**A collage of different types of land

Description automatically generatedCarbon Farming Outreach Program   
training package**

Topic 5

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Contents

[Carbon Farming Outreach Program training package 4](#_Toc199856881)

[Topic 5: The Australian Carbon Credit Unit Scheme 9](#_Toc199856882)

[5.1 Overview and learning outcomes 9](#_Toc199856883)

[5.2 Australian Carbon Credit Units 11](#_Toc199856884)

[5.3 Establishing an ACCU Scheme project 22](#_Toc199856885)

[5.4 Earning ACCUs 26](#_Toc199856886)

[5.5 Trading ACCUs 26](#_Toc199856887)

[5.6 Activity 28](#_Toc199856888)

[5.7 Other resources 29](#_Toc199856889)

# Carbon Farming Outreach Program training package

The Carbon Farming Outreach Program training package provides information to help farmers and land managers make decisions about reducing greenhouse gas (GHG) emissions and storing carbon.

The training package comprises 5 topics:

Topic 1: introducing carbon farming
Topic 2: What carbon farming means for farmers and land managers
Topic 3: Your greenhouse gas account
Topic 4: Planning carbon farming activities
Topic 5: The Australian Carbon Credit Unit Scheme

## Watch these videos

In this video (4:38 minutes), presenters Gail Reynolds-Adamson and Matt Woods introduce the Carbon Farming Outreach Program, and the training package structure and content.

Video: [Welcome to the Carbon Farming Outreach Program (youtube.com)](https://www.youtube.com/watch?v=CmsO5OI_53U)

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| **Transcript** |
| GAIL REYNOLDS-ADAMSON: Hi, and welcome to Carbon Farming Outreach Training package.  Kaya Kepa Kurl Noongar Boodja. My name is Gail Reynolds-Adamson, and I'm a proud Noongar woman from Wudjari Country, on the eastern border of the Noongar nation in Kepa Kurl, also known as Esperance. 'Kepa' is water, 'Kurl' is boomerang, and its where the waters lie like a boomerang.  MATT WOODS: Hi, Gail, and welcome, everyone. I'm Matt Woods, an agricultural and science journalist.  Today, we're at my home, outside Bacchus Marsh, on the border of Wurundjeri, Woiwurrung, and Wathaurong Country of the Kulin Nation, and I pay my respects to Elders past, present, and future.  In the valley below me is the Bacchus Marsh agricultural district, where market gardeners and orchardists farm some of the deepest top soil in Australia.  I've been on hundreds of farms and spoken to thousands of farmers from one end of Australia to the other. And if there's one subject top of mind for every farmer, it's profitability.  And that's actually what this training package is about. Because, in most cases, good carbon farming practices will improve the profitability and health of your land. Whether you want to enter the carbon market or not, the truly great outcome with carbon farming is that it can be a win-win: good for your farm business, land, and the environment.  REYNOLDS-ADAMSON: Thanks, Matt. It's great to be part of this Carbon Farming Outreach Program training package, and to be able to share with farmers and land managers from all over Australia some of the who, what, when, where, and why, of carbon farming.  This includes evidence-based knowledge and practices both from Western and traditional Aboriginal Torres Strait Islander culture.  I'm the chairperson of Esperance Tjaltjraak Native Title Aboriginal Corporation in Western Australia. I'll be sharing more about the tree rejuvenation project we are running at Kardutjaanup to show you the many benefits, but also the risk requirements involved with this type of carbon farming.  WOODS: The aim of this package, through five short topics, is to give you the carbon farming essentials from expert practitioners, farmers, and land managers in all Ag (agriculture) sectors across Australia, like Gail, who've already embarked on carbon farming projects.  They'll share some tips and tricks with you, including why and how they did it, what technology and techniques they used, what worked, what didn't and who helped them along the way. We've also carefully researched and selected resources, materials, and tools that may benefit you and presented them by Ag (agriculture) sector and location for your convenience.  We know that you don't have loads of time to spend sitting in front of a computer. And that you need your learning to be relevant, targeted, accessible, and practical.  Each of the five topics should take you no more than one hour individually.  But we've also provided additional content and case studies if you want to find out more.  Short videos like this, as well as interviews and explainers, will allow you to access this package anywhere, anytime.  REYNOLDS-ADAMSON: The Carbon Farming Outreach Program training package won't make you an expert in carbon farming, but it will teach you the essential things you should know before embarking on carbon farming.  This includes benefits and risks, potential pathways to action, and the decision you will need to make, including whether or not to trade carbon credits, and some resources you can refer to for your location and type of practice. Importantly, we will help you to understand who you should talk to, what you should look out for when you are choosing advisors, and to ensure that you are getting quality, trusted, independent advice.  WOODS: Finally, each topic concludes with some relevant focusing questions, for you to consider in relation to your own circumstances.  Whether you're just learning about carbon farming for the first time and are exploring your options or had some experience and want to find out more, this package can help you. Think of it as like having a yarn with your neighbours over the fence about their carbon farming project. |



In this video (4:03 minutes), Professor Richard Eckard discusses the need for carbon farming.

Video: [Carbon Farming Outreach Program (youtube.com)](https://www.youtube.com/watch?v=TwaAPwsxYHY&t=25s)

