



Australian Government  
Department of Climate Change  
and Energy Efficiency

# The Carbon Farming Initiative

Eliza Murray  
Carbon Farming Policy Branch



thinkchange

[www.climatechange.gov.au](http://www.climatechange.gov.au)

# Stakeholder engagement

- Consultation paper
  - Around 280 submissions
- Presentations and meetings
  - More than 350 individuals from 250 organisations
- ... and more to come!

# Carbon Farming Initiative - Overview

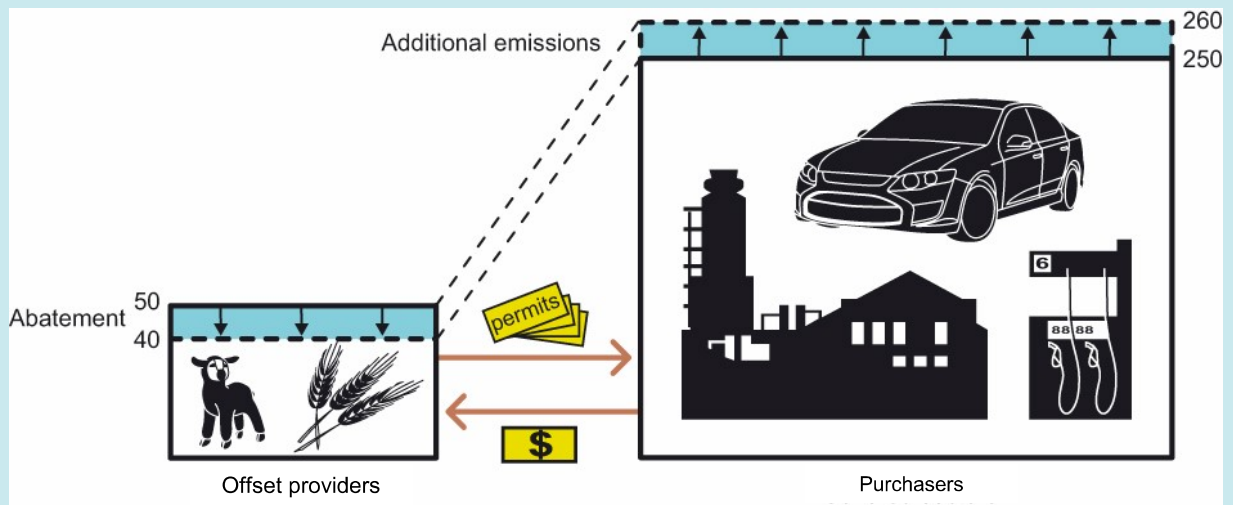
## ■ Three components

- Crediting mechanism for land sector abatement
- Development of methodologies (DCCEE & DAFF)
- Information to help farmers benefit from the scheme (DAFF)

