Australian Government
Clean Energy Regulator

Audit Thresholds Instrument consultation

Coversheet for submissions

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Do you want this submission to be treated as confidential?	Yes ☐ No ☒

Submission instructions

Submissions are due by **5 pm AEDT, Sunday 15 December 2024**. Any submissions received after this date will be considered at the discretion of the Clean Energy Regulator. You can email your submission to StrategyCoordination@cer.gov.au. Please include this coversheet with your submission.

Confidentiality and privacy

The Clean Energy Regulator will treat all submissions as public documents, unless the author requests the submission be treated as confidential. Public submissions may be published in full on the Clean Energy Regulator's website. If published, the submission will include the individual's or organisation's name along with the relevant state or territory.

A request may be made under the *Freedom of Information Act 1982* (Cth) for a submission marked 'confidential' to be made available. Such requests will be determined in accordance with provisions under the *Freedom of Information Act 1982*.

The agency will deal with personal information contained in, or provided in relation to, submissions in accordance with the privacy policy.

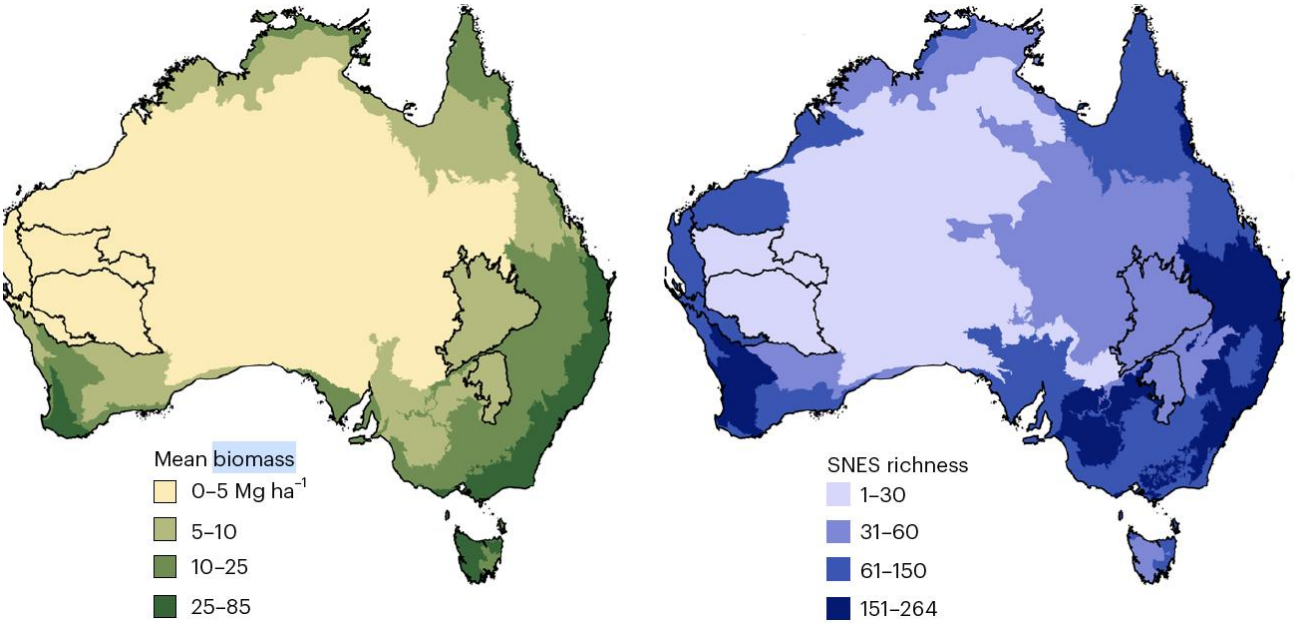
Evidence for the need to change approach to auditing for environmental plantings

Maximum carbon is in the coastal areas of Australia where ACCU Scheme projects are smallest

Maximum Biomass and hence carbon storage potential is focused on coastal areas of Australia which also offers non-carbon benefits of high biodiversity that coincides with areas of highest number of species of national environmental significance as. This is shown in the diagram below which is a screenshot from a recent paper (Engert and van Oosterzee 2024 Limits to the ability of carbon farming projects to deliver benefits for threatened species *Nature Ecology and Evolution*).

This research shows that fewer than 20% of ACCU Scheme projects occur in areas of the highest biomass. These areas are also where the smallest of ACCU scheme projects because of the high property values and higher rewards through agriculture.

Therefore, **areas where ACCU Scheme projects are most needed are least likely to undertake restoration**. **The crucial issue on these smaller areas is the cost of restoration particularly the cost of audits.**



Audit costs will hinder uptake of ACCU Scheme projects where they are most needed

Case Study

Our project in the Wet Tropics bioregion, the Thiaki Rainforest Restoration Project, comprises 44 ha of restoration plantings, and our summed ACCUs *over the entire crediting period* we will not reach the annual 50,000tCO_2-e threshold for small projects. Notwithstanding this, Thiaki is considered a significant restoration project for this bioregion. Virtually all the tens of thousands of hectares available for restoration in this bioregion, will be smaller that 200 ha and most will be smaller than 50-100 ha a situation probably mirrored across all the high biomass bioregions of Australia.

The audit thresholds don't match real world situations. Small projects of 20-50ha (probably most projects) would have the same audit requirements as a project of around 1000 ha.

Costs are the killer of restoration projects Australia-wide as evidenced by low uptake

Audit costs can be considerable, easily up to $50,000 per audit. On top of administrative and establishment costs, small landholders across Australia have turned away from carbon farming as exemplified in our project being only one of three registered under the ACCU Scheme and the only one to earn ACCUS for environmental plantings over the entire Wet Tropics bioregion.

Restoration projects should have alternative assurance arrangements

We strongly recommend that audits be discontinued for environmental plantings methods including forthcoming methods that incorporate environmental planting. These are low-risk, but highly significant projects for carbon and biodiversity.

Remote sensing and geospatial analysis which increasingly offer powerful, efficient and scalable options for monitoring should be used instead.