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| **Transcript** |
| PROFESSOR RICHARD ECKARD: For farmers and land managers to meet the goal of reduced emissions starting in 2030 through to 2050, they need to know what to do next, what steps to do next, and they need to know where the policy environment is coming from, who's asking them to be low emissions, what the targets are, and then what the options are for them to start responding.  Hi. I'm Richard Eckard, professor in the Faculty of Science at the University of Melbourne. I lead the Primary Industries Climate Challenges Centre, which researches the impact of climate change on agriculture and agriculture on climate.  What we're seeing is all the multinational supply chain companies that deal with agricultural produce have set targets, targets for reduced greenhouse gas emissions. And they average somewhere around 30 percent less emissions by 2030 and net zero by 2050. What we also know is about 70 percent of Australian agricultural produce is exported down these multinational supply chain targets. And so how does Australia perform on the global stage when those companies start buying globally to meet their target?  So it's really imperative that farmers and land managers get on board to know how do they gear their system to deliver the low emissions product that the supply chain will want to buy by 2030. What we're trying to do is just bring up the knowledge that carbon farming is a part of their future.  There is this trajectory towards lower emissions. So making them aware of the policy environment, of the supply chain constraints, of how they need a partnership with their supply chain, to achieve this. And then some awareness of what is their number, how do they get their number, and how do they move down the track towards improving that number. And what are the technologies they can bring to bear to reduce their number, their greenhouse gas footprint?  So these will be things to start with are just best practice. Best practice that we've known for the last 40 years. Things like nitrogen use efficiency, better crop yields, better soil testing, better growth rates in livestock, feeding animals better, bringing legumes into agriculture. These are all things we've known for a long time that improve efficiency, but also reduce the greenhouse gas footprint.  Australia is already 22 percent more rainfall variable than any other country in the world, and the historic management of the land took that into account. Now we're becoming aware of this in how we do carbon farming, that we have to actually change from strictly European farming systems to systems that are more attuned to this high variability we're encountering. And so there's a lot to be learned from the Indigenous land management practices that we need to then incorporate into traditional farming, non Indigenous farming, so that it actually is a bit more in tune with the high variability we have in Australia.  Now the world needs to go net zero by 2050. What we haven't really reconciled is where does the big emission reduction take place? Obviously, it has to happen in the fossil fuel sector.  But we need to move towards, well, what can agriculture contribute to that inevitable net zero? And what can they contribute towards the 2030 goal? Now not every agricultural sector has the identical opportunity. We've got some intensive horticulture for example that have very low emissions and almost nothing to do to get to net zero apart from renewable energy. But you've got an extensive livestock sector where a lot of northern cattle stations, we don't even know how many cattle are there. So the challenges are vastly different, and this is what the program is trying to address is who has what options to move forward and what are those options. |

## Using this training package

This training package provides introductory information, and sources of further information and advice. References to third-party material, information or products or services do not represent endorsements. This training package does not provide detailed information that farmers and land managers may need when making decisions about carbon farming for their own particular circumstances. This training package is not a substitute for independent professional advice. Before making decisions about carbon farming, you may need to obtain more information and independent advice relevant to your particular circumstances.

**Acknowledgement of C****ountry**

The Australian Government acknowledges the Traditional Owners and custodians of all the lands across Australia. We pay respect to all Aboriginal and Torres Strait Islanders, including elders, past and present. We also express our gratitude and appreciation for the ongoing stewardship of Country that Aboriginal and Torres Strait Islanders have practised for thousands of years. We understand that we all have much to learn from traditional ways of knowing, being and doing.

**Statement of intent**

This training package has been developed in consultation and collaboration with an Aboriginal and Torres Strait Islander reference group. We thank them for their generosity with time, expertise, and patience. We recognise Aboriginal and Torres Strait Islanders as rights holders and value the opportunity for Aboriginal and Torres Strait Islanders to engage with farmers and land managers in meaningful dialogue to weave traditional practices into carbon farming. Aboriginal and Torres Strait Islanders offer invaluable traditional ecological knowledge that complements the expertise of other farmers and land managers. Together, farmers, land managers and Aboriginal and Torres Strait Islanders are practising carbon farming methods that respect traditional insights and modern science. As co-innovators, we are exploring new pathways to reduce carbon footprints through joint carbon farming initiatives and preserving the land for future generations.

Aboriginal and Torres Strait Islander people should be aware that this website, the videos it contains and links to First Nations resources may contain images, voices and names of deceased persons.

# Topic 5: The Australian Carbon Credit Unit Scheme

## Time to complete this topic

About 60 minutes to read the information in this topic. Additional content includes videos, activities and links to other resources which may require extra time to complete.

A screenshot of a computer screen

AI-generated content may be incorrect.In this topic:

### Overview and learning outcomes

## Overview

In this topic, you will learn about the Australian Carbon Credit Unit (ACCU) Scheme (previously known as the Emissions Reduction Fund). You will learn how farmers and land managers can run an ACCU Scheme project and earn ACCUs.

The topic broadly looks at requirements for ACCU Scheme projects. The requirements include following a legislated method. Before deciding whether to run an ACCU Scheme project, you must understand the scheme’s requirements.

The topic examines how to set up an ACCU Scheme project. This includes deciding the project proponent, determining your legal right to run the project and getting the consent of eligible interest holders, which might include First Nations people and their organisations.

The topic explains providing evidence of GHG emissions reduced or avoided or carbon stored and earning ACCUs. It looks at selling the ACCUs a project earns. It explains ‘offsetting’: a process where organisations or individuals buy and then cancel ACCUs to reduce their net emissions. It briefly explains how the market works.

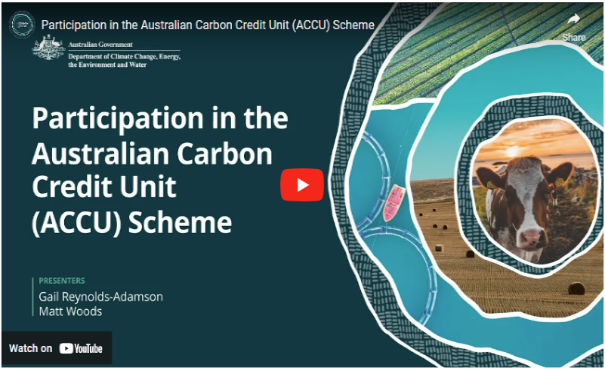
## Learning outcomes

After completing this topic, you will be able to:

* describe the ACCU Scheme and ACCUs
* outline the methods applicable to ACCU Scheme projects
* explain the scheme’s eligibility requirements and the process of establishing an ACCU Scheme project
* recognise the obligations and risks involved in establishing and running a project
* identify First Nations ACCU Scheme projects and activities
* explain why and how ACCUs are bought and sold
* recognise how ACCUs with verified, in-demand co-benefits can attract higher prices in the market.

This topic and other topics provide links to a range of sources of useful information about the ACCU Scheme. Some aspects of the ACCU Scheme, such as available methods, are subject to change over time. Before making any decisions about conducting an ACCU Scheme project, you should check the [Clean Energy Regulator website](https://cer.gov.au/) for up-to-date information about the scheme.