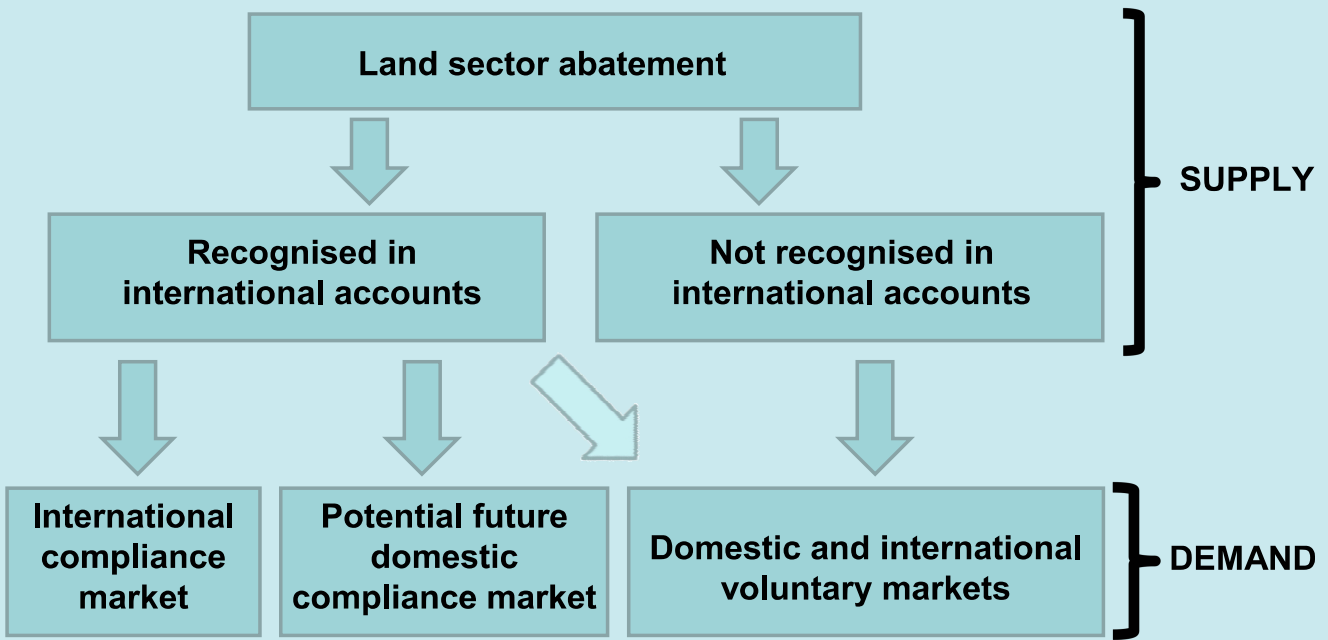
# Eligible Activities

- Land sector abatement (Kyoto and non-Kyoto)
  - Reforestation, forest management, native forest protection, revegetation
  - Soil carbon, including biochar
  - Reduced fertiliser use and manure management
  - Savanna fire management
  - Reduced emissions from landfill waste
  - Reductions in livestock emissions

# How offsets schemes work



# Scope of Carbon Farming Initiative



thinkchange

[www.climatechange.gov.au](http://www.climatechange.gov.au)

# Integrity Principles

- Additional
- Permanent
- Avoidance of leakage
- Measurable
- Conservative
- Internationally consistent
- Supported by peer-reviewed science

# Avoiding adverse impact

- Must meet environment, planning and water requirements
- Consider regional NRM plans
- 'Negative' list
  - Projects with significant adverse impacts for water, biodiversity, communities or employment
  - No clearing of native forests
  - No conversion of plantations into permanent sinks



# Additionality

## ■ Positive list

- Activities beyond common business practice
- Identified by Government – stakeholder consultation, surveys
- Likely activities:
  - Establishing permanent plantings
  - Manure management
  - Savanna fire management
  - Landfill flaring
- Not projects that are mandatory or that governments have already paid for



thinkchange

[www.climatechange.gov.au](http://www.climatechange.gov.au)

# Permanence obligations

- Maintain carbon or hand back credits
- Re-establishment carbon after a fire or drought
- Carbon maintenance obligation
  - ‘runs with the land’
- Risk of reversal buffer
  - temporary losses whilst carbon is re-established
  - wrong doing that can't be remedied



thinkchange

[www.climatechange.gov.au](http://www.climatechange.gov.au)

