



Audit Thresholds Instrument consultation

Coversheet for submissions

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Do you want this submission to be treated as confidential? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

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](#).

NRM Regions Australia - Submission on ACCU project Audit Thresholds December 2024

Response to question 3. Should alternative assurance arrangements be extended to the new reforestation by environmental or mallee plantings method and, if so, are any changes required?

NRM Regions Australia strongly supports extending alternative assurance arrangements to the new Reforestation by Environmental or Mallee Plantings method. Regional NRM organisations were long term advocates for simplified arrangements for the establishment and auditing of small environmental plantings, and welcomed the initial introduction of the streamlined Environmental Plantings Pilot.

Continuing the alternative measures offer two key benefits- increasing scheme participation overall, and supporting participation in new areas with higher biodiversity values.

1. **Increasing scheme participation.** Complexity and expense are two key barriers to participation in carbon farming projects for landholders with smaller properties. The alternative assurance measures help to address this by:
 - Offering an 'entry level' experience for landholders. The reduced complexity of the alternative assurance arrangements should make carbon farming accessible to landholders that don't have carbon farming knowledge or experience. The 'entry level' experience offers an opportunity for landholders to start out on a small project and experience the benefits of participation, and build confidence to participate in a larger carbon farming project at a later date.
 - Lower associated costs - which includes both reduced audit costs, and possible avoidance of fees/benefit sharing with carbon service providers, as the simplified pathway provides greater opportunity for landholders to self-manage their own projects.
2. **Supporting participation in new, ecologically important areas:** Research released this year ¹ found that most carbon farming projects are occurring in low-cost, marginal arid lands, rather than the more productive, higher-cost areas that overlap more with threatened species habitat. Applying alternative assurance arrangements to smaller projects means:
 - Landholders in areas of higher land value/increased potential to support threatened species habitat, have a lower cost, streamlined, pathway to participate in an ACCU project in areas across Australia where conservation efforts are needed.
 - The likelihood of projects to overlap in terms of ACCU output and Biodiversity Certificate generation increases. Projects in areas that are more valuable in terms of the ecological gain are more likely to be eligible - and the payments to be attractive - under the Nature Repair Market. This increased overlap can increase participation in both schemes.

The following example provided by Melbourne Water demonstrates the practical value of the alternative assurance arrangements to date:

"Melbourne Water has registered two small projects with significant biodiversity and catchment benefits that would not have been viable without being able to record and account for the value of carbon sequestration in a cost-effective, formally recognised way. We are using these projects both to meet carbon targets and communicate the multiple benefits of carbon storage to the water-bill paying community. We see such projects as helpful to the overall public perception of the integrity of emissions management programs, and as a key part of unlocking multiple benefits from carbon storage programs."

¹ Engert, J.E., van Oosterzee, P. Limits to the ability of carbon farming projects to deliver benefits for threatened species. *Nat Ecol Evol* (2024). <https://doi.org/10.1038/s41559-024-02580-9>

Investment in a bigger role for regional NRM organisations is indicated

In line with the government's support and commitment to exploring the increased role for regional NRM organisations in carbon farming (see summary of announcement below), we would like to highlight that resourcing regional NRM organisations to support landholders to participate in straightforward environmental and mallee plantings projects offers many advantages. While some landholders may be able to participate in the ACCU scheme under the alternative assurance arrangements without any external support, where projects are larger, or more complex i.e. involve multiple sites, landholders may be more likely to participate if provided with some planning support and advice. Regional NRM organisations played this role in the C+B pilot program, and are ideally placed to do so again, given their role as trusted, independent advisors in sustainable land management and environmental restoration.

Resourcing regional NRM organisations to directly support participation in carbon farming projects will:

- Increase participation through regional NRMs extensive networks of both production and conservation focused landholders.
- Support collective peer-to-peer landholder learning, as regional NRM organisations bring people together to enable this.
- Link small projects together to maximise the co-benefits and support achievement of landscape-scale outcomes - as is being demonstrated in the North Coast Local Land Services Biodiverse Carbon pilot (<https://nrmregionsaustralia.com.au/wp-content/uploads/2022/10/Partnering-for-impact-North-Coast-Local-Land-Services.pdf>).
- Deliver outcomes specified under regional NRM plans - as per the intention of the CFI Act 2011 requirement for carbon farming projects to be consistent with the plans.
- Deliver a potential resource saving to CER, if regional NRM organisations took over the task of helping landholders to register carbon farming projects with alternative assurance arrangements.
- Support development of high integrity projects that maximise co-benefits for landholders and others- regional NRM organisations are independent, and do not have an incentive to maximise ACCUs where this may undermine delivery of co-benefits that are desired by the landholder, or achievable for the community and environment.

Government response to Climate Change Authority Advice - August 2024

In August this year, the Australian Government accepted the recommendation of the Climate Change Authority that the government *“amend the CFI Act to expand the role of regional Natural Resource Management (NRM) plans and organisations in informing the planning and establishment of ACCU projects, and resource NRM organisations accordingly.”*

The government committed to:

“further explore the role of NRM organisations in the ACCU Scheme through Stage 3 ACCU Review reforms, including any overlap or interaction with needs of the Nature Repair Market. Implementation of this recommendation would require legislative amendment and may require resourcing.”

Contact: NRM Regions Australia CEO Dr Kate Andrews for more information

