



Carbon on Country

A guide for NSW Aboriginal landholders and managers

September 2023



Acknowledgment of Country

The Office of Energy and Climate Change as part of the Treasury cluster acknowledges the Traditional Owners and Custodians of the land on which we live and work and pays respect to Elders past, present and future.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies. We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

About the artwork

Regeneration:

Josie Rose is a Gumbaynggirr woman who expresses her contemporary Gumbaynggirr cultural heritage through art.

For Regeneration her chosen medium is acrylic paint on canvas and the design embodies both creative and cultural expression. The inspiration for her artworks comes from a deep place of spiritual connection to her family, community, culture and respect for Mother Earth. Gumbaynggirr Country is beautiful land with both freshwater and saltwater waterways which inspire her holistic connection to the Ancestors.

Artwork credit: Josie Rose

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Carbon on Country – A guide for NSW Aboriginal land holders and managers

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All images by Joy M Lai unless stated otherwise. Images throughout this publication have been taken with permission of First Nations rangers on Country. Unless specified, the images do not depict actual carbon projects. There are very few carbon sequestration projects on Country in NSW. As new projects are developed, case studies and images will be added to this guide.

Acknowledgements

We wish to acknowledge all the organisations and individuals that contributed their wisdom, expertise and cultural insights to this Guide. You know who you are.

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Photo credit: Ava Kirkby, Office of Energy and Climate Change

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Glossary

ACCU Scheme (formerly known as the Emissions Reduction Fund) is a voluntary scheme that provides incentives for organisations and individuals to adopt new practices and technologies to reduce or remove carbon emissions from the atmosphere.

Additionality requirements must be met for projects under the ACCU Scheme. Project activities must be new and additional to activities you are already doing. Project activities that are required by law or under another government scheme are not eligible. Projects cannot commence prior to registration.

Australian Carbon Credit Units (ACCU) represent one tonne of carbon dioxide equivalent (tCO₂e) sequestered or avoided by a project. ACCUs are a financial product created and issued by the Clean Energy Regulator.

Australian Carbon Exchange is currently under development and will simplify the trading of ACCUs. The Exchange will increase market transparency, including pricing, lower transaction costs and reduced administration. The Exchange is expected to commence operation in early 2024. cleanenergyregulator.gov.au/Infohub/Markets/australian-carbon-exchange.

Australian Carbon Industry Code of Conduct is a voluntary industry-led code which aims to promote market integrity, consumer protection and appropriate interaction with carbon project stakeholders including native title holders, representative bodies, land managers and project owners.

Australian financial services license (AFSL) is a license that allows people and organisations to provide financial advice and operate in financial markets including carbon markets.

Australian National Registry of Emissions Units (ANREU) is a secure electronic system

designed to track the location and ownership of ACCUs. Each project proponent must create and manage their own ANREU account to own, transfer, cancel or relinquish ACCUs.

Carbon abatement is the amount of carbon sequestered or avoided as a result of project activities. This is measured off a chosen point in time before the project starts.

Carbon dioxide (CO₂) is the main greenhouse gas emitted by human activities. Carbon dioxide equivalent (CO₂e) is the measure used to compare different greenhouse gas emissions based on their global warming potential.

Carbon estimation area (CEA) is the area of land where the project activities and management activities occur for which credits are issued and where the carbon is stored.

Carbon Market Institute (CMI) is the organisation representing the carbon market in Australia.

Carbon sequestration is the process of capturing or storing carbon dioxide from the atmosphere through the accumulation of carbon in soil or vegetation.

Carbon service provider (CSP) is a general term that refers to organisations that help assess and develop carbon projects, through one or more stages of a carbon project.

Clean Energy Regulator (CER) is the Australian government body responsible for registering carbon projects under the ACCU scheme, running auctions, managing carbon abatement contracts and issuing ACCUs.

Co-benefits are the social, cultural, environmental and economic benefits from carbon projects, in addition to the carbon abatement.

Crediting period is the total time in which the project proponent may claim ACCUs.

Eligible interest holder is a person or organisation that has a legal interest in the land on which a project is being, or will be, conducted. Project proponents must seek consent from eligible interest holders to run a project with the CER.

Fit and Proper Person (FPP) test is a key control to protect the integrity of the schemes administered by the CER. It generally considers a person's past compliance with the law and whether they have the necessary capabilities to participate in a carbon project.

Forward abatement estimate (FAE) is the estimated number of ACCUs that a project will generate throughout its lifetime.

Free, prior and informed consent (FPIC) is a principle used in development projects worldwide and advocates for the right to self-determination for Indigenous people. It involves consent for projects to go ahead being free from coercion, in advance, informed through accessible communication and collective consent from the Indigenous community.

Greenhouse gases (GHGs) are released into the atmosphere through deforestation, farming activities, landfills and burning fossil fuels for energy. Common GHGs include carbon dioxide, methane and nitrous oxide. The abnormal accumulation of GHGs in the atmosphere is causing climate change.

Indigenous Cultural and Intellectual Property (ICIP) refers to the rights Indigenous peoples have to their tangible and intangible cultural heritage. ICIP includes traditional knowledge, cultural expression, objects, secret and sacred material as well as documentation of Indigenous peoples' heritage in all forms of media.

LOOC-C tool is a calculator created by the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to assess the potential carbon abatement from a

carbon project.

Methods are detailed rules and processes for carrying out a carbon project with the CER, and for measuring the resulting reductions in carbon emissions.

Offsets report is a report submitted to the CER that explains project activities and calculations on carbon abatement achieved by the project.

Permanence period is the time period (25 or 100 years) for vegetation or soil to remove carbon from the atmosphere.

Project agents can act on behalf of landowners, for example, by providing reports on projects, submitting applications for carbon credits and dealing with the CER on behalf of the landowner.

Project aggregators co-ordinate the aggregation of multiple pieces of land to form one carbon project under a carbon method. They are legally responsible for the aggregated project.

Project proponent is the person or organisation that is responsible for carrying out a carbon project and has the legal right to do so and receive ACCUs.

Reporting period is a period of time for which a project report is prepared for submission to the CER.

Revocation is the act of ending a project before the end of its crediting or permanence period.

Voluntary market refers to the market for voluntary carbon transactions, driven by individuals and organisations that purchase carbon credits to compensate their carbon footprint voluntarily. The voluntary market is sometimes referred to as the spot market. The spot price for ACCUs is the price at the time of the transaction and varies based on available supply and demand.

Introduction

The purpose of this guide is to help Aboriginal organisations learn about carbon farming, how carbon markets work, how you can participate, and the kinds of benefits a carbon project might bring. These benefits can include ongoing protection of Country, preservation of cultural heritage and economic opportunities for mob.

The guide provides an introduction to the ACCU Scheme and the carbon market. It discusses some of the carbon project methods available under the ACCU Scheme, whether a carbon project is right for your land and/or your community, how to start a carbon project on Country and what is involved in a carbon project cycle.

Carbon projects can deliver a range of benefits beyond carbon abatement. This guide is offered to Aboriginal organisations, landowners and communities as a foundation to help realise these benefits, understand the risks, expand knowledge and build confidence to get involved in the carbon market and to develop carbon projects on Country.



Benefits of carbon projects can include ongoing caring for Country, protection of cultural heritage and economic opportunities for communities and organisations.



Native seeds collected at Wirraminna Environmental Education Centre, Burrumbuttock, Wiradjuri Country.

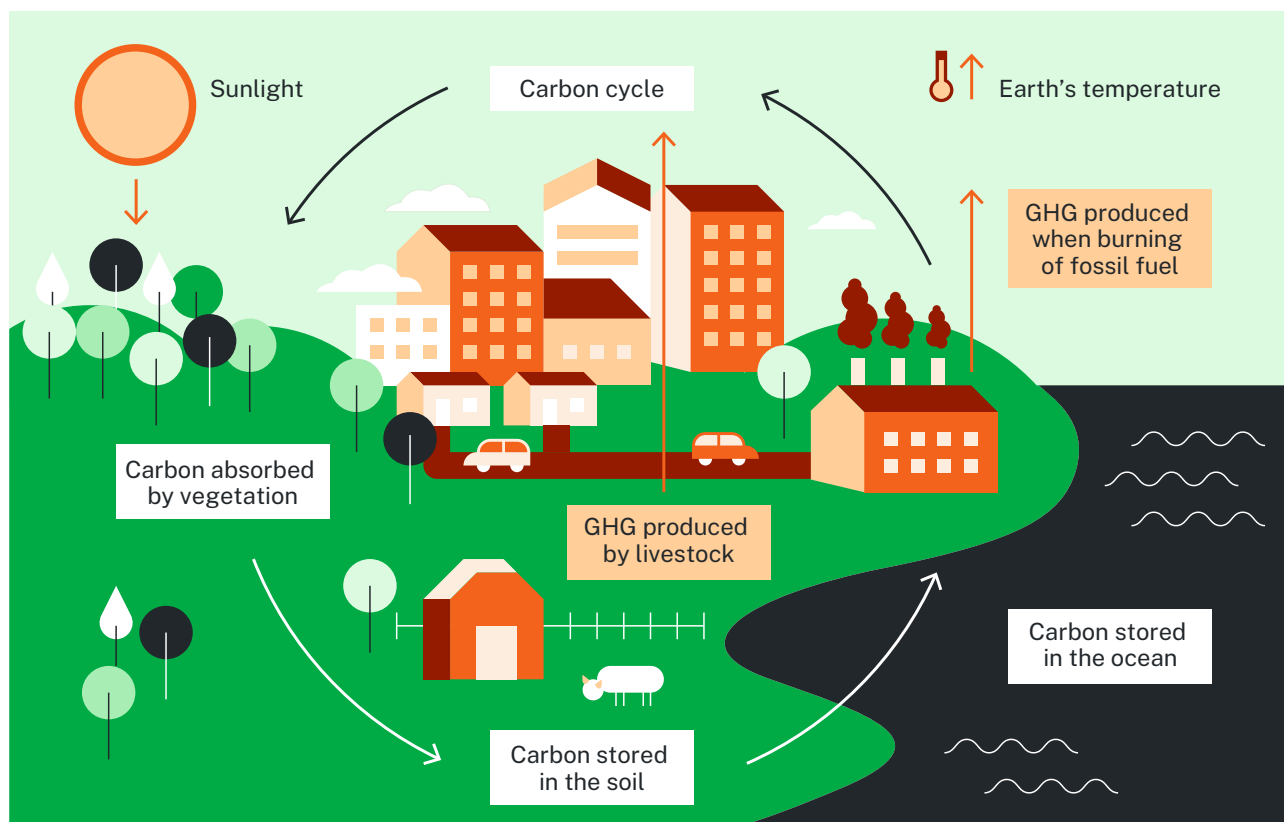


Cropping is undertaken next to a reforestation and afforestation carbon project at *Barooga Karrai, Wiradjuri Country*.

1

Carbon farming

Understanding carbon emissions



You may have heard people talking about climate change, global warming and greenhouse gases. Carbon dioxide (CO₂) is one of many greenhouse gas (GHG) emissions that have been increasing in the atmosphere since the development of modern industry.

Some GHG emissions are natural and help regulate Earth's temperature. However, land clearing and the use of fossil fuels, such as coal and gas, means too many GHGs have now warmed Earth's temperature above natural levels. This is causing the climate to change.

You may have seen this happening on Country with more extreme weather events including flooding, heat waves, heavier rainfall, droughts and large bushfires. Other sources of GHGs include emissions such as methane (CH₄) from farm animals and nitrous oxide (N₂O) from fertilisers used on farms.

For practical purposes, this guide refers to 'greenhouse gas emissions' as 'carbon emissions'.