## Watch this video

In this video (2:12 minutes), presenters Gail Reynolds-Adamson and Matt Woods introduce Topic 5 and provide important context.

Video: [Participation in the Australian Carbon Credit Unit (ACCU) Scheme (youtube.com)](https://www.youtube.com/watch?v=AmwJPhLRku4)

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| **Transcript** |
| MATT WOODS: If you're watching this video, chances are you're seriously considering participating in an ACCU scheme. You may also have identified trusted advisers in your area to discuss this with further.  Alternatively, you may still be undecided and needing information before making your decision.  This is a good call. It's important not to rush into these things. Either way, you've come to the right place.  GAIL REYNOLDS-ADAMSON: In this topic, we'll investigate the ins and outs of the ACCU scheme in more detail, including farming and or landholders' obligations and the process of applying, establishing a contract, reporting, auditing, and how payments work. We'll run through the various activities that the ACCU scheme supports and discuss the pros and cons of these activities and other factors you must consider before deciding to participate.  WOODS: We'll provide detailed information from the Clean Energy Regulator, the government body that oversees the ACCU scheme. In addition, we're going to introduce you to some farmers and landholders who are participating to learn more about how it works in practice and give us some tips and tricks to avoid traps and pitfalls.  REYNOLDS-ADAMSON: There are also some specific benefits for First Nations people participating in the scheme, and it's important for all farmers and landholders to be aware of the specific legal and cultural requirements of these.  WOODS: When you complete this topic, including the focus questions, you'll have come to the end of the Carbon Farming Outreach Program training package. As you know, there are plenty of additional resources to delve into to extend your learning.  REYNOLDS-ADAMSON: And remember, this package is only a guide, and you need to seek trusted, independent advice before making any final decisions. Good luck. |

### Australian Carbon Credit Units

## Watch this video

In this video (13:25 minutes), Matt Woods and Dr Philip Ireland discuss vegetation carbon projects and how the ACCU Scheme works.

Video: [Vegetation and carbon credits: Expert interview with Philip Ireland (youtube.com)](https://www.youtube.com/watch?v=EsFKPIfhDJ0)

