is there a standard timeframe to claim an ACCU?

- **Brad Kerin** – Different projects are different depending on the type of activity and how fast it reduces emissions or sequesters carbon. Project lifecycle is: implement an activity, measure, report and verify that activity, submit reports to the Clean Energy Regulator and they then generate the credits.

Question 8 Mick Davis – Do we have an idea of the plans that DPIRD have for educational workshops, outside of the two already mentioned? We want to increase the landholders understanding and awareness of the carbon market and potential projects and what role does DPIRD have in mind for doing that?

- **Carla Swift** – The two workshops mentioned are the most relevant for the PHCC region. There is also a workshop in Bunbury, Merredin and DPIRD will speak at any other event if invited to extend that knowledge sharing education. DPIRD takes a very consultative approach. An outline of further workshops will be on the Carbon Farming and Land Restoration website. [2022 Carbon Farming Workshops | Agriculture and Food](#)

Water For Our Environment Presentations

S.7/2/22 *Anika Serer, Peel Alliance: Regional Water Supply Initiative and Taskforce*

Anika Serer gave an overview on Peel Alliance and the Planning Workshop held in February 2021.

- 14 organisations attended
- **Agreeing the Problem:** The sustainable management of water for community, environmental and economic needs in the Peel Region to support the delivery of organisational goals; Planning horizon to 2050 – staged consideration and planning will be critical; Uncertainty as we plan further into the future – agree on scenarios and assumptions; Climate change impacts; Water demands and availability in both a temporal and spatial context; Quality of water required and quality of sources
- **Agreed Work Packages:** The timing and magnitude of community needs to 2050, The timing and magnitude of agricultural needs to 2050, The timing and magnitude of industrial needs to 2050 (light, general and heavy industrial), The timing and magnitude of environmental water needs to 2050, The range, timing and magnitude of water source options available.
- **Next Steps:** Funding Committed - PDC, Peel Alliance, DPIRD, Harvey Water, Procurement for Consultant led by Peel Alliance, Stakeholder Engagement, Key Deliverables, Map layers showing temporal and spatial water demand, sources and quantities, Gaps, critical milestones, opportunities and costs

S.8/2/22 *Adrian Goodreid, Department of Water and Environmental Regulation (DWER): Environmental Water Provisions*

Adrian Goodreid presented on DWER: Environmental Water Provisions, emphasising:

- Water allocation planning – working to get the balance right
- Balancing competing demands
- Challenge of climate change
- Water allocation plans & water licensing
- Proclamation zones, noting unproclaimed areas (Western portion of the Swan Coastal Plain)
- Environmental Impact Assessment
- The Environmental Water framework
- Environmental Water Policy review
- Ecological Water Requirements
- Assessing impacts to the estuary

S.9/2/22 Alex Gardner, University of Western Australia: *Legal Duties for Restoration of Waterways and Wetlands – A WA analysis and Case Study*

Alex Gardner presented on the Legal Duties for Restoration of Waterways and wetlands, focussing on:

- Conditions, Concepts and Climate Change
- Ramsar Convention obligations
- Australian policy and law
- A case study: Peel-Harvey Estuary and duties
- Environmental Protection Act 1986
- Rights in Water & Irrigation Act 1914
- Key points and reflections: WA [& international]

S.10/2/22 Water For Our Environment Question and Answer Session

Panel - Anika Serer, Adrian Goodreid, Adam Green, Alex Gardner

Question 1 Sue Fyfe - Querying the definition of our wetlands, waterways and overall environment as highly functioning eco-systems.

- **Steve Fisher** – They are highly functional. The problem that we have with water for the environment, water flows and sustainable wetlands, at one stage 100% of that water belonged to the wetlands. We spoke about adaptation, change of resources and whether we are restoring to a past state or looking to a future target, we are on a continuum so where do we draw the line and say this is no longer functional. Visiting a drain you will find it sustains an ecosystem that is more complicated than expected.
- **Jane O'Malley** – This outline is being used to capulate what we have now and what we might realistically be aspiring to in some areas as well, where we don't have those flows and we have declining health of systems.