Learn more about climate change and what it means for your Country at climatechange.environment.nsw.gov.au

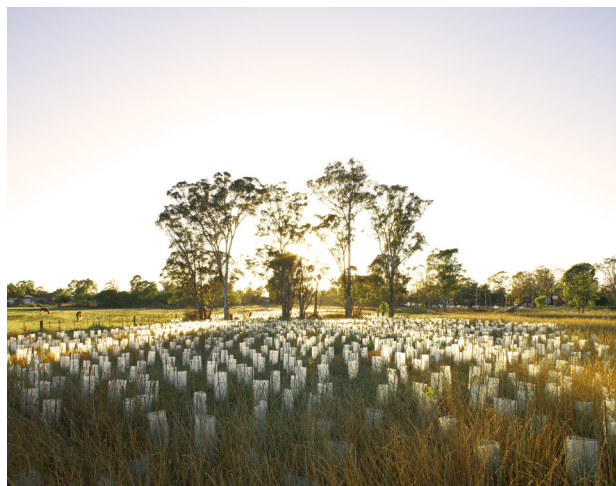
How carbon farming works

Carbon farming can provide opportunities to restore Country and get paid for it. Carbon farming refers to land management activities that absorb carbon emissions from the atmosphere by storing carbon in soil and vegetation (sequestration) or by avoiding greenhouse gases being released in the first place (emissions avoidance). Carbon farming projects must be new and additional to activities you are already doing. This guide will focus on carbon sequestration.

Sequestration activities can include planting trees, helping forests to regenerate or changing agricultural practices to increase carbon stored in soils. Carbon stored needs to be maintained until the end of the 25 or 100 year permanence period.

In Australia, the national standard for developing a carbon project is the ACCU Scheme, administered by the Australian Government's Clean Energy Regulator (CER).

There are other carbon standards apart from the ACCU Scheme used in Australia and overseas, such as Verra verra.org and Gold Standard goldstandard.org. Carbon standards explain the project methods and requirements to establish carbon farming projects and generate carbon credits.



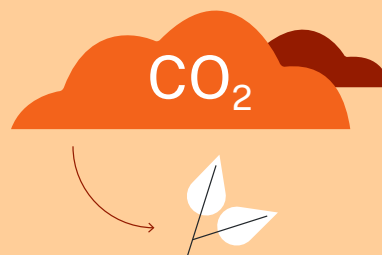
Carbon is sequestered through an environmental planting.

What is a carbon credit?

One carbon credit is equal to one tonne of carbon dioxide equivalent (CO₂e) sequestered or avoided by the project.



The carbon credits generated from ACCU Scheme projects are called Australian Carbon Credit Units (ACCU) and can be sold to individuals, organisations or governments wanting to offset their carbon emissions.

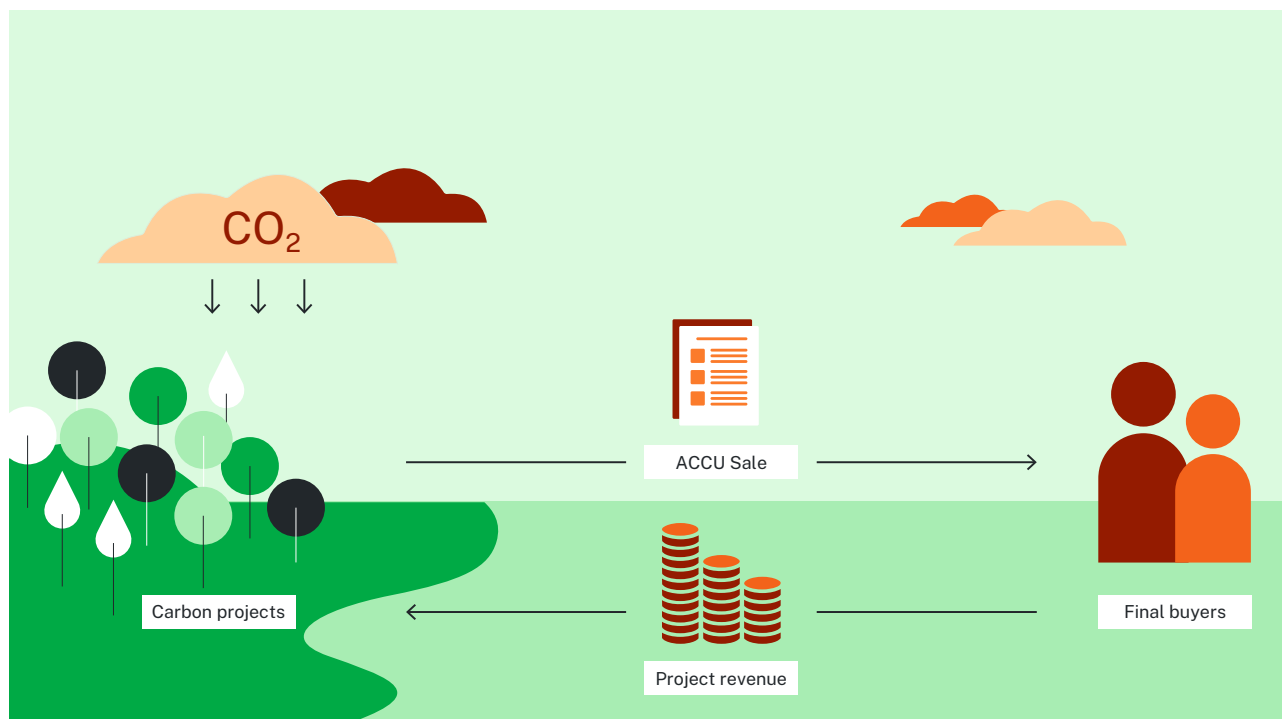


1 tonne

of CO₂e sequestered
from the atmosphere

= 1 ACCU

How carbon markets work



The carbon market refers to the production, sale and purchase of carbon credits. There are two types of markets for carbon credits:

1 Compliance market

The compliance market is driven by companies and governments that are legally required to purchase carbon credits to compensate for their carbon emissions.

2 Voluntary market

The voluntary market is driven by individuals and organisations that choose to purchase carbon credits to voluntarily offset their carbon emissions.

After a project is registered and project activities have started to sequester carbon, a project report is created with the sequestration volumes and submitted to the Clean Energy Regulator (CER). If approved, Australian Carbon Credit Units (ACCUs) are issued by the CER and can be sold privately through a company that trades ACCUs, or to the Australian Government via auction. ACCUs sold via the Australian government auctions usually offer the lowest return per tonne of abatement.

Under the voluntary market ACCUs are sold to a range of buyers, including investors,

companies, philanthropists, superannuation funds, service providers and traders. Normally this is done through a spot contract for a certain number of ACCUs.

The price of carbon credits can change depending on the supply and demand of credits in the market.

Carbon credit traders must hold an Australian financial services licence (AFSL) to provide financial advice to the carbon credit owners.

Benefits of carbon projects

Carbon farming can bring multiple benefits. The benefits that come with carbon farming projects are often called 'co-benefits'. Carbon projects can provide a pathway to get back on Country and to actively care for Country. Training and development opportunities through carbon projects can build new skills and pave the way for jobs on Country.

Carbon farming projects require ongoing maintenance and monitoring for a minimum of 25 years. They can provide long-term environmental, cultural and economic benefits.

Credit buyers that identify with a project's values or story are often willing to purchase the project's carbon credits for a higher price.

Participating in carbon projects can support traditional values and practices and can be a way for people to carry out obligations to Country.

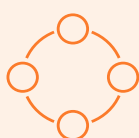
Credits created through Aboriginal projects are often in high demand and may receive a higher price for delivering co-benefits where a buyer identifies with a project's value or story.



Scar tree, Wagga Wagga, Wiradjuri Country.
Photo credit: Ava Kirkby, Office of Energy and Climate Change

Cultural renewal

Protect cultural sites
Collect bush foods
Maintain traditional knowledge, language and practices



Social

Connected community
Confidence, purpose and pride
Meaningful participation



Carbon projects can support multiple benefits (co-benefits)

Caring for Country

Healing Country
More biodiversity and totemic species
Reducing feral animals and weeds



Economic

Community resilience
Employment opportunities
Economic independence



Culture and carbon

Carbon projects can be an opportunity for cultural renewal and to heal Country. By listening to knowledge holders and community, a project can deepen connection and share knowledge between and across generations. Putting your core cultural values at the centre of the project and bringing community together to share what they want to get out of a project is a good place to start. For some, this may mean walking Country with Elders to learn what used to be there and what plants are needed to bring totemic species back. For others it might be a visioning circle, cultural burn, or other ceremony. It's important to take time, listen and do it your way.



Getting clear on the purpose and intent of your project before talking to outsiders who do not have the knowledge or connection with your Country will help set your project up for success, and activate a pathway to deliver the outcomes (or co-benefits) that are important for you and Country.

Take time to reflect on the core values of your organisation, your connections and cultural obligations with Country. Set your intent for your community's carbon project – agree on the activities, practices and outcomes you want to see. Coming up with a name for your project that describes its intent can be helpful. For example, you could name your project in language after a medicinal plant or other culturally significant species you want to see more of on Country. Make sure your project supports access to Country and traditional cultural practices over the life of the project.

There are many traditional cultural practices that are allowed under some ACCU Scheme methods. Make sure you know what you can and can't do. For example, the reforestation and afforestation method allows fruits, nuts, seeds, firewood, fencing, craft materials and other items to be collected in accordance with traditional practices and/or native title rights. Cultural burning techniques may be used to prepare land prior to planting.

For more information visit the CER cleanenergyregulator.gov.au



Teaming Life of Milawa Billa, Yindyamarra Sculpture Walk, Albury, Wiradjuri Country.

Artists: Daniel Clegg, Robyn Heckenberg, John Murray, Aunty Edna Stewart, Aunty Muriel Williams.

You may want assistance to design your project with Country and community. This could include cultural facilitators, or identified community engagement practitioners that will work with you to support community participation and input. Contact netzero.land@environment.nsw.gov.au



Yarkuwa Indigenous River Rangers, Kolety River, Deniliquin, Wamba Wamba and Perrepa Perrepa Country.

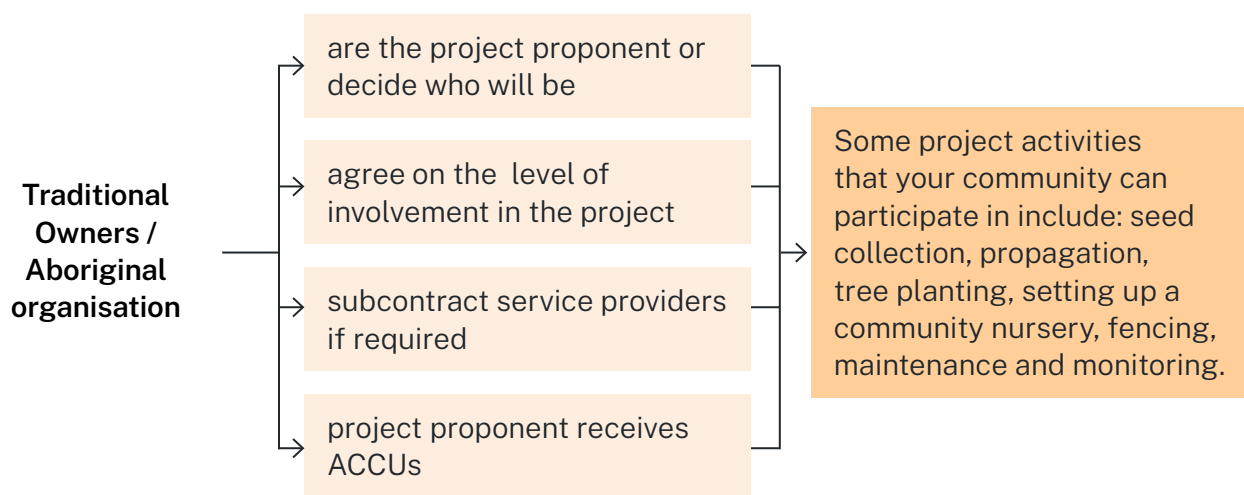
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Participating in the carbon market