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| **Transcript** |
| MATT WOODS: Hello. I'm Matt Woods, and with me is doctor Philip Ireland. Phil has worked in climate change policy for 20 years. And is currently the CEO of Carbon Neutral, one of Australia's oldest carbon project developers. He's worked on large scale environmental initiatives at a global level, is a founder and director of Hone Carbon, a soil carbon measurement startup, and a director of the national Soil Carbon Industry Group. Phil has a PhD in Climate Change adaptation and has worked in UN climate change negotiations. Phil, why is carbon farming as a mitigation to climate change important?  DOCTOR PHILIP IRELAND: Thank you. Carbon farming is incredibly important. In my work in climate change over 20 years, most of what I've done has been working on policy to reduce emissions going into the atmosphere. But as my career has progressed, I've recognised and the broader scientific community has recognised that we need to also draw carbon emissions out of the atmosphere if we're to achieve any of our targets and keep a safe climate. One of the best ways to draw carbon out of the atmosphere is through agricultural methods, through sequestering carbon into biomass, but also into soil organic carbon.  WOODS: In Australia, agriculture accounts for about seventeen percent of our emissions, can agriculture be seen as part of solution to climate change?  IRELAND: Agriculture has to be part of the solution. We can't achieve our targets without it.  One of the really interesting facts that has come out recently is that if we were to take all of the world's agricultural soils, and increase soil organic carbon by one percent in one metre of those soils, we would draw almost half of the historical emissions of our species out of the atmosphere. Soils and biomass have a huge potential to help us get to our net zero targets.  WOODS: I'm gonna move to carbon credits now. How does that system work in Australia, the carbon credit system?  IRELAND: So the Australian carbon credit system is one of the longest-standing carbon credit systems in the world, and it's been developed over successive governments. There are a number of methods that we use. In very broad terms, the system works by incentivising individuals and businesses to reduce their emissions, to avoid potential emissions and to draw carbon dioxide out of the atmosphere.  Using methods that sit under those broad three categories, individuals and businesses are then awarded a carbon credit unit or in Australia, we call it an ACCU, an Australian Carbon Credit Unit. That unit represents a tonne of carbon and that, once it's generated, can be sold and traded.  WOODS: Okay. I think there's a bit of confusion with farmers and landowners about how mature this market is. Is this something they can do today? Can they get involved in it now?  IRELAND: Absolutely. The market was first established a bit over ten years ago around 2011, and since it has had a number of changes and evolutions.  It's become a lot more sophisticated in recent years, with a number of very specific methodologies for very specific approaches to reducing emissions and drawing carbon out of the atmosphere. On the ACCU scheme website, the methods for farmers and landholders fall under the sections of agriculture and vegetation.  Under agriculture, there are a number of methods to reduce animal waste and effluent going into the atmosphere. There's also a method for increasing soil organic carbon, which is one of the fastest growing methods, and I believe one of the most exciting.  Under vegetation, there are a number of different things that landholders can do. They can plant plantations that have to remain in the ground for a set number of years, and they can also do reforestation using native and biodiverse species.  So carbon farming has a whole range of benefits for landholders, and a lot of these aren't talked about. Upfront, better management of your land for carbon can increase yield and profitability of your property. We know, greater soil organic carbon can reduce the need for more expensive fertilisers and chemicals.  We can think about carbon also as another crop. You're going in a process of de-risking the revenue of your property by providing more possible pathways for revenue. So that's number one, increasing yields and profitability.  Number two is climate change adaptation and resilience.  You're increasing your farm's and your land's ability to adapt to changes that are happening and are coming into the climate. We know increased soil organic carbon can increase water retention and water holding capacity of soils for times of drought. We know that trees and windbreaks can protect livestock from inclement weather, and we know the weather may become more windy and more unpredictable into the future. So you're making your property more resilient and adapted.  The third thing is that you're also contributing to climate change mitigation.  Farmers and landholders can get involved right now. They can register projects. They can be drawing carbon out of the atmosphere, and they can be generating extra revenue for their properties.  WOODS: Great. I'm sure every farmer's interested in extra revenue. What about the risks, though, to their business?  IRELAND: There are a number of risks. There are risks in all aspects of agriculture.  I'd encourage anyone looking at getting involved in carbon farming to do good due diligence on the people that they're working with and the methods.  The key thing to keep in mind is the long term obligations and commitments that you're putting your farm and future generations that are managing your farm under.  Under most carbon credit methods, you're making a commitment to permanence. We call it a permanence period of 25 to a hundred years. So in the instance of soil carbon, you're committing to draw carbon out of the atmosphere and then hold that carbon in the soil for a period of time. In vegetation and biomass methods, you're committing to growing trees, plants and shrubs and keeping those trees, plants and shrubs growing, and on the land, for a set period of time. There are obviously other risks associated with it as well, which are covered in this course.  One is that there is some volatility in the market for carbon as there are in all agricultural commodities. You can think about carbon as another crop. Another thing that you're growing on your property and you have to manage that in a similar way you have to manage other commodities that you're producing.  WOODS: Okay. So if I'm a farmer or land manager, and I want to get involved in it today, what's your top line advice of where to start and what to do?  IRELAND: There are lots of carbon project developers out there. They'll have different revenue and partnership models, which will suit different farmers in different ways. Definitely look into what they're offering and how they're getting paid for that offering. Is it an upfront fee or is it a long term share of the carbon credits? Both are legitimate ways, but they'll have different applications for you and different prices.  The second thing I would say is whilst it can be overwhelming, don't be overwhelmed and take your time. This isn't going anywhere, And over time, there will become more requirements, not just of farmers and landholders, but of all businesses - to be measuring their greenhouse gas emissions, reducing where they can, and in some cases, like landholders, drawing carbon out of the atmosphere. And engaging with this system will ultimately hopefully help for your farm's productivity and resilience to a changing climate.  So the first place to start is with the government website. So there's this thing called the ACCU scheme, the A-C-C-U scheme. It used to be called the Emissions Reduction Fund. You might be familiar with that. And this all sits under a government agency called the Clean Energy Regulator.  Over many years, they've made those materials more accessible, but that's your first stop when dealing with anything like this, because those websites cover the policy. They also are the doorways into registering projects and all these types of things.  From there, there are lots of carbon project developers and advisors that sit around that. But all of those bodies as well will be referring back to the government website.  WOODS: Okay. Any advice for people looking into this about potential consultants that they might want to get involved with?  IRELAND: There are a number of different consultants. I obviously work for one of those companies. There are ten to fifteen companies in Australia; a simple web search will bring up a number of these.  My encouragement would be to: If you want to bring on an advisor or a carbon project developer, look around, do your due diligence, really try to understand what their revenue model is. Some carbon project developers will support you for an upfront fee, and that's all. Other carbon project developers may not charge you a fee, but will take a share of your long term carbon.  Other carbon project developers will partner with you and help you generate the carbon, whereas others will stand back. So depending on what your needs are, there will be an advisor and a developer to help you, but definitely look around.  WOODS: Maybe ask some other people that have been involved, that you trust; farmers, land managers?  IRELAND: Absolutely. You should be able to find some other farmers in your region who have done something in this space. And if not, there are networks on social media and other places. There are also more and more media articles about this. Landline has started covering this. It's on the ABC. So you should be able to verify who's around and what they're doing.  WOODS: Terrific. Final question, Phil. What is the win-win-win scenario for carbon farming?  IRELAND: So I believe for farmers, there are at least three wins with engaging carbon farming. It's increased farm profitability, it's farm adaptation to climate change and it's contribution to mitigation of climate change. On farm profitability, managing and increasing carbon on your property can increase yields of crops.  For example, we know that increased soil organic carbon increases the fertility of the soil, which can reduce the need for more expensive, and also carbon intensive fertilisers.  Windbreaks can help sheep and other animals survive inclement weather. And carbon could be thought of as another crop in your property. So when you're growing a crop, you've got your above-ground yield with whatever you're producing. You've got your below-ground yield of carbon. So it's contributing to de-risking of your future revenue flows by finding more diversified income bases.  Secondly, with adaptation, we know we're facing currently a changing climate, and it will change further into the future. A healthy farm, a farm with greater soil organic carbon with more trees, is a farm that's more resilient to those changes. We know soil with more soil organic carbon can hold and retain more water for dry times. We know trees form windbreaks and shade for animals, and there are a whole range of other co-benefits.  And finally, with mitigation, I believe over the long term, most farms will be drawing more carbon out of the atmosphere than they're actually putting into the atmosphere.  So farms and landholders are gonna play huge role in the mitigation of climate change, which isn't just good for future generations and the environment. It's going to be good for profitability of that property.  WOODS: Terrific. Thanks, Phil. I really appreciate your time.  IRELAND: My pleasure. Thanks for having me. |

## The ACCU Scheme

The [ACCU Scheme](https://www.cleanenergyregulator.gov.au/ERF/About-the-Emissions-Reduction-Fund#:~:text=The%20ACCU%20Scheme%20offers%20landholders,sequester%20carbon%20from%20the%20atmosphere) offers farmers and land managers opportunities to run projects in Australia that reduce or avoid GHG emissions or store more carbon. Carbon farming projects, as well as energy efficiency, waste, transport and industrial processes projects, can take part in the scheme. The scheme is established under the [Carbon Credits (Carbon Farming Initiative) Act 2011](http://www.comlaw.gov.au/Series/C2011A00101). Participation in the ACCU Scheme is voluntary.

## ACCUs

An ACCU is a regulated, tradeable financial unit. One ACCU represents one tonne of CO2-e stored or avoided by an ACCU project.

The Australian Government’s Clean Energy Regulator administers the ACCU Scheme. It issues ACCUs for an approved project once the project proponent shows their project has reduced emissions or stored carbon and submits an offsets report. Before issuing ACCUs, the Clean Energy Regulator verifies the reported emissions reductions or carbon stored against the eligibility requirements of the applicable method. Then, the Clean Energy Regulator issues ACCUs in the proponent’s account in the [Australian National Registry of Emissions Units](https://nationalregistry.cleanenergyregulator.gov.au/) (ANREU). The proponent can sell or keep their ACCUs.

