

## Western Australian Carbon Farming and Land Restoration Program

# FAQs – Frequently Asked Questions



## CF-LRP ACCU Plus Funding and Eligibility

This document should be read in conjunction with the [2022/23 Program Guidelines – ACCU Plus](#)

### Can existing projects apply for the Carbon Farming and Land Restoration Program (CF-LRP)?

No. The Program is designed to increase the uptake of new carbon farming activities, so projects must meet the eligibility requirements of *newness and additionality*.

### Is a carbon emissions avoidance project eligible for the CF-LRP ACCU Plus?

No. Eligible projects need to implement land management activities that *sequester (store) carbon*. Projects must use eligible Emissions Reduction Fund soil and vegetation methods as defined in the *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth).

### Is there a minimum project size?

No. Applicants should choose an area based on long term economic viability and co-benefit impact.

### Do projects have to be registered with the Clean Energy Regulator (CER) before applying?

No, however projects must be eligible for registration, be in the process of being registered, or be registered (but not commenced) with the Clean (CER).

Before applying you should ensure that your project can meet CER eligibility requirements.

Funding is conditional upon successful registration within four months of the Funding Agreement being signed.

## When can I start my project?

To be eligible for CF-LRP funding, project activities can only begin after the announcement of successful projects. See the [Program Guidelines](#) section six.

CER eligibility requires that project activities (e.g., ground preparation, purchasing seedlings, pasture seeding, nutrient application etc) do not commence until CER registration is received.

Due to seasonal constraints, soil projects may undertake baseline soil sampling between applying for, and receiving, CER registration. If baseline soil sampling is undertaken during this period, the proponent is responsible for sampling costs and eligibility implications if the CF-LRP Funding Agreement and/or CER registration does not proceed.

## Do I have to promise all ACCUs generated to the Rural Business Development Corporation (RBDC) as repayment for the funding assistance?

No. Applicants propose the number of Australian Carbon Credit Units (ACCUs) offered to the RBDC and the funding request. All remaining and future ACCUs can be retained as an asset or sold for additional income.

## What happens if my project does not generate enough ACCUs?

Applicants should consider the risk of non-delivery when deciding how many ACCUs to offer the RBDC. You should keep a 'buffer' – a percentage of ACCUs held back to help manage risk.

Likewise, the proposed co-benefits should be realistic and take into consideration the timeframe needed to achieve measurable milestones.

## What tools are available to assess my project's co-benefits and sequestration potential?

The [Co-benefits Standard](#) can help you identify and define co-benefits, and should be used in conjunction with the [Co-benefits Information Portal](#), (an interactive mapping tool), other information sources and on-ground evidence to validate your project's potential.

An independent assessment of carbon estimation should be undertaken.

Visit the [Resources](#) page for tools and information including carbon calculators.

## Who is responsible for verifying the project co-benefits?

Independent verification is not a requirement of the CF-LRP.

Some co-benefits can be easily monitored by the landholder as explained in the [Co-benefits Standard](#) and you can seek advice from experts such as agricultural consultants, ecologists, agronomists or NRM groups to develop a monitoring and reporting plan.

The proposed monitoring and reporting of co-benefits will assist the selection process, and delivery of co-benefits will be reported on at agreed milestones over the funding period

# Carbon Service providers

## Do I need to use a carbon service provider?

Obtaining advice from a carbon service provider or agricultural consultant with carbon project knowledge is recommended. You can manage the project yourself or choose to engage a service provider to undertake all or some of the project activities. Payments to service providers need to be considered from a cost/benefit perspective and as a risk management strategy.

All carbon service providers participating in CF-LRP projects (i.e., project applicant, developer, or advisor) must be a signatory to the [Australian Carbon Industry Code of Conduct](#). The [Service Provider Directory](#) can assist you to identify a provider.

Independent advice should always be obtained before entering any agreement with a developer.

# General Carbon Farming Advice

## Should I sell my carbon credits or keep them on my balance sheet?

It is your choice whether to keep or sell all your ACCUs, or to “mix and match” your ACCU balance.

The carbon credit asset value will fluctuate in line with supply and demand from emitters, and other market forces can influence the carbon market. Financial advice on ACCU trading, investment and price forecasting should be obtained from a person with an Australian Financial Services Licence.

## Can ACCUs used to offset my farm’s emissions also be sold?

An ACCU can only be cancelled (or used) once. If you sell an ACCU to another party (e.g., for income or under agreement to a carbon service developer), you cannot use them to offset your emissions.

## What are the tax implications of earning income from ACCUs or grants?

It is recommended that landholders contemplating a carbon farming project or receiving funding from the CF-LRP seek independent financial advice on the tax implications.

## Do farmers have to ‘register’ a carbon farming project for carbon accounting or can they just measure their carbon stocks?

A project must be registered with the CER to generate ACCUs, which provides the holder with the option to sell into the market, hold as an asset, or cancel to offset emissions.

CER registration is not required if the purpose of on-farm carbon sequestration is to off-set your own business or product emissions. Regular measurement of increasing carbon stocks can contribute to verification for carbon neutral certification via other pathways.

One example is Climate Active, a partnership between the Australian government and business, however this is not an agricultural-based certification program. There are several international carbon offset schemes with varying integrity standards. Landholders should seek professional advice regarding certification programs or standards which best suit their business needs.

## Can the property be sold if there is a carbon project on the land?

Yes, but there are implications when selling a property with an active carbon project. Until the permanence period (25 or 100 years) has ended, selling the land may require transferring the project and associated responsibilities to the new landowner.

Sellers must ensure that prospective buyers are aware of the permanence obligation, and the buyer of the land must inform themselves about the project. Discuss the implications and your circumstances with your financial advisor.

## What happens if a fire causes a loss of the stored carbon?

Applicants are responsible for managing permanence requirements with the CER and taking reasonable steps to protect the carbon by maintaining firebreaks and working with your local fire agency to mitigate risks.

If more than 50 hectares or 5% of your total project area - whichever is smaller, is affected by fire, you need to notify the CER in writing within 60 days.

If all reasonable precautions are in place, there are no penalties for carbon loss by wildfire, however no further ACCUs will be issued until carbon stocks recover to previous ACCU-issuance levels through re-planting or natural recovery. If the proponent chooses not to continue the project, the project will be revoked and any ACCUs already issued must be returned to the CER.

### Important disclaimer

The Chief Executive Officer of the Department of Primary Industries and Regional Development and the State of Western Australia accept no liability whatsoever by reason of negligence or otherwise arising from the use or release of this information or any part of it.

Copyright © Department of Primary Industries and Regional Development, 2022.