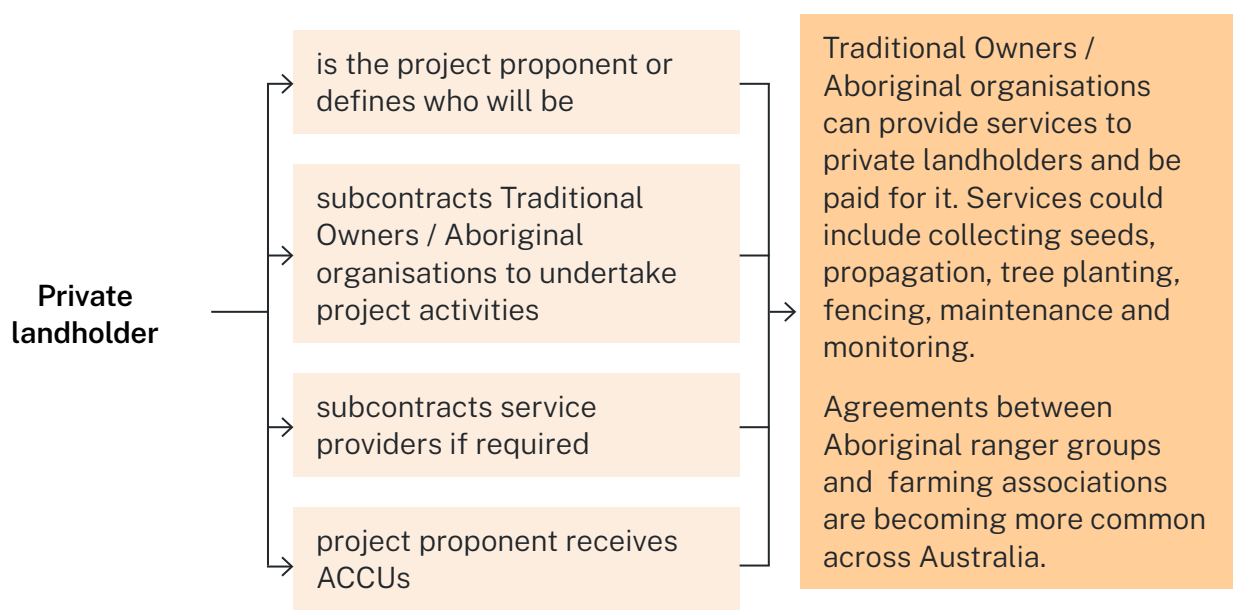
How you can participate in the carbon market

Aboriginal organisations and Traditional Owner groups can establish carbon projects on land that you own or have legal right to. You can also participate by providing services such as seed collection, propagation, planting and maintenance for other carbon projects.

1 Establish your own carbon project



2 When Traditional Owners / Aboriginal organisations provide services for other carbon projects



Legal right

It is important to establish that you or your organisation has the legal right to carry out the project and to receive ACCUs.

Legal right to run a carbon project means you have ownership or permission to use land for the project and receive ACCUs for at least the duration of the project crediting period.

Native title rights, land tenure, and applicable state and local laws must be considered.

In NSW, carbon projects must comply with any other existing land management plans relevant to your land. Ownership of land or permission from eligible interest holders to use the land for a carbon project is required under the ACCU Scheme, regardless of state or territory.

For more information consult the [Native title, legal right and eligible interest-holder consent guidance](#) published by the CER available from cleanenergyregulator.gov.au

Landholders including Local Aboriginal Land Councils (LALCs), Indigenous Protected Area (IPA) and Traditional Owner groups lessees or Registered Native Title Body Corporates (RNTBCs) will often need to make arrangements to determine who has the legal right. This might involve an individual or organisation granting permission to someone else to hold the legal right.

The person or entity that owns the project, has the legal right and is responsible for carrying out the project is called the project proponent.

The project proponent could be:

- a trusted representative for the community
- an Aboriginal landholder or land manager
- the Local Aboriginal Land Council (LALC)
- the Registered Native Title Body Corporate (RNTBC)

The proponent must meet the CER's "Fit and Proper Person" (FPP) requirements to ensure the proponent has the right credentials to legally conduct a project and receive ACCUs. If you want to have multiple project proponents (joint proponents), one person needs to be nominated to make decisions about the project. All proponents must have legal right and meet the FPP requirements.

Your legal right to carry out a project will depend on your situation.

Consider the following:

You, your Local Aboriginal Land Council (LALC) or your organisation has ownership of the land or exclusive native title:

- If applicable, discuss legal rights and gain consent from Traditional Owners, community representatives or board.

For LALCs:

- Carbon projects must be consistent with [Community Land and Business Plans \(CLBPs\)](#). NSWALC can provide advice regarding CLBP requirements, including whether a CLBP may require amendment prior to commencing a carbon project.
- Certain activities / projects on LALC owned land will require LALCs to seek relevant approvals as per the Land Dealing provisions under the Aboriginal Land Rights Act (ALRA).
- Even if a project is flagged in a CLBP, it may still need to follow the Land Dealing provisions. LALCs should seek specific advice from the NSWALC Land & Property Unit on each individual matter as to whether a proposal to deal with land is subject to Land Dealing requirements. Go to alc.org.au for more information.



Yarkuwa Indigenous River Rangers care for Country and work to foster and pass on traditional knowledge. Pandylil Farm, Wamba Wamba and Perrepa Perrepa Country.

- Any dealings proposed on LALC owned land with native title interests noted on title will require those interests to be addressed through the non-claimant process in the Federal Court. LALCs will need to seek their own advice in this regard. Further information can be found at the [National Native Title Tribunal](http://www.nntt.gov.au) (www.nntt.gov.au).

You or your organisation has non-exclusive native title rights:

- If you have a joint management agreement on Crown land, you need to revise that agreement with the relevant Crown party (local government or another Crown reserve manager) and ensure the agreement includes running a carbon project.

You or your organisation has an Indigenous Land Use Agreement (ILUA):

- ILUAs are agreements between native title holders and groups with other interests in the land. There are many types of ILUA and each will have its own negotiation, review and agreement times.

- If you have an ILUA, you will need to review the agreement, consult with all parties involved (e.g. non-Indigenous groups, non-government organisations, Crown representatives) and ensure the agreement permits running a carbon project.

Your community manages an Indigenous Protected Area (IPA):

- Gain consent from the community to run the carbon project.
- Update relevant IPA plans to include the carbon project and key outcomes for the community.

You or your organisation have a relationship with a non-Indigenous landholder on Country:

- There may be opportunities to sign a contractual agreement with the non-Indigenous landholder to set up a new project. The landholder could sign an agreement to transfer the legal right to you to run a project on their land, or contract you to deliver project activities.

Free Prior and Informed Consent

Some organisations choose to work with a carbon service provider (CSP). CSPs are commercial entities that assist in the development and management of carbon projects. These can be:

- **Project advisors:** who can guide you in making technical, legal and financial decisions.
- **Project agents:** who can act on your behalf when dealing with the CER and can help with reporting and applications for ACCUs.
- **Project aggregators:** who can be all of the above, and have expertise in running aggregated projects.

In some cases CSPs may approach your organisation directly to negotiate your interest in hosting a carbon project on your land, and in other cases you might seek assistance from a CSP. Some landholders choose to assign their legal right to a CSP to undertake a project on their behalf, for a fee. In this case the CSP would become the project proponent. Think very carefully before signing any agreement; and seek independent financial and legal advice to know the potential risks and benefits. If you decide to work with a CSP, set up an agreement that outlines the services that will be provided. The agreement should include access provisions for community and rights to traditional cultural practices. It is important that the principles of Free, Prior and Informed Consent (FPIC) apply.

By understanding and implementing the principles of FPIC, CSPs and non-Indigenous landholders acknowledge the fundamental right of Indigenous people to self-determination and sovereignty over their land and culture.

Multiple organisations exist to assist Traditional Owners / Aboriginal organisations with carbon farming projects and ensure that their voices are heard and respected. A list of organisations that can provide support to First Nations people in NSW is listed in section 5.

FPIC is a principle first developed by the United Nations Declaration on the Rights of Indigenous Peoples, which advocates for equality, respect and self-determination for Indigenous people globally.

- **FREE** consent ensures that Indigenous communities have a strong voice throughout the process and that the process is free of coercion.
- **PRIOR** consent means that the project activities take place only once a rigorous consultation process has occurred and agreement reached between Indigenous people and others.
- **INFORMED** consent determines the way in which information is transferred between Indigenous people and others, guaranteeing that it will be communicated in a clear way that is accessible to anyone wishing to participate.

Visit icin.org.au/resources for more information.

Australian carbon market Code of Conduct

The Carbon Market Institute (CMI) is an independent industry association that represents the carbon market in Australia. The CMI has a Code of Conduct for the Australian carbon industry which promotes best practice carbon market integrity, transparency, and accountability.

The Code of Conduct is voluntary and has been developed to support people undertaking carbon projects, including but not limited to: native title holders, representative bodies, landholders and project owners. If you are engaging with a CSP, make sure they are a signatory to the Code of Conduct. To find out more visit carbonmarketinstitute.org/code



Cropping is undertaken alongside the reforestation and afforestation carbon project on Barooga Karrai, Wiradjuri Country. **Photo credit:** Bill Code

3

Carbon farming projects

Carbon sequestration in NSW

There are several approved carbon farming project methods under the ACCU Scheme. The CER website cleanenergyregulator.gov.au lists all of the methods currently available under the ACCU Scheme.

Methods suitable for the land sector can have the added benefits of improving productivity, cultural values or biodiversity on Country as well as generating carbon credits. These methods cover activities such as planting trees and allowing the natural regrowth of forests and woodlands.

Vegetation methods reduce carbon emissions by sequestering, or storing, carbon from the atmosphere in plants.

The tidal restoration method promotes the storage of blue carbon in coastal wetlands and marine ecosystems.

Blue carbon refers to carbon stored in mangroves, seagrasses and saltmarshes.

The CER or a carbon expert can talk you through the ACCU Scheme methods applicable to your land, considering past and current land use, additionality requirements and eligible management activities. If there isn't a suitable ACCU Scheme method, there may be an applicable method under another standard.

For example, the Tidal Restoration of Blue Carbon Ecosystems ACCU Scheme method does not cover improving water quality to restore seagrasses, so instead the Tidal Wetland and Seagrass Restoration method from Verra Carbon could be used. These projects would include activities like restoring and managing water conditions, altering sediment in the water and conserving native aquatic plants.

Most ACCU Scheme methods allow for traditional cultural practices but it is important you plan and design your project to support traditional practices. Collection of fruits, nuts, seeds, firewood, fencing, craft materials and other items can be collected in accordance with traditional practices and/or native title rights, but you may not be able to harvest for commercial purposes. Cultural burning techniques may be used to prepare land prior to planting.

Some terms to keep in mind:



Forest cover

Land with forest covering at least 0.2 hectares (ha) which is dominated by trees of at least 2 metres (m) tall and with a crown cover of 20% or more.



Agricultural land

Land used for pasture, cropping (including woody perennial horticulture) or bare fallow (land uncropped for one or more seasons).



Coastal wetlands

Supratidal forests, saltmarshes, mangroves, sparsely vegetated saltmarshes (salt flats) and seagrasses.

Summary of ACCU Scheme sequestration methods



Reforestation by environmental or mallee plantings

Establishing a native forest by planting or seeding. Depending on the rainfall and region you can use:

- mix of trees, shrubs and understory native plants to the area, or
- mallee eucalyptus (<600mm annual rainfall).

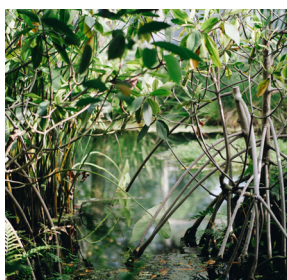
Where: land clear of forest cover for at least 5 years



Reforestation and afforestation

Planting forest trees on land used for agriculture on areas that have not been cleared of native forest and that are able to support a new forest.

Where: agricultural land for at least 5 years



Tidal restoration of blue carbon ecosystems (coastal wetlands)

Rewetting coastal areas that were once wetlands, to restore saltmarshes, mangroves, salt flats and seagrasses. This includes removing a tidal restriction like a sea wall.

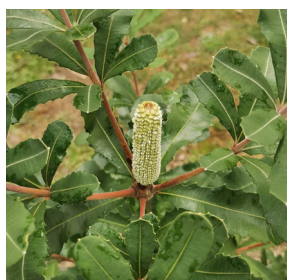
Where: coastal land with a tidal barrier for at least 7 years



Soil carbon (measurement and model method)

Changing management practices to increase the carbon content in soils. These practices could include planting cover crops, legumes and mixed species pasture or reducing tillage amongst others.