The Clean Energy Regulator’s [ACCU Scheme project register](https://www.cleanenergyregulator.gov.au/ERF/project-and-contracts-registers/project-register) has a summary of registered ACCU projects and ACCUs issued and relinquished (returned).

## ACCU Scheme project eligibility requirements

An ACCU Scheme project must:

* follow a legislated method
* be new: the activity cannot have started before being registered with the Clean Energy Regulator
* not be required to be conducted by Commonwealth, State or Territory law or regulation
* not be already funded by a government program listed in the Carbon Credits (Carbon Farming Initiative) Rule 2015
* not be a type of project defined as an excluded offsets project in the Carbon Credits (Carbon Farming Initiative) Rule 2015.

Some ACCU Scheme methods provide exceptions to the requirements to be a new activity or not being required by regulations.

These requirements aim to ensure projects deliver genuine emission reductions or carbon storage that would not have otherwise occurred.

You can review [eligibility requirements](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/eligibility-accu-scheme) and use the Clean Energy Regulator’s interactive Australian Carbon Credit Unit Scheme Questionnaire to help determine if your project meets the ACCU Scheme’s eligibility requirements.

Other requirements not covered in this topic may also apply to your project. More information about [how to participate](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate) in the scheme is available from the Clean Energy Regulator. Section 3 outlines the steps in establishing a project.

## ACCU Scheme methods

An ACCU Scheme project must follow a specified method to be eligible to earn ACCUs. Methods spell out rules for conducting ACCU Scheme projects, including:

* eligible project activities
* requirements about conducting project activities
* rules for estimating emission reductions and carbon storage
* monitoring, reporting and record-keeping requirements.

Methods are legislative instruments approved by the Australian Government. They provide for projects delivering real emissions reductions and carbon storage that can count towards Australia’s emissions reduction commitments. Methods must meet legislated standards. The standards include additionality, which means reducing or avoiding emissions or storing more carbon that would be unlikely to occur in the ordinary course of events.

The agricultural, savanna fire management and vegetation methods currently available are shown below. The number of methods changes as existing methods are retired and new methods are introduced. The Clean Energy Regulator’s website provides more information about [ACCU Scheme methods](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods) and supporting material.

| **Soil** |
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| Estimating soil organic carbon sequestration using measurement and models method  Projects using this method must introduce one or more of the following activities:   * soil management, including applying nutrients to the land through fertiliser and applying lime to remediate acid soils and gypsum to remediate soils with high concentrations of sodium salts (sodic soils) or magnesium (magnesic soils) * land management, including new irrigation, modifying the landscape or landform to remediate land or adding or redistributing soil mechanically * vegetation management, including re-establishing or rejuvenating pasture, establishing and permanently maintaining pasture where there was previously none, retaining stubble after crop harvesting, changing from intensive tillage to reduced or no tillage, using legume species in a cropping or pasture system and using a cover crop to improve soil vegetation cover or soil health * altering the stocking rate, duration or intensity of grazing.   Read more about the [Estimating soil organic carbon sequestration using measurement and models method](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/estimating-soil-organic-carbon)  Estimating sequestration of carbon in soil using default values method  Projects using this method must undertake at least one of the following types of project management activities:   * sustainable intensification to increase soil carbon content (such as by managing nutrients, managing acidity, introducing new irrigation or renovating pasture) * stubble retention on cropped land to keep biomass as crop residues in the field, where previously they were removed by baling or burning (but not by grazing) * conversion of continuously cropped land to permanent pasture.   The amount of carbon stored is estimated using sequestration maps providing default values.  There are no projects registered under the method.  Read more about the [Estimating sequestration of carbon in soil using default values method](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/estimating-sequestration-carbon)  Reducing greenhouse gas emissions from fertiliser in irrigated cotton method  Emissions grow faster when synthetic nitrogen fertiliser is applied above a certain level. Cotton growers can reduce GHG emissions by changing the rate, timing, method or type of fertiliser application.  There are no projects registered under the method.  Read more about the [Reducing greenhouse gas emissions from fertiliser in irrigated cotton method](https://www.cleanenergyregulator.gov.au/ERF/Choosing-a-project-type/Opportunities-for-the-land-sector/Agricultural-methods/reducing-greenhouse-gas-emissions-from-fertiliser-in-irrigated-cotton) |

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| **Livestock** |
| Animal effluent management method  Projects at piggeries and dairies using this method develop new ways to process and treat animal effluent that would otherwise have gone to an anaerobic pond by:   * capturing methane in a digester tank or covered pond, then destroying it by flaring, generating electricity or turning it into biomethane * avoiding methane emissions by removing volatile solids and treating them using an aerobic process.   Read more about the [Animal effluent management method](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/animal-effluent-management-method) |

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| **Vegetation** |
| Reforestation and afforestation method  Projects using this method plant trees to establish a permanent forest on cleared agricultural land used for grazing, cropping, or fallow for at least 5 years previously.  Project proponents must undertake long-term field measurements of the planted trees to obtain data for estimating carbon stored.  Read more about the [Reforestation and afforestation method](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/reforestation-and-afforestation)  Reforestation by environmental or mallee plantings FullCAM method  Projects using this method establish and maintain:   * a mix of trees, shrubs and understory species native to the local area or * species of mallee eucalypts.   Projects are conducted on land that has been clear of forest for at least 5 years.  Trees can be planted as either seeds or tubestock, in rows or randomly, and in areas that are either linear belts or blocks. They must be planted at a density that allows them to achieve forest cover.  The carbon stored in trees is calculated using the Full Carbon Accounting Model (FullCAM). FullCAM is a calculator also used for estimating the land sector’s GHG emissions. Emissions from fires and using fuel are also estimated and are deducted from the amount of carbon stored. The resulting net abatement is used to earn ACCUs.  Read more about the [Reforestation by environmental or mallee plantings FullCAM method](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/reforestation-environmental-or-mallee-plantings-fullcam-method-2024#method-requirements). |

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| **Vegetation** |
| Avoided clearing of native regrowth method  Projects using this method retain areas of native forest that would otherwise be cleared in the normal course of events and that have been cleared at least twice in the past.  The carbon stored is calculated using FullCAM. Emissions from fires and using fuel are deducted from that amount, and the resulting net abatement is used to earn ACCUs.  Read more about the [Avoided clearing of native regrowth method](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/avoided-clearing-native-regrowth) |