Question 2 Paddi Creevey – Is anybody (government or otherwise) looking at what other nations, who are also experiencing dry climates, are doing and trying to apply some of their approach here?

- **Adam Green** – In water allocation planning try to manage ground water, surface water systems in a drying climate we are looking East and all over the world. The Murray Darling is quite a different set up to the Harvey River Basin, where there are networks of dams and irrigators situated below those dams, which are utilizing leases as well as the environment. From the Peel-Harvey system the only really licensed users are along the Serpentine River, so there are flows that account for the licenced water use and the environment. Most of the other systems there is some riparian use but mostly only environmental releases. The issue we have is sharing the impacts equitably between water users and the environment going forward with climate change. The environment has had the biggest hit so far, really good detailed investigations have been done on water levels, flow, water quality, good refuge habitat, in a variety of the systems that feed into the Peel-Harvey Estuary so there is a really good understanding of the minimum flows under different water conditions that are needed to sustain these habitats. These are being implemented through release regimes from the dams. Decades of impoundment, climate change, some channels have encroached and pools have infilled with sediment. Water has been released out of season when it wouldn't flow naturally to maintain some permanence.

Question 3 Jane Townsend – Will the Water Policy Review consider different land uses in the Upper Catchment that may be of detriment to how water flows for example mining?

- **Adrian Goodreid** – Policy is overarching. Land use impacts are difficult, for example a part of the Blackwood River near Nannup, which is ground water dependant, we can apply environmental water use tools but dealing with salinity from the upper Blackwood in a policy setting can be difficult to find statements that get to the bottom of the issue. Alex Green might provide more assistance.

Question 4 Steve Fisher – Is the proclamation of coastal water going to be dependent on the new Water Use Bill? When is the new bill expected?

- **Adrian Goodreid** – The new bill is under review pressing ahead, timeframe is currently unknown. The new bill will be the catalyst for water proclamation.

Question 5 Steve Fisher – will the 2022 document supersede State Policy #5?

- **Adrian Goodreid** – Yes State Policy #5 will be superseded by the new bill and policy.

Question 6 Peter Zurzolo – Will you be utilizing the South West Strategic Assessment of the Perth and Peel Region?

- **Anika Serer** –Yes, this is listed as a reference document and will be utilized in the future.

S.11/2/22 “So What” Discussion Session

Arising from the information presented, the Board members were asked to consider from the conversations held today “as a catchment council, what are our next steps?”. The CEO gave a quick overview of next steps for the operations team:

Carbon Off-Set Markets

1. Noted that the PHCC Strategic Directions lists Carbon Farming an action under secure of future, that is, consideration of involvement in Carbon off-set markets was included as an opportunity to explore the financial implications for income for the PHCC (towards activities/actions for repairing the Catchment).
2. Some immediate operational actions will be to become more familiar with opportunities via the Carbon Farming Knowledge Hub (<https://nrmregionsaustralia.com.au/knowledge-bank/carbon-farming-knowledge-hub>); considering the information provided today; looking at risks and opportunities; seeking more information and considering our role in a very complex area;
3. Working closely with the Sustainable Agriculture Steering Committee moving forward.

Water for Our Environment

1. Advocate to the Minister for Water and others for the Gazettal of the Water Reform Bill (to enable a statutory head of power for Environmental Water Provisions across our Catchment);
2. Bring an awareness of the urgency to the environment flows and implications of further decline on the health of the Rivers and Estuary.

S.12/2/22 Wrap up of Strategic Meeting

At the invitation of the Chairman, Peter Zurzolo provided an overview and wrap up of the issues covered at the strategic meeting, including the challenges and opportunities that will arise in the future.

The Chairman thanked everyone for their contributions towards a very informative and successful day.

The meeting closed at 1.15 pm

Chairman: 

Date: 28/04/2022