Where: agricultural land for at least 5 years



New method development

The CER is responsible for the variation of current methods and the development of new methods. For more information visit: cleanenergyregulator.gov.au/ERF/Pages/Method-development.aspx

Individual and aggregated projects

Carbon projects can provide a range of benefits but can also be expensive and take time to set up. It is important to evaluate if your project can generate enough ACCUs to cover management and implementation costs as an individual project on its own. Sometimes combining separate project sites (either owned by the same or different landowners or native titleholders) into one larger project can be more cost effective. This is called an aggregated project.

Aggregated projects can be a way to achieve benefits at scale, such as establishing biodiversity corridors across multiple tenures to allow animals to move between properties. The aggregation process requires the same amount of monitoring, auditing, and reporting as a single site, but costs are often lower when shared across several sites. For example, savings can be made if purchasing tube stock, tree guards and fencing in bulk. Management time and costs can also be reduced when activities are organised and implemented at the same time with the same contractors for multiple sites.

The risk when aggregating sites owned by different landowners is that individual landowners may not agree on all project-related decisions.

An aggregated project can only use one method but can be located on different sites. You cannot register multiple methods under an aggregated project.

It is important to set clear targets and establish communication channels between different landowners to prevent and resolve any management issues. Working with an experienced aggregator who understands the legal and administrative complexities of aggregated projects can help ensure the project runs smoothly.

There are different ways to set up an aggregated project depending on who is the project proponent and who owns the land, but in all cases, the project proponent must have the legal right passed on to them. For example, if two bordering LALCs both have land, they could start an aggregated project together. In this case, they can partner with a service provider who can help aggregate the project, or nominate a community member to act as an aggregator. Another option might be to set up a new cooperative legal entity if several landholders are involved.

Combining projects into an aggregated project won't always result in cost savings. The CER 'Environmental Plantings Pilot' under the ACCU Scheme provides a streamlined project option for the Reforestation Environmental and Mallee Plantings Method that are 200 ha or smaller. This method doesn't require audits providing each project site is no bigger than 200 ha and the project proponent is the owner, leaseholder or native title holder of the land. In this case it would be most cost effective to register separate projects if they are on different sites or held by different land holders.

For more information search 'aggregation under the Emissions Reduction Fund' at cleanenergyregulator.nsw.gov.au

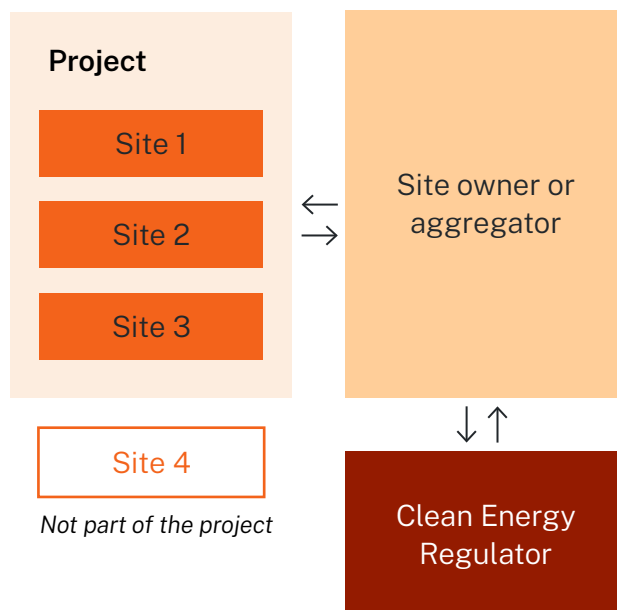


Northern Tablelands Aboriginal Reference Advisory Group gathering at Arrawarra Fish Traps, Gumbaynggirr Country. **Photo credit:** Kristy Pursch, NSW Department of Planning and Environment

Examples of project aggregation

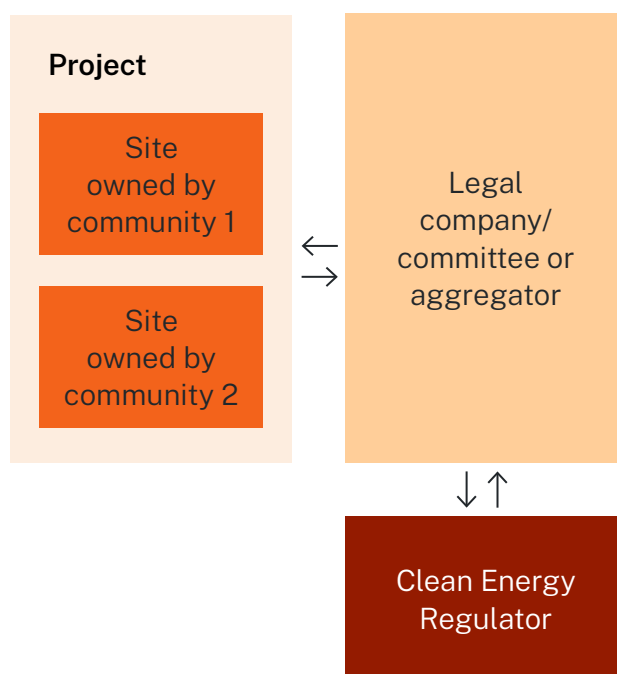
1 You own different sites on separate titles

- you can act as the aggregator and be the project proponent
- you can engage with a CSP to help you manage the project while you are still the project proponent, or
- you can engage with an aggregator and transfer the legal right if you so wish (the aggregator becomes the project proponent).



2 Sites are owned by different people, communities or organisations and the project is managed by an aggregator

- you and the other landowners need to pass the legal right on to the aggregator (the aggregator is the project proponent), or
- you and other parties agree to create a legal company or co-operative that holds the legal right to be the project proponent. You engage external expertise to assist and advise.





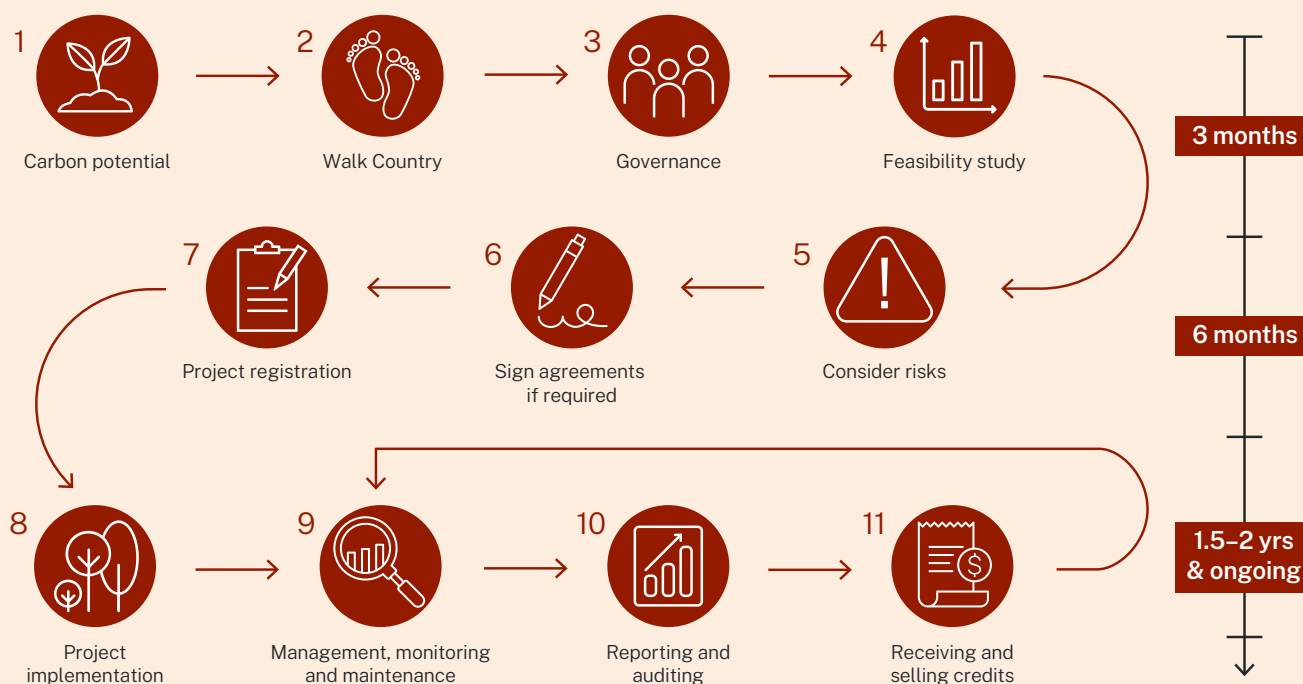
Tree planting, Wonga Wetlands, Wiradjuri Country.

4

Implementing a carbon project

The carbon project cycle

To successfully deliver a carbon farming project and generate ACCUs, it is recommended to follow the carbon project cycle.



The key steps in the carbon project cycle include:

1. Identify the potential of your land for setting up a carbon project
2. Walk Country with Elders and knowledge holders
3. Establish project governance within your organisation/community
4. Contact agencies and experts for information and advice required to undertake a feasibility study
5. Consider project risks including potential governance, cultural, legal, property, financial and environmental risks
6. Sign partnership agreements with other parties where required
7. Register your project with the CER
8. Implement project activities on Country
9. Manage, monitor and maintain your project
10. Report on your project and organise audits if/when required
11. Receive ACCUs from the CER and sell them in the carbon market

Understanding carbon potential on your Country



To be eligible for carbon credits, it is important that your project meets some key requirements:

- **Newness requirement:** the project must not have started before it is registered with the CER. This includes all activities, including ground preparation. If, for example, you have already started planting trees in a section of your property, that area would be excluded from an environmental planting project because it cannot meet the newness requirement.
- **Additionality requirement:** the project activities must be additional to activities you are already doing. Project activities that are required by law or under another government scheme are not eligible. Projects cannot be used to meet legal obligations to offset or compensate for adverse environmental impacts.
- **Legal right:** As the proponent you must hold the legal right to undertake the project and receive ACCUs. This means you own the land, or have a written agreement with the landowner to carry out the project for at least the duration of the crediting period.

You need to identify which project methods are applicable and suit future aspirations for your Country. Eligibility criteria vary depending on the method. Knowing the condition and historical management practices of your land can help you identify a suitable method. The Commonwealth Scientific and Industrial Research Organisation (CSIRO) has developed the [LOOC-C.farm](#) tool to help you identify which method might suit your land.

The questions on the next page will help you consider the type and size of carbon project for your Country.

Use the [LOOC-C.farm](#) tool to get an indication of applicable ACCU Scheme methods and the total ACCUs you could generate.