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| **Vegetation** |
| Plantation forestry method  Projects using this method can do one or more of these activities:   * establish a new plantation forest where there has not been a plantation or native forest on the land in the past 7 years * convert a short-rotation plantation to a long-rotation plantation if the plantation forest is in or within 100 km of a [National Plantation Inventory (NPI) region](https://www.agriculture.gov.au/sites/default/files/abares/forestsaustralia/documents/sofr_2018/maps%20and%20other%20graphics/introduction/SOFR_2018_Fig_I_v_NPI_regions.pdf) (PDF 2.5 MB), with short-rotation species and management required to meet the definitions in the legislation * continue rotational harvest cycles in a plantation forest if the land has not and will not need to be cleared of native forest, is within 50 km of a NPI region, is of a certain age and would otherwise have been converted to a viable, non-forested land use within 2 years or remain as fallow land * transition a plantation forest to a permanent forest, where the plantation risks being converted to non-forested land, the land has not and will not need to be cleared of native forest, and would otherwise have been converted to a viable, non-forested land use within 2 years or remain as fallow land.   The plantation forest must not be managed under a forestry managed investment scheme.  Read more about the [Plantation forestry method](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/plantation-forestry-method) |

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| **Blue Carbon** |
| Tidal restoration of blue carbon ecosystems method  Projects using this method remove or modify tidal restriction mechanisms and allow tidal flow into an area of land, rewetting completely or partially drained coastal wetland ecosystems and converting freshwater wetlands to brackish or saline wetlands. Projects also earn ACCUs by establishing coastal wetland ecosystems as part of their activities.  Abatement (for both emissions avoided and carbon stored by a project) is calculated using the Blue Carbon Accounting Model (BlueCAM).  Read more about the [Tidal restoration of blue carbon ecosystems method](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/tidal-restoration-blue-carbon) |

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| **Savanna fire management** |
| Savanna fire management methods  Mimal Women Rangers. Source: Mimal Land Management LtdProjects using this method reduce GHG emissions from fire in savannas in northern Australia by reducing the frequency and extent of unplanned late-dry-season burning of savannas. Annual planned burning is a required fire management activity under the method.  Project areas must be in the high or low rainfall zone (or both), include specified types of vegetation and not include relevant weed species. Annual project management plans must be prepared before burning commences each calendar year. Vegetation fuel type maps must be created, validated and revised as required.  Mimal Women Rangers. Source: Mimal Land Management Ltd  Abatement is calculated using the SavBAT tool.  Read more about the [Savanna fire management methods](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/savanna-fire-management-methods). |

In section 6, there is an activity for you to explore the method that most interests you.

ACCU Scheme permanence obligations and risk of reversal buffer

Because of human-induced or natural events (such as bushfires), the carbon an ACCU Scheme vegetation or soil carbon project stores can be released back into the atmosphere. Therefore, projects that store carbon have [permanence obligations](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/permanence-obligations). The scheme considers carbon storage to be permanent if the carbon is stored for 100 years.

A permanence obligation is a requirement to maintain the carbon stored for a set minimum period of time, including preparing a permanence plan and taking steps to deal with any loss of stored carbon. These steps may involve restoring lost carbon stores or relinquishing ACCUs already issued. The permanence obligations webpage provides more details. Farmers and land managers should closely consider the implications of permanence obligations and permanence risks for their plans.

When registering a project with a permanence obligation, a project proponent must choose a permanence period of either 25 or 100 years. They can’t change this period after they nominate it.

A project proponent that chooses a 25-year permanence period is issued fewer ACCUs than if they had chosen a 100-year period. This is called a permanence period discount. It helps manage the scheme-wide risk to the Australian Government if carbon stores are not maintained after projects with 25-year permanence periods conclude. For most methods, proponents choosing a 25-year permanence period receive 20% fewer ACCUs.

This permanence period discount is additional to the 5% [risk of reversal buffer](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/permanence-obligations#risk-of-reversal-buffer), which applies to all projects that store carbon. The risk of reversal buffer reduces the ACCUs issued during a reporting period (see section 4) by 5%.

If a property where there is a project with permanence obligations is sold, the obligations continue to apply for the duration of the permanence period.

### Establishing an ACCU Scheme project

This section outlines the main requirements involved in establishing projects.

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| **ACCU Scheme project proponent obligations** |
| The project proponent is the person, multiple people or entity responsible for the carbon farming project. The project proponent:   * must plan and manage the project according to the method specified in law for that type of project * must have the [legal right](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/plan-your-project/legal-right-and-0) to carry out the project * must be a [fit and proper person](https://cleanenergyregulator.gov.au/about-us/our-policies/fit-and-proper-person-posture) * must meet the obligations set out in the [Carbon Credits (Carbon Farming Initiative) Act 2011](http://www.comlaw.gov.au/Series/C2011A00101) for the life of the project, including record-keeping, reporting, audit and notification requirements (such as the need to notify the Clean Energy Regulator of any changes to the project or project participants) * must maintain carbon stores throughout the permanence period (for projects that store carbon) * will be issued with the ACCUs for the project. If there are multiple proponents, they can choose to appoint a nominee to act on their behalf and who can have the ACCUs issued to their account.   The Clean Energy Regulator’s [Choose a project proponent](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/plan-your-project/choose-project) webpage provides more information.  Proponents that want to make changes to their project must also follow the Clean Energy Regulator’s requirements in [Making changes to your project](https://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund/Making-changes-to-your-project#Variation-of-the-project-proponent-for-a-project). Changes that may be allowed include:   * varying the project area * varying any conditions that may have been applied to the project when it was registered * varying the project proponent * varying the project’s crediting period start date * varying the project method * dividing the project into parts for separate reporting * revoking (withdrawing) the project.   Revoked projects can no longer be issued ACCUs. There are particular obligations for revoked carbon storage projects, including a requirement to return all ACCUs issued if the carbon has been stored for less than the permanence period. |

