

Professor Ian Chubb AC, Comments made to “Unpacking the Chubb Review and potential ACCU framework changes” Carbon Conversation

Thank you all for the opportunity to speak to you today about this, what I believe to be very important element in Australia's strategies to combat the impact of climate change on how we can live our lives. We all know that there's not one strategy, there's not one magic bullet, but there will be several policies, several strategies that will enable us to get to where we need to be, which, in my view ultimately, is net negative of course, because there's already too much CO₂ in the atmosphere.

Just by way of background then, I thought I'd run through a little bit about what we did. Just highlight some of the key elements and the key points that are in the report and then standby for any questions that come my way. The panel was established in July 2022, 7 months ago. There was a team of four, quite deliberately chosen, two with some inside knowledge of how the system works and carbon credits and the whole issue of carbon farming and mitigation. And two from the outside, one of whom was me. Our job, of course, was to interrogate from the outside looking in, some of the assumptions, assertions, presumptions, whatever you want to call them, that those with deep knowledge might have.

We were very ably supported by a secretariat of four. All of them had deep, deep knowledge and experience. They were all totally committed to the task at hand, and part of their job, of course, was to keep us from making errors. I believe that they successfully did that.

We received a lot of input and advice, as you could imagine. We had some very supportive of the scheme, and we had some that were critical of the scheme. Our view was as a team that they were all useful, and I can assure you that every single piece of input that we got was carefully considered and it was contextualized with the rest. So, there was no bit of advice that had much more weight than any other. Every bit of advice was considered, and we looked at them seriously and consistently and frequently, indeed, over the period of time that we had.

At the end of it all, we concluded that the scheme was basically sound. We all know that any scheme designed by human beings and used by human beings can be improved with time and experience. A lot has been learned since the first steps along this path were taken some 10 years ago. And it was in the spirit of continuous improvement that we wrote various ways that we saw, and we were advised and we took notice of advice that told us that we could improve the scheme in particular ways. And we've made those recommendations and I'll come to some of those in a moment.

With respect to the report, I just want to say that we passed every word, every single word several times. This was a very time-consuming and very intense project. I don't think any of us thought it would be so intense when we said yes we would do this, but it was, and we went over it and over it and over it and under it and around it to make sure that what we were advising was practical, was balanced, was sensible, and wouldn't surprise too many people who actually want to get something to work. Because we were also quite convinced that it's about time that Australia stopped throwing out the good because it wasn't perfect, and that we take what's good and we improve it from the learnings that we can get from its use and the further development that we can make as we set it, as we believe we did, set it up for a future which will give us all confidence that the scheme is delivering what it purports to deliver.

All of this was done against a backdrop of intense scrutiny. We had multiple FOI requests, of course. We had allegations of conflict of interest. So, there were distractions on the side, but the team was single-minded in its focus to improve a good scheme, and we believe that that's what we did.

We agreed not to use attention seeking adjectives. We avoided rhetorical flourishes because we didn't think that we needed to attract attention to it. We just needed it to be able to be read by people who would use it in plain English so it could be understood without having to read between lines or do whatever interpretations people have to do. And that when busy people got to it, they could think, yep, I can understand what they're talking about here, and we can see why it's an improvement on the present scheme.

So, we did all that and I can tell you that I and my colleagues, and I won't speak on behalf of the secretary, but let me presume the secretary, we're proud of it. We think all in all, it was a pretty good job, and that it does set the scheme up well for the future.

With respect to the scheme itself, I just want to remind you of the [CFI] Act. The first object of the Act is the removal of greenhouse gases from the atmosphere and avoidance of emissions. To me, that was quite important because in fact, it is designed by Object One as a drawdown scheme.

Object Two is to create incentives to carry on certain offset projects. So offsets are a part of the drawdown, but it's a drawdown scheme and I think the world has now understood that in order for us to be able to mitigate and develop and have a resilient planet on which we can all survive, that we do actually have to remove greenhouse gases from the atmosphere. And I think that's important. And as I've said, if any of you have read the report or haven't read the report or want to read my foreword, you'll see why we talk about how important it is. I talk about how important it is to make sure that we get drawdown from the atmosphere.

We went on to make a number of recommendations. There are 16. I think that the key ones are that we propose a proponent-led method for the development and all modification of method. And we did that in order to accommodate differences in between regions and potentially to innovate. There are two messages in there. One is that, and we've written in the report, that no two landholders in Australia are the same, even if they're adjacent sometimes. And so you've actually got to be able to be flexible enough to make this scheme work at its most effective, flexible enough to allow people to adapt to suit their particular circumstances. And we've all heard the mantra that you don't innovate from the centre, you innovate from the outside where people are seeing things that could be done, need to be done, should be done, could be done better, and we've got to accommodate that flexibility too.

Increased transparency is a key. I think probably, overwhelmingly anyway, the majority of input that we got talked about the lack of transparency. We don't have the capacity at the moment to ensure that third parties have the data that they need to be able to usefully critique. Now, the reason for that is basically that the carbon estimation area, which is the part of a project which is sometimes part of the land holding, is that part where the carbon farming is assessed and where the carbon abatement is credited with ACCUs, should it be occurring and should the regulator be satisfied that progress has been made. So it's the carbon estimation area which is a key. And the information is not available to outside a very small group like the regulator and presumably the landholder and a couple of others. It's not available.

What's happening on there and why things are being accredited or indeed why they're not is opaque. So increased transparency we think is critically important. And we think each step of the path along whole process should be as transparent as possible. And we argue that data transparency should be open data, accessible data should be the default policy. If there's a case because of commercial confidence or something, that case could be made and the regulator would make a determination.

We have proposed recommendations to enhance the governance. Pretty clear that the blurring of the distinction between the Emissions Reduction Assurance Committee and the regulator has led either to confusion, real, or to confusion perception, because the regulator and the Assurance Committee should be quite separate. So, we have recommended the establishment of a Carbon Abatement Integrity Committee, and the Carbon Abatement Integrity Committee has got three key words, carbon, abatement, and integrity. We've emphasized that. And that should be resourced and that should be given to people who are, for example, a full-time chair and some part-timers that have the capacity and the expertise.

An expertise matrix to select members of the Abatement Integrity Committee should all come together to ensure that we get confidence inside, outside, data available for critique. All of those things would be available to us, and we can have an increasingly sensible discussion about improvements that can be made, knowing that the regulator has all the capacity, all the tools that it needs to be able to do the job. And it can postpone, it can delay, it can credit, it can effectively eliminate projects that are not working. So all of that is available, all of that is necessary, and we think that our recommendations will lead us to that.

So we think that the panel strove to strike a balance, that we tried to learn from the good, and we saw good. We saw good projects, we saw good outcomes from projects in a couple of our site visits. We saw a lot of good work being done, so we know there's good, so let's build on it was our view. Get better as we learn, continuously improve as we go. We think that the recommendations provide what's necessary to ensure the integrity of the scheme: that it's maintained and it is enhanced, and importantly, in the context of the need to pull down carbon dioxide from the atmosphere and the fact that photosynthesis is the one technology, one bit of science that we've got now that we can deploy at scale, the scheme is able to grow.