Day 1

seedlings arrive ready for planting

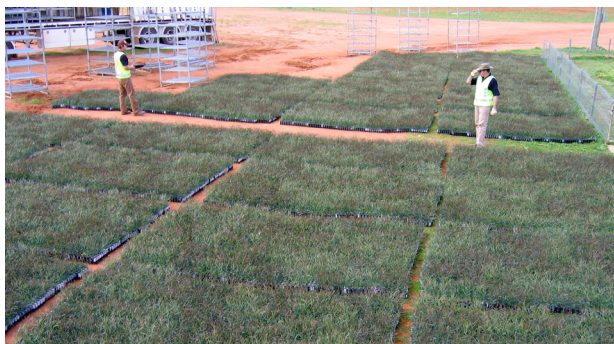


Photo credit: CO2 Australia

5 months

after planting on farmland, January 2006



Photo credit: CO2 Australia

15 months

after planting, December 2007



Photo credit: CO2 Australia

What are the attributes of your land?	What kind of project could you implement?
<p>What type of land do you have?</p> <p>Remember:</p> <p>Forest cover: land with forest covering of at least 0.2 ha which is dominated by trees of at least 2 m tall and with a crown cover of 20% or more.</p> <p>Agricultural land: land used for pasture, cropping (including woody perennial horticulture) or bare fallow (land uncropped for a one or more seasons).</p> <p>Saltwater coastal wetlands: supratidal forests, saltmarshes, mangroves, sparsely vegetated saltmarshes (salt flats) and seagrasses.</p>	<p>Land clear of forest: if you have land that has been clear of forest for at least five years, you may be able to implement an environmental or mallee planting project.</p> <p>Land with potential to achieve forest cover: if your land has potential to achieve forest cover and regeneration of forest has been suppressed for at least 10 years (due to invasive species, intensive grazing or other suppression factors) you may be able to set up a human-induced regeneration project.</p> <p>Agricultural land: if your land has been used for agriculture you may be able to increase soil carbon by setting up a soil carbon project, or plant trees by setting up a reforestation and afforestation project.</p> <p>Completely and partially drained coastal wetlands: if you have land where a wetland was drained at least seven years ago, you may be able to set up a tidal restoration blue carbon project.</p>
<p>How many hectares of land do you have available for your carbon farming project?</p>	<p>It's important to know how much land you can commit for the long term, and if this is likely to impact other future plans. Very small carbon projects are unlikely to generate enough ACCUs to cover project costs, which is why its important to undertake a preliminary feasibility assessment.</p> <p>Environmental planting projects up to 200 ha, where the project proponent is the owner, leaseholder or native title holder of the land are eligible under the CER's Environmental Planting Pilot. This offers a streamlined registration and reporting process with no audit requirements. This may be a cost-effective option for Aboriginal landholders and organisations with legal rights to smaller parcels of land. Larger projects are more likely to require additional assistance, and will need to generate enough profit to cover additional costs of service providers and audits. Changes to the ACCU price will impact the profitability of the project.</p>
<p>What is the average annual rainfall?</p>	<p>For vegetation and soil projects, areas with a higher average annual rainfall will usually sequester more carbon. Mallee plantings may be an option for areas with less than 600 mm average annual rainfall.</p>
<p>Is the area prone to natural disasters (e.g. bushfires, flooding)?</p>	<p>Natural disasters can impact your project's ability to sequester carbon and generate ACCUs. If land is prone to natural disasters, additional prevention measures such as weed control, fire breaks and flood mitigation dams or channels may need to be put in place.</p>

Make sure you are aware of the conditions below:

Are you allowed to make changes to land use (e.g. change from cropping to forest)?	→ Check local, regional and state land management plans for land use regulations and environmental and cultural heritage preservation guidelines. Contact your local council for advice regarding local regulations and planning decisions that may impact your project and to access your 'Local Environmental Plan'. If your project aligns, it is good to go ahead.
Do you have the legal right to undertake a carbon project and receive ACCUs?	→ You hold legal right when you have the permission of all people involved or directly impacted by the project. You may need to set up agreements with landholders, land managers and lessees to obtain legal right. You must establish who has legal right prior to registration.
Do you have Eligible Interest Holder (EIH) consent?	→ Anyone who has a legal interest in the land is an EIH and needs to provide consent for a carbon project. This must be obtained before the end of the first reporting period. It is recommended to obtain consent from all EIHs prior to registration to ensure all parties are on board.
Are you considering setting up an individual or aggregated project?	→ If your project is too small to generate enough ACCUs to cover project costs, you may want to aggregate with other projects using the same ACCU Scheme method to set up a larger project. If you aggregate, it's important to ensure a governance structure is in place that works for all participants. Options include setting up a legal company or a committee that represents the different landholders (if the sites are owned by different people), or engaging the services of an experienced project aggregator.
Do you know how long you can commit to run and maintain a project for?	→ Carbon projects are set for a long period of time. You need to implement reasonable steps to ensure your project will store carbon for the selected permanence period (25 years or 100 years).



Dedicated native seed production area at Wirraminna Environmental Education Centre, Burrumbuttock, Wiradjuri Country.

Walk Country with Elders and knowledge holders



Walking Country with Elders and Traditional knowledge holders to learn more about your Country and how a carbon project might impact

cultural sites and traditional practices is an important first step. This process can help identify cultural sites and the areas most suited to a carbon project and areas people wish to exclude from the project.

This step is best undertaken with trusted members of your community, before talking to anyone with commercial interests. Some organisations may choose to invite environmental experts or cultural scientists who can help map your project and to discuss how it fits with other aspirations for Country. This is a good time to discuss the various plant species and fauna you want to see on Country, and to consider opportunities to align the project with other initiatives, such as threatened species recovery projects.

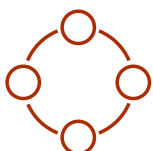


On Wiradjuri Country at Murrin Bridge
Photo credit: Mal Carnegie, Lake Cowal Foundation

Governance



Setting up an agreed governance framework before your project begins is important to make sure your project runs smoothly. Agreed decision-making and management processes are essential for successful projects.



Community consent

Project governance begins before the project has even started. This means undertaking a thorough consultation and consent process with your community to ensure that a carbon project aligns with the community's targets and priorities. Examples of community targets might include increasing community employment on Country by 10% in five years, or restoration of habitat for culturally important species.



Setting up roles and decision-making processes

Agreed processes, structures and rules within the community should be put in place to decide how things will be organised when running the carbon project, what the priorities are, how decisions will be made and how project activities will be implemented. For example, you may involve your local Aboriginal ranger group for their experience in different land management practices.



Support from agencies and experts

It's helpful to build some baseline knowledge about carbon projects before engaging with advisors and/or service providers. This will ensure that you are able to identify the services you need and that the project can deliver the outcomes you seek. This is a good time to seek information from traditional knowledge holders, government agencies, Aboriginal and environmental organisations, carbon project managers and experts to understand the skills, resources and time needed.



Access to funding

Carbon projects usually require significant up-front costs. Identify sources of funding early and secure them in advance if possible. See Section 5 Funding and Support for more information.



Training and upskilling

Carbon projects may provide a pathway for new training and skills. This could include accredited courses in conservation management, or training to undertake monitoring and maintenance. Training can be of lifelong value and can help community members with future job opportunities.



Infrastructure and materials

Many carbon projects will require infrastructure, materials and tools to complete the project activities. Remember to include these resources in your budget.



Prepare high-level budgets

Set up a project budget to make sure you have enough funding to cover everything that will be required for your project. This will include administration, materials, infrastructure, training, labour, maintenance, financial and legal costs amongst others. The costs will vary depending on the chosen project method. See Estimating costs on pages 37-38 for an example.



Establish work plans and timelines

Work plans and timelines will help your community understand their roles within the project and the length of the work. Project work plans can be integrated into existing community work plans.

Understand the basics before engaging experts

Carbon projects require a range of professional expertise; from knowledge of Country to administrative capabilities. It's important to engage with traditional knowledge holders, ecologists, government advisors and carbon experts to ensure you have the right information to make informed decisions before progressing a carbon project. This could include early discussions with other Aboriginal organisations, or carbon project managers to learn about their experience. It is useful to build baseline knowledge to understand the project elements you wish to manage, and those you'd like to outsource.

Some organisations choose to manage their own project, while others will engage professional services for some or all of their project. It's helpful to know which project elements you wish to manage before speaking with a service provider so that this can be built into the project.

There are many CSPs that can assist you to implement a project, for a fee. Not all projects will require a service provider.

If you are going to engage a service provider it is important to find a CSP that understands your needs, values and priorities.

The CSP should provide sufficient and transparent information about the risks and benefits of the project for your land and community for you to make a well-informed decision. Always seek independent third party advice before you enter an agreement.

If you decide to engage a service provider, make sure the CSP:

- is a signatory to the Carbon Market Industry (CMI) Code of Conduct
- holds an Australian financial services license (AFSL)
- has other projects already certified with the CER and/or other carbon standards
- has a portfolio of successful projects they have implemented and that you can verify
- meets the Fit and Proper Person (FPP) requirements from the CER. This will ensure that the CSP has not been subject to an investigation or had memberships or accreditations removed.
- applies the principles of Free, Prior and Informed Consent (FPIC) throughout every stage of the project.
- formally recognises and upholds your Indigenous Cultural and Intellectual Property (ICIP) rights.

CSPs can participate in some or all stages of the project, particularly with the feasibility study, registration, reporting, communication with the CER and the sale of ACCUs. The CSP will charge a fee for their services, which could be a dollar amount or percentage of your ACCUs.

It is best to identify which stages of the carbon project cycle you are likely to need external support before engaging with a CSP. Alternatively, you may be approached by a CSP who is interested in doing a project with you on your land.

Always seek independent third party advice before committing to progress a project.

Choose a project model that best fits your organisation's capacity

- You could be the project proponent and work on your own
- You could be the project proponent and engage with a carbon service provider (CSP) to act on your behalf and coordinate the different aspects of the project with the Clean Energy Regulator (CER), or
- You could transfer your legal right to undertake a carbon project to a CSP and they will undertake all project responsibilities, but you could still participate in some activities such as propagation, planting, maintenance and monitoring.

Project model	Do it yourself	Partner with a carbon service provider (CSP)	
	You* are the project proponent	You* are the project proponent	CSP is the project proponent
Context	You conduct the project without partnering with a CSP. Subcontractors for specific tasks may be used	You engage with a CSP to carry out the project	You engage with a CSP to carry out the project
Who manages the relationship with the CER?	You*	The CSP (generally a project agent)	The CSP
Who receives the carbon credits (ACCUs)	You*	You*	The CSP
Benefits	<ul style="list-style-type: none"> • Ownership and control of the project and its benefits • Minimal or no CSP fees • High participation and training opportunities 	<ul style="list-style-type: none"> • Ownership of the project and its benefits • Receive assistance from service providers • Shared responsibilities (you and CSP) • Scope for learning and running project autonomously in the future 	<ul style="list-style-type: none"> • Minor administrative responsibilities for you • Easy to meet project requirements as the CSP has established expertise in the process • CSP shares project risk as it holds legal obligations for the project
Considerations and risks	<ul style="list-style-type: none"> • You have total responsibility for the project • Lack of skills, licenses and infrastructure may affect the project 	<ul style="list-style-type: none"> • CSP fees • You are responsible for the project • Delivery of the project may be affected if CSP does not provide adequate support 	<ul style="list-style-type: none"> • Financial incentives for you are lower • ACCUs flow directly to another party

*'You' includes community representative or Aboriginal organisation

Assessing project feasibility



A feasibility study is an assessment of how viable the project is.

It will confirm whether the project method is applicable to your land and if it is cost-effective. A feasibility study is not mandatory to register a project, but is highly recommended to estimate annual ACCU volumes, costs, risks and benefits of the project before you start. ACCUs with additional cultural and environmental co-benefits are often in higher demand and should be identified at the feasibility stage.

The feasibility study is important to make sure everyone involved in your project shares an understanding of and commitment to achieving the project's intended outcomes. There are many providers that can help you undertake the feasibility study. If engaging a provider, it is important that they understand future aspirations for the land and protection of cultural assets within the project boundary.

