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Australia Passes Legislation to Establish World's First Nature Repair Market

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In a world-first, the Australian government has created a national, voluntary, legislated nature-repair market intended to mobilise private-sector capital for nature restoration and preservation, and to reward landholders for protecting biodiversity.

The market will be an important component of meeting the country's commitment to protect and restore 30 percent of nature for biodiversity under the United Nations' [Global Biodiversity Framework](#). This is a significant task that requires commitment beyond what governments can provide alone, calling on support from the private sector and individuals.

The [Nature Repair Market Bill 2023](#), passed by the Australian Parliament in December 2023, establishes a framework for companies and other businesses

to invest in and drive nature repair across Australia. Under the proposed market, landholders will be given biodiversity certificates for projects that protect, manage, and repair nature. The certificates could then be sold to businesses, organizations, governments, and individuals.

Demand for the market [may hail from](#) a variety of sources, including carbon-market participants seeking 'carbon plus' projects which also benefit nature; and philanthropic and Environmental, Social, and Corporate Governance (ESG) motivated investment, driven by reporting and disclosure requirements such as the [Taskforce for Nature Related Financial Disclosures](#). The government may also participate in the market as a purchaser of biodiversity certificates, sending strong strategic signals and driving investor certainty.



Two people walk through an Australian farming landscape. Credit: Cecilia Riebl.

The market will not include biodiversity offsets following a deal struck with the [Greens](#) and other Independents. This move is broadly [supported](#) by the private land conservation sector, and the Australian Land Conservation Alliance, in particular, [which wrote](#), in a memo to the Senate Standing Committees on Environment and Communications, that offsets are “fundamentally inconsistent” with the concept of nature repair.

The success of the scheme relies on market participation, leading some [to question](#) how it will generate demand, given its voluntary nature and the omission of biodiversity offsets. There is also concern about the integrity of the scheme: researchers [have pointed to](#) the significant resources necessary to deliver a strong governance framework, measurement systems, monitoring, and reporting, as well as smaller-scale initiatives that have yet to produce proof of the results they set out to.



Native grasses (Grey Germander *Teucrium racemosum*) flowering in Northern Plains Grassland on a farming property are an example of the kind of working landscape that could generate biodiversity certificates for managing primary production in balance with biodiversity protection. Credit: Kirsten Hutchinson.

Still, many are optimistic. In an editorial arguing that the market is imperfect, but “worth a shot”, a professor from the University of Adelaide [wrote that](#), “With appropriate processes in place from governments, including independent authorities that verify biodiversity outcomes, and vigilance from the community, there is potential to create a well-behaved, net-positive biodiversity market in Australia”.

Several mechanisms for accountability and assurance are [baked into](#) the bill, showing a clear intent from policymakers to ensure rigorous oversight. These include standards for measuring biodiversity integrity; an expert technical committee tasked with reviewing proposed methods and advising on their compliance with integrity standards; a public register for projects on the market; mandatory five-year reporting for certificate holders; and broad monitoring, compliance, and enforcement powers for regulators.

Australia is now working to design the methodology underpinning the nature-repair market. It plans for the market to be operational within the next 12 months, ideally, in time for the government’s [Global Nature Positive Summit](#).

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