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| **Deciding on the project proponent** |
| Some farmers and land managers decide to be the project proponent for a project on their land. They consider they know enough about the ACCU Scheme’s requirements and can draw on support from others who have successfully run projects.  Other farmers and land managers decide they need support developing an ACCU Scheme project, usually from a carbon service provider or consultant. A carbon service provider (CSP), also known as a carbon project developer, is a business offering services to farmers and land managers in relation to carbon farming projects.  Different CSPs have different business models. Some CSPs will only provide services if they are also the project proponent. A Clean Energy Regulator [fact sheet](https://cleanenergyregulator.gov.au/document/carbon-service-providers-and-fpp-factsheet) (PDF 211 KB) sets out its minimum performance expectations for project proponents who are CSPs. With other CSPs, the farmer or land manager is the project proponent, and the CSP provides them with services. CSPs may charge fees or take a proportion of the income from the sale of ACCUs.  In all cases, it is the farmer or land manager as the legal right holder that chooses to be the proponent or assigns that role to another entity.  The roles and decision-making responsibilities of the farmer or land manager and the CSP are agreed between them. The farmer or land manager needs to be well-informed when agreeing about who will be responsible for what, and they should get independent advice and talk with several CSPs if they feel it necessary.  If they are the project proponent, a CSP typically controls project development and management and the sale of ACCUs. They also handle all administrative and technical aspects of the project.  In considering whether to engage a CSP, you might consider whether they are a signatory to the [Australian Carbon Industry Code of Conduct](https://carbonmarketinstitute.org/code/), which Topic 4 explains. The Carbon Market Institute’s [Example Contract Clauses](https://carbonmarketinstitute.org/example-contract-clauses/) and guidance can assist in understanding what is involved in entering into an agreement with a CSP, where either the CSP or the farmer or land manager will be the project proponent.  AgriFutures’ [A farmer’s handbook to on-farm carbon management](https://agrifutures.com.au/wp-content/uploads/2022/08/On-Farm-Carbon-Management-Handbook.pdf#page=18) (PDF 7.4 MB) provides more information about ways to manage your carbon farming project, including working with CSPs.  If you are considering doing an ACCU Scheme project, you should get legal and financial advice. You may also need other advice (such as about technical matters). As ACCUs are financial products, anyone providing financial advice about ACCUs is required by law to have an Australian financial services licence. |

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| **Determining legal right and getting consent from eligible interest holders** |
| **Legal right**  To conduct a project, the proponent must first confirm they have the [legal right](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/plan-your-project/legal-right-and-0) to do so. This includes the right to carry out the project activities on the site and the right to be issued all ACCUs the project earns. This step commonly involves identifying all stakeholders affected by the project (such as lessees and Native Title holders) and determining if they have legal rights to be satisfied before the project can proceed. First Nations organisations are [estimated to](https://assets.nationbuilder.com/icin/pages/182/attachments/original/1664240300/Mapping_the_opportunities_ABRIDGED_WEB.pdf?1664240300) have a legal right — a shared legal right in some instances — to undertake a carbon project over about 27% of Australia.  The processes for securing legal right will differ depending on the individual circumstances of each project, including which State or Territory it is in. Establishing legal right will generally involve establishing who has a legal interest in the land where the project will be carried out and whether that interest confers a right to undertake project activities.  **Eligible interest holder consents**  Proponents must then identify all [eligible interest holders](https://www.cleanenergyregulator.gov.au/ERF/Choosing-a-project-type/Opportunities-for-the-land-sector/eligible-interest-holder-consent) in the land where the project is to be carried out and obtain their consent, which may take some time to organise. Eligible interest holders may include:   * landholders * banks or mortgagees * state and territory Crown Lands Minister * registered native title body corporate.   First Nations organisations are eligible interest holders for [an estimated](https://assets.nationbuilder.com/icin/pages/182/attachments/original/1664240300/Mapping_the_opportunities_ABRIDGED_WEB.pdf?1664240300) 28% of Australia. Adding together their legal and eligible interest holder rights, First Nations’ interests cover some 55% of Australia. With respect to First Nations eligible interest holders, the principle of Free, Prior and Informed Consent (FPIC) should be understood and considered. FPIC is an important international principle that applies to First Nations peoples, enabling them to give or withhold consent to projects that may affect their lands and resources. FPIC helps ensure proponents develop ACCU Scheme projects in a way that respects the wishes of First Nations eligible interest holders.  Relevant resources when seeking the consent of eligible interest holders include:   * the Clean Energy Regulator’s [Native title, legal right and eligible interest-holder consent guidance](https://cer.gov.au/document/native-title-legal-right-and-eligible-interest-holder-consent-guidance#:~:text=Legal%20right%20and%20eligible%20interest%2Dholder%20consent%20are%20separate%20requirements,support%20and%20reinforce%20legal%20right.) (PDF 2.3 MB), which helps project proponents navigate this step and provides [guidance](https://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund/Planning-a-project/native-title#Guidance-available) about native title and legal right issues * the Indigenous Carbon Industry Network [Indigenous Carbon Projects Guide](https://assets.nationbuilder.com/icin/pages/186/attachments/original/1747702032/13._Indigenous_Carbon_Project_Guide_-_May_2025.pdf?1747702032) (PDF 8.5 MB), which explains FPIC and includes a 9-step engagement process * [Native Title Vision](http://www.nntt.gov.au/assistance/Geospatial/Pages/NTV.aspx), a free online tool by the National Native Title Tribunal that provides a map with details of native title matters. |

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| **Registering the project with the Clean Energy Regulator** |
| The process of registering a project with the Clean Energy Regulator includes:   * opening an account through the Clean Energy Regulator’s [Online systems](https://www.cleanenergyregulator.gov.au/OSR/online-services) webpage and obtaining access to the Clean Energy Regulator’s Online Services platform * establishing the proponent’s [legal right](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/plan-your-project/legal-right-and-0) to conduct the project * completing a scheme enrolment form, establishing the identity of the project proponents and that they meet the fit and proper person test * opening an [ANREU account](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/apply-participate#Open-an-ANREU-account) so the project proponent can be issued ACCUs. The ANREU is a secure system that tracks the ownership of ACCUs * completing an application to register a project under the appropriate method.   At registration, the proponent must also provide a [forward abatement estimate](https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/apply-participate/forward-abatement#:~:text=A%20forward%20abatement%20estimate%20is,for%20your%20project.) of the total amount of GHG emissions it will avoid or carbon it will store in tonnes of CO2-e over its crediting period. The crediting period is the length of time projects can earn ACCUs. Emissions avoidance methods generally have a 7-year crediting period, and carbon storage methods have a 25-year crediting period. The Clean Energy Regulator uses the forward abatement estimate to set the project’s audit schedule. |