The feasibility study should make clear:

Project method and eligibility criteria

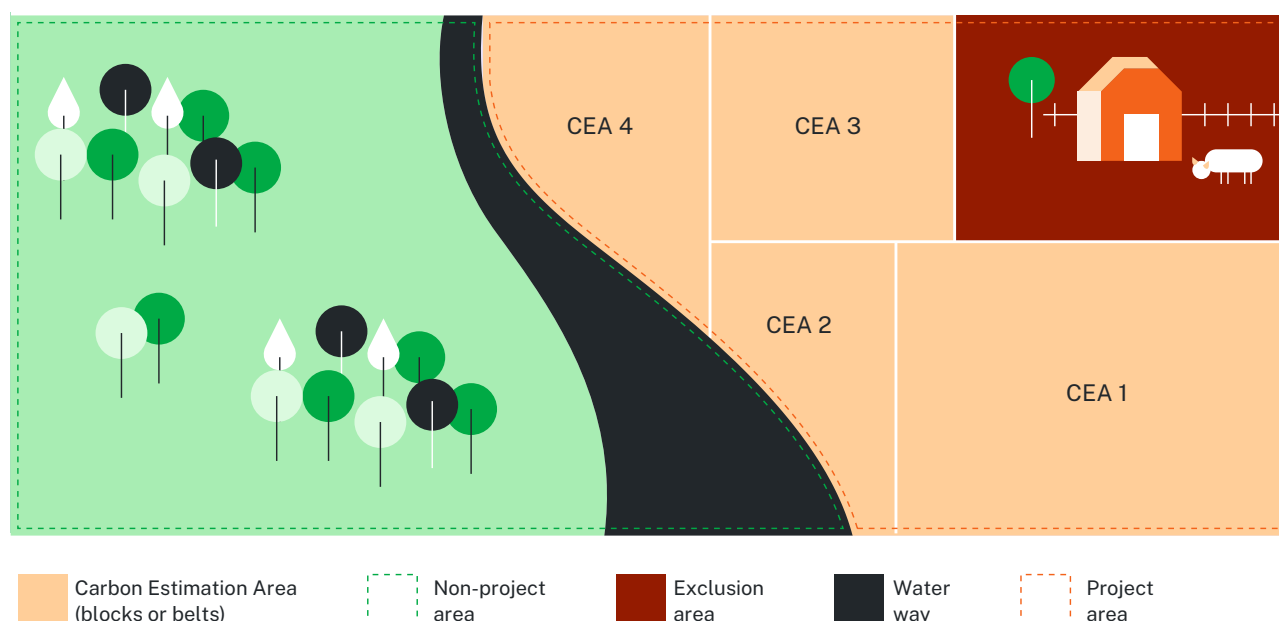
Understanding the specific project method requirements and activities that are allowed under that method will allow you to confirm

if the method is right for you and your land. This includes the newness requirement, the additionality requirement and holding the legal right to undertake the project and receive ACCUs.

Project boundaries and maps

Project boundaries define the area where project activities will take place. For example, for a revegetation project, the exclusion zones and carbon estimation area (CEA) must be determined to define your project boundaries. Exclusion zones are areas not eligible for carbon sequestration, such as roads, buildings and important cultural sites. CEAs are the areas where carbon sequestration project activities occur.

For vegetation projects on large and diverse land, it is best to stratify the land in multiple CEAs. Stratification involves breaking up your land into smaller sections according to geographic features such as slope or soil type.



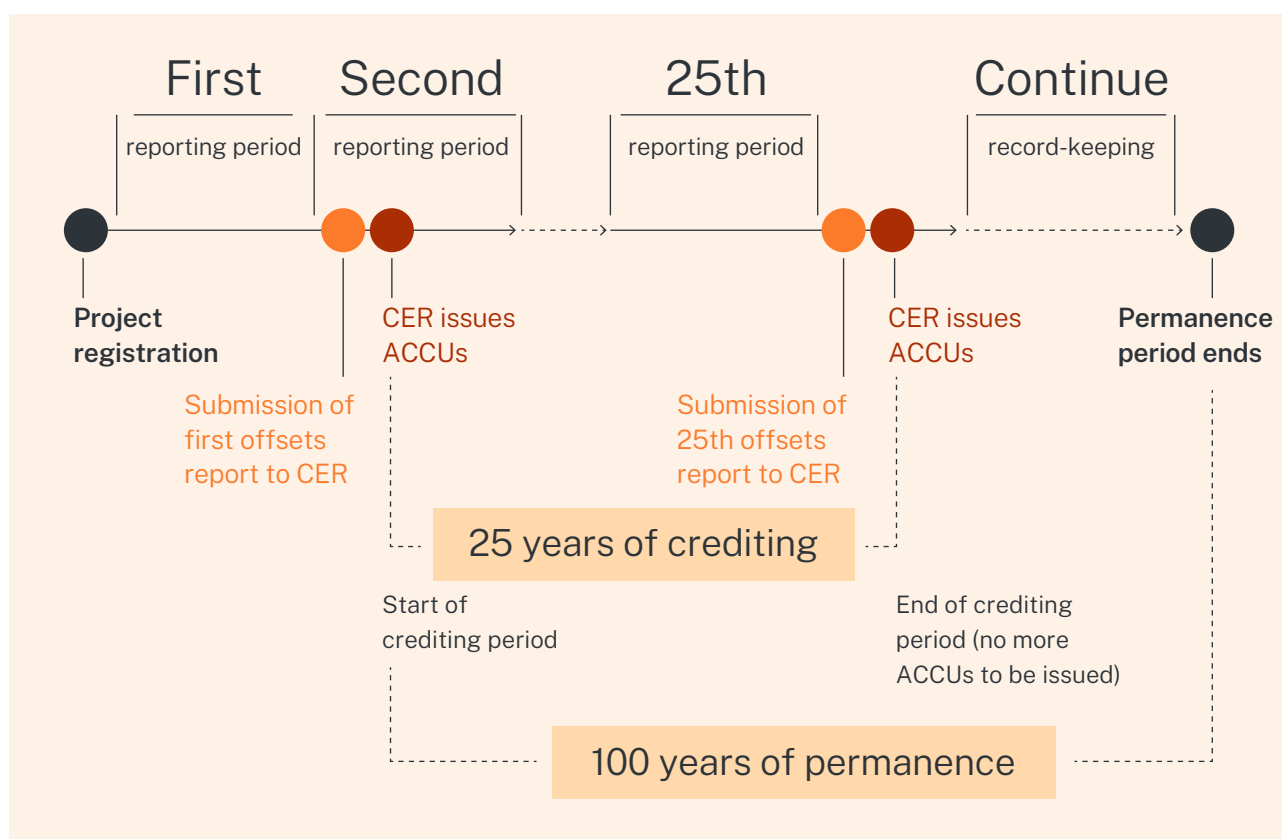
Project timeframes and milestones

Project methods have different timeframes depending on the type of project (sequestration or emissions avoidance) and your preference. During the feasibility study it is important to understand and determine the following:

- **Reporting period** –you can vary the frequency of reporting but reporting must occur within the allowed reporting period set by the CER
- **Crediting period** - the total time in which your project may claim ACCUs (25 years)
- **Permanence period** - the total time your sequestration project will be maintained for. You can choose a permanence period of 25 or 100 years.

Examples	Reporting period	Crediting period	Permanence period
Environmental plantings, human-induced regeneration, soil carbon	Between 6 months –5 years	25 years	25 years or 100 years

Example timeline of an environmental planting project with reporting periods of 1 year and a 100-year permanence period:



Forward abatement estimate

The forward abatement estimate (FAE) is the estimated number of ACCUs that the project will generate throughout its lifetime. The [CSIRO LOOC-C.farm](#) tool can be used before the feasibility stage to provide an early indication of your FAE. A more accurate estimate specific to your Country will need to be calculated during the feasibility stage.

FAE is estimated using different tools and varies between methods. For vegetation projects, you can use the Full Carbon Accounting Model (FullCAM) tool and for tidal restoration projects you can use the Blue Carbon Accounting Model (BlueCAM). Some methods do not have tools like this to estimate the potential carbon abatement of the project (e.g. soil carbon method). A CSP can advise and assist to implement the best strategy to obtain the FAE in most cases. It is essential that the FAE in a feasibility study is calculated based on your site and carbon project method.

Keep in mind that different approaches to projects under the same method will result in different FAE. For example, depending on the density (number of plants per hectare) you will get different results for environmental planting projects.



More ACCUS isn't always best. You will need to consider a range of factors, such as biodiversity outcomes you are seeking as well as other environmental and cultural factors.



Grazing and cropping are undertaken alongside a reforestation and afforestation carbon project at *Barooga Karrai*, Wiradjuri Country.



Koala, Liverpool Plains, Kamilaroi Country
Photo credit: NSW Department of Planning and Environment

Estimating costs

You will need to know the initial start-up costs for your project, as well as ongoing costs over the project's lifetime. Costs are different for each project method and will vary depending on your Country, the project activities, resources needed (e.g. machinery, infrastructure, training and labour), and length of time to run your project.

All projects will require upfront legal and financial advice, and are likely to incur some feasibility and project management fees. The first year of implementation will likely incur the highest costs, regardless of the method chosen. Expenses will vary from year to year. Below is an example of potential costs for an environmental planting project.

Example

Cost per ha environmental planting project project – year 1

Trees		Labour – weeding and monitoring		General project costs	
Number of trees (stock) per ha	300	Times per year	4		
Cost per tree	\$1.50	Weeding (3 hr @ \$40/hr per ha)	\$120.00		
Trees for in-fill planting (15% of total trees)	45	Monitoring (0.5 hr @ \$40/hr per ha)	\$20.00		
Total cost of trees per ha	\$517.50	Total cost of weeding & monitoring per ha	\$560.00		
Stakes and guards		Labour – site preparation, planting and tree guarding		<ul style="list-style-type: none">• Feasibility study• Preparation of documents for registraion• Project management and coordination• Project registration• Project management plan• CER coordination and project management• Project reporting• Monitoring• Auditing• Legal fees• Financial advice• Brokerage fees• Media and project documentation	
Number needed (not all species need guarding)	150	Site preparation –clearing weeds, digging holes (8 hr @ \$40/hr per ha)	\$320.00		
Cost per guard	\$1.15	Planting & guarding (8 hr @ \$40/hr per ha)	\$320.00		
Cost per stake	\$0.70	In-filling planting (15% of initial planting) and guarding (1.2 hr @ \$40/hr per ha)	\$48.00		
Total cost of stakes & guards per ha	\$277.50	Total cost of labour per ha	\$688.00		
Consumables					Disclaimer
Weed spray per ha	\$45.00				
Fuel per ha	\$45.00				
Total cost of consumables per ha	\$90.00				
Total cost for year 1 – 2133/ha					

- Feasibility study
- Preparation of documents for registraion
- Project management and coordination
- Project registration
- Project management plan
- CER coordination and project management
- Project reporting
- Monitoring
- Auditing
- Legal fees
- Financial advice
- Brokerage fees
- Media and project documentation

Disclaimer

\$ values used in this example cannot be relied upon and must be calculated for each project. Figures are based on September 2022 prices.

Example

Cost per ha environmental planting project – future years

Note: cost does not include inflation rates or project management and coordination costs.

Years 2, 3 and 4

Trees (10% of total trees)		Labour – in-filling planting	
Trees for in-fill planting per ha (10% of total trees)	30	In-filling planting (10% of initial planting) (0.8 hr @ \$40/hr per ha)	\$32.00
Cost per tree	\$1.50		
Total cost of trees per ha	\$45.00	Total cost of labour per ha	\$32.00
Stakes and guards		Labour – weeding and monitoring	
New stakes and guards (20% of initial number)	30	Times per year	2
Cost per guard	\$1.15	Weeding (3 hr @ \$40/hr per ha)	\$120.00
Cost per stake	\$0.70	Monitoring (0.5 hr @ \$40/hr per ha)	\$20.00
Total cost of stakes & guards per ha	\$55.50	Total cost of weeding and monitoring per ha	\$280.00
Consumables			
Weed spray per ha	\$45.00		
Fuel per ha	\$45.00		
Total cost of consumables per ha	\$90.00		

Total cost/ha for years 2, 3 & 4 – \$503/ha

Year 5 onwards

Labour – weeding and monitoring	
Times per year	1
Weeding (1 hr @ \$40/hr per ha)	\$40.00
Monitoring (0.5 hr @ \$40/hr per ha)	\$20.00
Total cost of weeding and monitoring per ha	\$60.00
Consumables	
Weed spray per ha	\$45.00
Fuel per ha	\$45.00
Total cost of consumables per ha	\$90.00

Years 5 to 25 – \$150/ha

Calculating project profit

To estimate the amount of money you will make from the sale of carbon credits, you need to multiply the FAE by the ACCU price and subtract the project costs.

Consider the following factors when calculating your project profit over the project's lifetime to make the estimations as accurate as possible:

- inflation rates that affect the costs of goods and services over time
- trends in ACCU prices (ACCU prices are expected to increase every year)
- trends for co-benefits (can you receive more money for your co-benefits?)
- wage increases for project staff
- permanence obligations from the CER applied to the ACCUs volumes
- risk of reversal buffer from the CER applied to the ACCUs volumes
- additional risk discounts for unforeseen events.