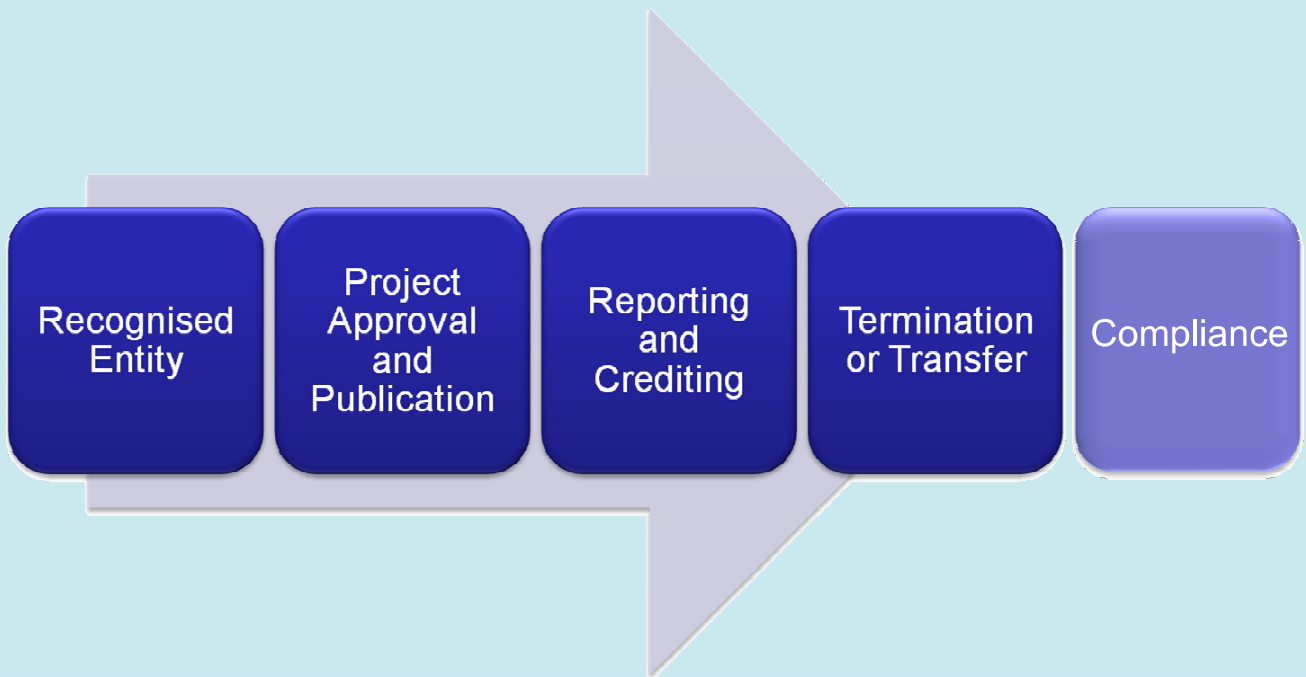
# Measurable

- Bottom up and top down development of methodologies
- Assessed by DOIC for approval by Minister
- Rules and procedures for:
  - Determining baseline emissions
  - Identifying and estimating leakage
  - Estimating abatement
  - Project monitoring
  - Project-specific record keeping
  - Project-specific reporting

# Government methodologies

- Reforestation – permanent environmental plantings
- Reforestation – field based methodology
- Regrowth forests
- Native forest protection
  
- ...and assisting private methodology developers.

# Scheme Mechanics



# Project Approval

- Approved by scheme administrator
  - Eligibility requirements
    - Environmental, planning and water requirements
    - Not required by regulation
    - Biosequestration projects
      - Evidence of carbon ownership
      - Consent of interest holders
      - Noted on land title
    - Consideration of regional natural resource management plans

# Publication of Project Information

- Public database of offset projects:
  - Project description, including location
  - Project Manager and carbon rights holders
  - Offset units issued (and relinquishment)
  - Applicable methodology
  - Any carbon maintenance obligation
  - Optional: information about biodiversity and other co-benefits

# Reporting and Crediting

## ■ Reporting

- In accordance with methodology
  - Between 12 months and 5 years
- Independently verified
- Report major changes to the project

## ■ Crediting

- Issued after abatement
- Into National Registry



# Exporting AAUs and ERUs

- Kyoto recognised abatement
  - Guidance maps - Kyoto land eligibility
- Report and elect to receive Kyoto units by end March 2013
- New arrangements possible after 2012

# Transfer and Termination

- Emissions reduction projects
  - terminated by the project proponent
  - transferred to another registered entity
- Biosequestration projects
  - terminated if units are relinquished
  - transferred to another registered entity with approval of the administrator

Questions?