Remember that you will not receive money until the ACCUs are sold. If you have signed a contract with a third-party provider, you may not have control over when your ACCUs are sold, which may impact future revenue streams.

The table below provides an example of factors applied to an environmental planting project.

Factors	Example (hypothetical scenario)
Permanence period	25 years
Annual inflation rate (average for all costs)	6%
Current ACCU price	\$35
ACCU price increase rate (annual)	5%
Permanence obligation and risk of reversal buffer	25%
Additional environmental risks voluntarily applied	10%

Why is an additional risk discount needed?

This is not a requirement from the CER, but will help you estimate your financial returns in a conservative way. This is particularly recommended in areas prone to natural disasters, such as fires and flooding.

Artwork by Auntie Kath Withers, Wiradjuri Walk, Wagga Wagga, Wiradjuri Country.





Tubestock ready for planting. Wirraminna Environmental Education Centre, Burrumbuttock, Wiradjuri Country.

What are permanence obligations and risk of reversal buffer?

The ACCU Scheme requires sequestration projects to choose a permanence period of either 25 or 100 years. Sequestration of carbon is considered permanent if carbon is stored for at least 100 years. Given there is a risk that carbon could be released back into the atmosphere due to a range of potential

events (e.g. bushfire), a 'risk of reversal buffer' is applied. This is equivalent to a 5% reduction in ACCUs and applies to all sequestration projects. Projects that choose the 25 year permanence period are also subject to a 20% discount of ACCUs. To find out more visit [cleanenergyregulator.gov.au](https://www.cleanenergyregulator.gov.au)

Project type	Permanence period	Permanence obligation	Risk of reversal buffer	Total discount
Sequestration project (e.g, environmental planting)	25 years	20%	5%	25%
	100 years	0%	5%	5%

Risks to consider



Consider the opportunity cost of undertaking a carbon project. The opportunity cost is the value of an alternative use of land

forgone because of the decision to set up a carbon project. Ecological, cultural and economic considerations should be taken into account within the opportunity cost. Watch out for potential risks such as those outlined below.



Project risks

Risk mitigation strategy

Governance risks

- People involved with the project leave or change roles
- Records and data are not maintained correctly
- Access permits to project site or other permissions expire

→ Set up a project management plan, understand the method requirements, and follow agreed internal decision-making processes.

Establish internal record-keeping and communication processes to make sure information is regularly reviewed, shared and easily transferred to people in new roles.

Cultural risks

- Some projects may limit access to Country and opportunities to engage in traditional practices.
- The carbon project prevents access to cultural sites
- Your story may be used by companies purchasing your ACCUs in unintended ways.

→ Carefully consider all decisions which affect access to and use of Country, now and in the future. Consider implications for continued cultural practices, traditions and identity.

Map cultural sites, access paths and meeting places with Elders and community before committing to a carbon project.

Make sure you understand the method and any restricted activities.

Seek legal advice to protect Indigenous Cultural and Intellectual Property rights.

Legal and property risks

- Legal obstacles caused by not having agreements in place with all parties when land tenure, land ownership and native title co-exist
- Carbon projects have maintenance obligations for 25–100 years and this can affect future transfer of land

→ Seek independent legal and property advice before starting a project.

Project risks	Risk mitigation strategy
Financial risks <ul style="list-style-type: none"> • Costs are underestimated • Delays on receiving ACCU and revenue • Dropping ACCU price, meaning less revenue for the project • An extreme event such as a bushfire or drought causes significant plant losses and loss of upfront investment 	<p>→ Undertake a feasibility study and seek independent financial advice before you start. Revise and update project budgets regularly.</p> <p>Incorporate a risk discount or buffer when forecasting ACCUs / profit.</p> <p>Follow market trends and negotiate a fair price for your ACCUs.</p>
Environmental risks <ul style="list-style-type: none"> • Bushfires, flooding, drought • Global warming (e.g. sea level rise, desertification) 	<p>→ Seek expert ecological advice.</p> <p>Have a contingency plan and maintain a separate fund to support recovery works in the event of a natural disaster.</p>
Intergenerational equity risks <ul style="list-style-type: none"> • Permanency requirements mean that future generations will need to maintain projects to meet permanency obligations • Future generations may be limited in future decisions regarding land use change. 	<p>→ Allow input from younger generations and Elders.</p> <p>Undertake long term planning with broad community input.</p>
Project management risks <ul style="list-style-type: none"> • Permanency requirements and maintenance obligations mean you will need a long term strategy to support ongoing management and maintenance for many years • Reporting and monitoring costs. Failure to report on time may result in additional costs/penalties. 	<p>→ Develop a succession plan before you commit to the project.</p> <p>Make sure the project management team/Board are aware of reporting requirements, schedule, and penalties.</p>
Opportunity costs <ul style="list-style-type: none"> • The opportunity cost is the value of an alternative use of land forgone because of the decision to set up a carbon project. 	<p>→ Undertake a thorough review of community aspirations for your land and weigh up different alternatives. Ecological, cultural and economic considerations should be taken into account along with immediate and long term goals. What do you want for Country in 10, 25 or 100 years?</p>

Other things to keep in mind when managing your project:

Can you make changes to your project?

You can make some changes to your project via the CER Client Portal. Some of these changes include:

- changing the project area size
- transferring your project to a new version of the method
- changing project participants / proponent. If changing the proponent ensure they have the legal right and meet the CER's FPP requirement. (CSPs, project proponent).
- changing the start date of your project to commence 18 months after the project is declared.



Kolety River, Deniliquin, Wamba Wamba and Perrepa Perrepa Country. **Photo Credit:** Ava Kirkby, Office of Energy and Climate Change

What happens to your ACCUs if a natural disaster strikes?

You must have submitted a permanence project plan when your project was registered. If a natural disaster such as a bushfire affects your project you could lose some or all of the trees and the carbon that was stored in them. If such an event occurs, you must notify the CER within 60 days and provide evidence that you:

- followed your permanence plan
- took actions to prevent the fire (e.g. firebreaks, weeding)
- took mitigation actions after the fire to reduce its impacts (e.g. in-filling planting or setting seeding rows).

This way you may not lose the ACCUs that you have already received, though it could result in your project producing less ACCUs than expected.

Can you terminate your project at any time?

If at any point, you decide that you do not want to continue your carbon project, you can revoke it. If you revoke the project before the end of the permanence period, you will have to give back all the ACCUs you have received from the CER. If you sold the ACCUs, you will have to buy ACCUs from the carbon market and give them to the CER.

If you revoke your project before having received ACCUs from the CER, you do not have to give anything back.

Things to consider before signing an agreement



If the project is deemed viable after you have completed the feasibility study and considered potential risks, it is time to consider if commercial agreements are needed to implement your project. Seeking independent legal and financial advice and discussing contracts with your organisation or board is critical before signing any agreements.

Consider the following BEFORE you sign:

- Has the CSP communicated in a straightforward, transparent and respectful manner?
- Does the CSP understand and follow the principles of FPIC?
- Have administrative and compliance requirements under the method been explained to you and are they detailed in the contract?
- Does the CSP understand the social, cultural, economic and environmental needs and priorities of your community?
- Have you made the CSP aware of future aspirations for your land and does the project align?
- Has the CSP shared the results of the feasibility study with you? Are you aware of the emissions abatement, costs and revenue of the project?
- Are the CSPs fees and services clearly defined?
- Has the CSP discussed the potential risks of the project and who is responsible?
- Are there clear co-benefits for the community and Country?
- Have you agreed who will provide the funding, labour and other resources required?
- Are roles, responsibilities and breaches of contract clearly defined for all parties?
- Have dispute resolution processes and timeframes been discussed and included?
- How long is the contract for and can either party end the contract?
- Are project schedules and timeframes documented?
- How and when will you be paid, and will you have control over the sale of ACCUs?
- How will Indigenous cultural and intellectual property be recognised and protected?
- Will you have control over media associated with your project and who purchases your credits?
- Have you sought independent financial and legal advice?
- Do you have community support for your project?
- Does your board/organisation agree to proceed?
- Are all necessary approvals and authorities in place in order to proceed, for example, land dealing approvals under the Aboriginal Land Rights Act (ALRA)?

After signing a contract, most project partners will require a project management plan to be developed prior to project registration and implementation of activities.

The project management plan must be specific to the project method, and it must factor in how the project will meet the requirements of the method and the CER.

Registering your project



To register a project with the CER, the project proponent must create a CER Client Portal account and submit the completed 'Client

Information' and 'Application to register a project' forms.

The Client Information form requests details about the project proponent(s), including copies of identification documents and Australian Federal Police checks.

This form also includes a 'Fit and Proper Person' (FPP) declaration section to ensure that the project owner has the capacity, means, character and skills to complete the carbon project effectively. The FPP declaration must be completed to be eligible to open an Australian National Registry of Emissions Units (ANREU) account.

The project registration application form compiles information about project participants and other details including:

- Project details: name of the project, description of the project, method type, start date of the project, crediting period, total FAE and projected average annual

abatement, proposed activities, location and maps, whether it is an individual or aggregated project, and skills required to run the project.

- Eligibility requirements for each method: newness and additionality.
- Legal rights: if you do not have exclusive tenure of the land, you must provide evidence that you have obtained the legal right to carry out the project and receive ACCUs, through agreements, permits, and interest holder consent from all eligible interest holders.
- A project permanence plan for carbon sequestration projects (e.g. environmental planting) sets out activities that will be undertaken to maintain the carbon throughout the permanence period (e.g. maintaining fences, restricting livestock or maintaining fire breaks).

The CER will review and approve your project within 90 days of registration submission. Once approved, the CER will notify you of the outcome and your project will be published on the online ACCU project register.

The screenshot shows the 'Step 1 - Apply' page of the Clean Energy Regulator's project registration process. The page has a blue header with the Australian Government logo and 'EMISSIONS REDUCTION FUND' text. A search bar and media center links are in the top right. The main navigation bar includes links for 'About the Clean Energy Regulator', 'Emissions Reduction Fund', 'National Greenhouse and Energy Reporting', 'Renewable Energy Target', 'Information hubs', and 'Our systems - logins and guidance'. The breadcrumb trail reads: 'Clean Energy Regulator > Emissions Reduction Fund > Want to participate in the ACCU Scheme > Step 1 - Apply'. On the left, a sidebar menu lists various options, with 'Step 1 - Apply' highlighted. The main content area is titled 'Step 1 - Apply' and includes a date '01 August 2023' and an 'ERF' tag. It states: 'There are 4 steps to participate in the ACCU (Australian Carbon Credit Unit) Scheme (formerly known as the Emissions Reduction Fund)'. Below this is a section titled 'Four steps to participate in the ACCU Scheme' with four boxes: 'STEP 1 Apply', 'STEP 2 Establishing a contract', 'STEP 3 Reporting and auditing', and 'STEP 4 Delivery and payment'. To the right, a 'Suggested Reading' section lists links for 'Forms and resources', 'Eligibility criteria', 'Choosing a project type', and 'Planning a project'. At the bottom, a paragraph explains that participation in the ACCU Scheme is open to individuals, sole traders, companies, local, state and territory government bodies and trusts, and that a 'forward abatement estimate' must be supplied.

Screen shot of the Clean Energy Regulator project registration page.

Visit: www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund/Step-1-Apply

Project implementation



Project implementation is when all the visions and plans become real and on-ground activities take place.

Make sure you have an overarching project management plan ready before project implementation begins.

“

Carbon projects can provide an opportunity to get mob back on Country, build skills and bring communities together.



Walking Banbai Country, Guyra.

Photo credit: Luc Farago, Northern Tablelands Local Land Services



The project management plan should include:

- Scope, vision and targets
- Goals, strategies and objectives
- Roles and responsibilities
- Work plan (projects activities)
- Timeline
- Budget
- Maps of project area and planting design if required
- Project milestones e.g. monitoring, reporting and auditing deadlines
- Monitoring plans
- Permanence plan
- List of internal and external stakeholders, including roles in the project and contact details
- Risk assessment and mitigation plans
- Quality assurance processes
- Media plan including approvals process

Below is an example of implementation activities for an environmental planting project.

The implementation activities below will be a subset of your overarching project management plan. It is important to consider seasonal, weather and climate impacts that could significantly affect timing of carbon project implementation activities.

If you don't have reasonable conditions for planting it may be better to delay implementation of your project activities to increase the chances of plant survival and a successful project in years to come.

Project timeline



Sourcing seeds

Seeds can be collected on Country, or purchased from local suppliers. It is important that the seeds are sourced from different parent trees in order to maintain genetic diversity and ensure that they stay healthy throughout their lifecycle. It may be appropriate to include some species from other areas depending on their resilience to future climate change.



Set up a nursery space

Some species of trees might be planted directly as seeds into soil on Country, and others might be propagated in nurseries.

For your nursery you need:

- access to water
- shade cloth if it is not in a greenhouse
- seedling trays and/or pots to transfer seedlings to
- storage for equipment, seeds and soil



Site preparation

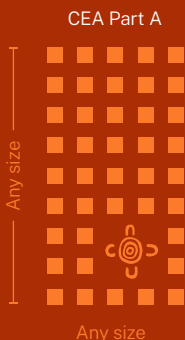
Soil preparation is important to foster a healthy start for plants. For planting trees you first need to dig holes, using either manual tools such as a pottiputki planter or machine tools such as a tractor mounted tree digger. If the project is in a dry area, or going through a dry season, you may also need to add water crystals in the ground where the seeds or tube stock will go. Depending on the soil type and condition, site preparation may need to commence several weeks or months before planting commences.



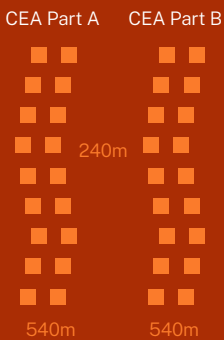
Planting

The environmental planting method requires proponents to select a planting design ('geometry') in your project management plan. You can select belt or block plantings. You can still incorporate areas for cultural activities into your designs, such as a meeting place. To do so you just need to mark it in your planting and exclude that area in the design.

Block planting example



Belt planting example





Reconciliation Shield, Yindymarra Sculpture Walk, Albury, Wiradjuri Country. Artist: Tamara Murray.



Ongoing management and monitoring

Examples of activities (environmental planting)		
Project management	→ Organising resources and people to deliver the project on time as per the project management plan and delivery schedules.	→ <ul style="list-style-type: none"> • Organising payroll • Purchasing new equipment when needed • Coordinating with project partners
Maintenance activities	→ Once the project is set up and the initial project activities carried out, some maintenance is required to ensure the project achieves its expected outcomes and generates the forecasted ACCUs.	→ <ul style="list-style-type: none"> • Weeding • Replacement of tree guards • Watering the trees if needed during drier months/year • Thinning of vegetation
Management activities	→ Management activities ensure that your permanence obligations are met (storage of carbon for 25 years or 100 years).	→ <ul style="list-style-type: none"> • Maintaining fences to keep cattle or other animals from eating the trees • Maintaining fire breaks around the planting site
Monitoring activities	→ You must record all project activities, including activities during the implementation phase, management and maintenance activities. Similarly, all disturbances in the project area must be recorded.	→ <ul style="list-style-type: none"> • Records of trees planted • Records of fires • Records of weeding activities
Record keeping	→ Records must be kept for at least five years after the end of the reporting period in which the activities took place.	→ If thinning occurred in Year 10 of a project during a reporting period that ended in December 2021, then you must keep those records until December 2026.
Cultural outcomes	→ Keep track of any cultural practices the carbon project has strengthened or supported.	→ <ul style="list-style-type: none"> • Access to Country • Bushfood collection • Ceremony

If you choose a permanence period of 100 years, you won't need to submit further offsets reports to the CER after the crediting period ends (25 years since your first ACCUs are issued). The CER may request to review the project records at any time.

Reporting and auditing



Once the monitoring of the project has been conducted and the data analysed, it must be submitted to the CER in an offsets report. The offsets report must detail activities that were undertaken during the reporting period and the carbon emissions reductions achieved by the project, also known as carbon abatement.

Sequestration projects must also provide records about their management activities as per their 'permanence plan' with some of their offset reports. Sequestration projects are generally reported on every 2-5 years.

Most carbon projects must be independently audited by a member of the Register of Greenhouse and Energy Auditors at least three times during the project lifespan. The audit will confirm whether the project successfully reduced carbon emissions from the atmosphere and if all project requirements were met. Audits are generally paid for by project proponents and must follow the audit schedule provided by the CER upon registration.

For environmental planting projects greater than 200 ha, audits may be required in Years 4, 13 and 23 of the project. However, this can vary depending on the amount of ACCUs generated, for example, higher volumes may require additional audits.



Environmental Planting Pilot projects not bigger than 200 ha do not require auditing; provided the project proponent is the owner, leaseholder or native title holder of the land.

Receiving and selling credits



Following a successful period of emissions reduction, the project will be eligible for carbon credits. You can submit an application for ACCUs via the CER Client Portal.

The application must include:

- an offsets report for the reporting period
- a signed application for carbon credits
- an audit report (if required by the audit schedule)
- information relevant to the project method used, such as data from calculation tools/ models and maps.

The CER will take up to 90 days to review the application and request further information if needed. Once the CER is satisfied with the information provided, the CER will provide the project proponent with a certificate of entitlement confirming the number of ACCUs to be issued to the project proponent's ANREU account.

ACCUs generated from carbon projects can be sold as soon as they are issued on the voluntary market, or through a contract with the Australian Government.

Selling ACCUs to the voluntary market allows you to capitalise on increasing market prices. However, it can require effort and time to find the right buyer. A broker may be able to assist you.

You must open an ANREU account with the CER before submitting your first offsets report to the CER.

An ANREU account is like a bank account for ACCUs.

The power of your story

Carbon credits from Indigenous projects often receive a premium. Voluntary market buyers committed to reconciliation, environmental and social governance will seek to have their brand associated with a carbon project that is delivering co-benefits for First Nations communities.

Remember that your story and images belong to you and should only be used with your consent. Consider putting in place media arrangements that are valid for a specified time period where you have authorised use of approved images, digital footage and quotes that can only be used by the buyer during that period and cannot be shared with third parties. Setting expiry dates for authorised/licensed use of imagery that your organisation has approved is important to protect against future misuse or misappropriation of Indigenous Cultural and Intellectual Property and prevent publication in the event someone passes.

It's important to have a shared conversation with your community and organisation to decide if a buyer's company aligns with your values and whether or not you want your project to be associated with their brand.

Consider how and why you would like your story/images to be used, the value to your community and if there are any risks associated with entering into media agreements.



Include clauses in legal agreements and ACCU sale contracts to ensure you retain ownership of your story, and that your story is only used in the way you intend it to be.

For more information read *Keeping your story strong* in the ICIN Indigenous carbon projects guide at www.icin.org.au/resources



Mural, Lake Cargelligo, Wiradjuri Country.

Artists: Sandon Gibbs-O'Neill, Lindsay Kirby, Georgina Kelly, Tanya Smith.



Stars above the Warrumbungles, Gamilaroi Country. Photo credit: Guy Fleming

5

Funding and support

There are government agencies and service providers that can help Aboriginal organisations plan and implement carbon farming projects on Country. These organisations may be able to assist by coordinating resources, providing training opportunities and access to funding.

NSW Aboriginal Land Council (NSWALC) has a 'Business Enterprise Program' that can provide financing to businesses set up by Aboriginal communities. Three tiers of funding is available: Business Development Funding (up to \$50,000), Early Stage Investment Loans (up to \$500,000) and Equity (up to \$2 million). More information on these funding packages is available from NSWALC alc.org.au. NSWALC also has annual Community Fund Grants available, which aim to provide resources to less advantaged LALCs.

The Indigenous Land and Sea Corporation (ILSC) runs a program called 'Our Country Our Future' which assists Aboriginal people in managing and developing land or water-based interests. This program could be used to apply for funds for the establishment costs of your project or for plant and equipment required for ongoing management. The ILSC may also be able to assist with capability support or provide advice about your project.

Your community may wish to partner with other like-minded organisations such as natural resource management groups or philanthropic groups to deliver mutually beneficial outcomes. Some organisations may be able to provide 'in-kind' support, such as advice and expertise, or access to plant and equipment to assist you to implement your project.

The NSW Government has grants and support available through the 'Primary Industries Productivity and Abatement Program'. To find out more email netzero.land@environment.nsw.gov.au

Who can provide support for Aboriginal carbon projects in NSW?

- Aboriginal networks
- NSW Aboriginal Land Council (NSWALC)
- Indigenous Land and Sea Corporation (ILSC)
- NSW state grants, advice and support email netzero.land@environment.nsw.gov.au



Planting near Tingha, Anaiwan Country. **Photo credit:** Luc Farago, Northern Tablelands Local Land Services

Useful organisations

Organisation	About this organisation
Aboriginal Affairs NSW	<p>Aboriginal Affairs NSW works with Aboriginal communities to promote social, economic and cultural wellbeing through opportunity, choice, healing, responsibility and empowerment.</p> <p>They implement OCHRE (Opportunities, Choices, Healing, Responsibility and Employment), the NSW Government's plan for Aboriginal affairs, to establish partnerships for economic prosperity, support effective Aboriginal community governance and strengthen cultural identity and language.</p> <p>aboriginalaffairs.nsw.gov.au</p>
Carbon Market Institute (CMI)	<p>The CMI is an independent peak industry body for the carbon farming industry. They are responsible for administering the Australian Carbon Industry Code of Conduct.</p> <p>carbonmarketinstitute.org</p>
Clean Energy Regulator (CER)	<p>The CER is the Australian Government body responsible for administering legislation that will reduce carbon emissions and increase the use of clean energy.</p> <p>cleanenergyregulator.gov.au</p>
Indigenous Business Australia (IBA)	<p>IBA's objective is to provide quality leadership in facilitating and enabling Aboriginal and Torres Strait Islander engagement in the wider economy.</p> <p>iba.gov.au</p>
Indigenous Carbon Industry Network (ICIN)	<p>ICIN is a network of Indigenous-owned organisations that operate across north Australia to develop and deliver carbon projects.</p> <p>icin.org.au</p>
Indigenous Land and Sea Corporation (ILSC)	<p>The ILSC assists Indigenous people with the acquisition and management of land, salt water and fresh water so they can achieve economic, environmental, social and cultural benefits.</p> <p>ilsc.gov.au</p>

Organisation	About this organisation
Local Land Services (LLS)	<p>LLS is a regional-focused NSW Government agency delivering services to farmers, landholders and the wider community. LLS works with Aboriginal communities to include them in the delivery of land services across NSW. This includes engagement and partnership opportunities for co-design.</p> <p>lls.nsw.gov.au</p>
National Indigenous Australians Agency (NIAA)	<p>The NIAA works to support the Minister for Indigenous Australians and is committed to improving the lives of all Aboriginal and Torres Strait Islander peoples. NIAA provides support and funding to Indigenous land and sea management, including supporting Indigenous rangers and Indigenous Protected Areas.</p> <p>niaa.gov.au</p>
New South Wales Aboriginal Land Council (NSWALC)	<p>NSWALC is the State's peak representative body for Local Aboriginal Land Councils and Aboriginal land rights. The organisation aims to protect the interests and further the aspirations of its members and the broader Aboriginal community. NSWALC works towards the return of culturally significant and economically viable land, pursuing cultural, social and economic independence for Aboriginal people.</p> <p>alc.org.au</p>
Office of the Registrar of Indigenous Corporations (ORIC)	<p>ORIC supports and regulates the corporations that are incorporated under the 'Corporations (Aboriginal and Torres Strait Islander) Act 2006' (CATSI ACT). It provides a tailored service that responds to the special needs of Aboriginal and Torres Strait Islander groups and corporations. It strives for national and international best practice in corporate governance. It offers advice on incorporating and delivering training for directors, members, and key staff in good corporate governance, ensuring corporations comply with the law, and intervening when needed.</p> <p>oric.gov.au</p>

Carbon on Country

energy.nsw.gov.au/carbononcountry

netzero.land@environment.nsw.gov.au