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| **ACCU Scheme projects around Australia** |
| The [ACCU Scheme projects map](https://cer.gov.au/markets/reports-and-data/accu-project-and-contract-register?view=Projects) provides an overview of all scheme projects. The map is a way of discovering carbon farming projects around Australia. |

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| **First Nations ACCU Scheme projects** |
| The Indigenous Carbon Industry Network (ICIN) has an [Industry Snapshot](https://www.icin.org.au/latest_industry_snapshot) on its website that lists the 34 member organisations of the network. It also has links to each member and shows how Indigenous people across Australia are reducing Australia’s GHG emissions by caring for their Country.  ICIN’s [Indigenous Carbon Projects Guide](https://assets.nationbuilder.com/icin/pages/186/attachments/original/1747702032/13._Indigenous_Carbon_Project_Guide_-_May_2025.pdf?1747702032) (PDF 8.5 MB) is a comprehensive guide to the carbon industry for First Nations people. It covers the carbon market, ACCU Scheme project requirements and planning and running a carbon project. It also has information specific to First Nations people, including Indigenous rights and interests, co-benefits and the power of story. |

### Earning ACCUs

The Clean Energy Regulator issues a project proponent ACCUs after the proponent submits an offsets report demonstrating the project has delivered emissions reductions or carbon storage. This report identifies the tonnes of CO2-e avoided or stored over a particular period (called the reporting period). If the Clean Energy Regulator is satisfied that the report verifies abatement achieved, it will issue one ACCU for each tonne of CO2-e avoided or stored.

As explained earlier in this topic, the risk of reversal buffer and permanence obligations apply to projects that store carbon. These will be taken into account in calculating the number of ACCUs issued for projects that store carbon.

The project proponent will usually lodge the first offsets report between 6 months and 5 years after the project starts. Proponents can choose when to lodge offsets reports, subject to minimum and maximum reporting periods. While the report may trigger the issuing of ACCUs, preparing it incurs measurement and administrative costs.

The Clean Energy Regulator requires some offsets reports for each project to be audited to provide assurance the calculation of a project’s emissions reductions or carbon storage is accurate. Auditors are independent, and the Clean Energy Regulator maintains a register of accredited auditors with relevant qualifications. The Clean Energy Regulator’s [Project reporting and audits](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/project-reporting-and-audits) webpage has information about audit requirements, choosing an auditor and the types and frequencies of audits. The Clean Energy Regulator’s website also has its [Compliance and Assurance Framework](https://cer.gov.au/document/accu-scheme-compliance-and-assurance-framework-0) (PDF 289 KB) for the ACCU Scheme. The Clean Energy Regulator will set an audit schedule for each project when registering it. Details will depend on the project and be guided by the proponent’s [forward abatement estimate](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/apply-participate/forward-abatement). The Clean Energy Regulator requires at least 3 audits for most projects and can also require unscheduled audits.

The Clean Energy Regulator may take up to 90 days to assess an offsets report and may also ask the proponent to provide more information. The Clean Energy Regulator will issue ACCUs earned by the project into the proponent’s ANREU account.

### Trading ACCUs

The following section explains carbon markets and how they work.

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| **Carbon markets** |
| A carbon market is a market in which carbon units, representing emissions reduced or avoided or carbon stored, are exchanged within a defined framework.  Although ‘carbon market’ is a commonly used term, there is no centralised exchange where buyers and sellers come together to trade ACCUs or other carbon credits.  Instead, sellers — which may include carbon service providers acting as project proponents or on behalf of the farmer or land manager running a carbon farming project — locate buyers and negotiate a price and quantity acceptable to both parties. Commercial organisations run several platforms that handle transactions. The Clean Energy Regulator facilitates the holding, transfer, delivery, cancellation and surrender of ACCUs through the [ANREU](https://nationalregistry.cleanenergyregulator.gov.au/).  The Clean Energy Regulator’s [Markets](https://www.cleanenergyregulator.gov.au/Infohub/Markets/Pages/About-Carbon-Markets.aspx) webpage provides details about carbon markets.  The Clean Energy Regulator is developing the [Australian Carbon Exchange](https://www.cleanenergyregulator.gov.au/Infohub/Markets/Pages/Australian-Carbon-Exchange.aspx). The exchange will create a centralised, standardised, and regulated marketplace, making it easier to trade ACCUs.  Rather than selling them, the farmer or land manager may decide to retain and cancel ACCUs for insetting purposes. In deciding whether to do this, they would need to consider the costs of generating ACCUs and the benefits of insetting. Topic 1 explains insetting.  It’s also worth noting the Australian Government’s new [Nature Repair Market](https://www.dcceew.gov.au/environment/environmental-markets/nature-repair-market) is now operational. The Nature Repair Market is a voluntary national market designed to drive investment into activities that restore and protect the environment. Landholders can participate in both the ACCU Scheme and the Nature Repair Market, with the first method for nature repair activities complementing the Environmental Plantings ACCU method. The department is working with organisations to create new methods including those that leverage First Nations knowledge and values. |

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| **About ‘offsetting’** |
| Why would people want to buy ACCUs?  Going back to the beginning of the process, the Clean Energy Regulator issues one ACCU for every tonne of CO2-e stored or emissions avoided by an ACCU project. The ACCU Scheme provides a mechanism for organisations to counterbalance, or ‘offset’, a proportion of their emissions.  For example, suppose you run an enterprise that emits 5,000 tonnes of CO2-e a year and is committed to reducing emissions. In that case, you will naturally review every part of your operations to reduce emissions. You are able to reduce emissions by 3,000 tonnes a year, leaving 2,000 tonnes emitted a year. What do you do about the remaining 2,000 tonnes? Another farmer has earned 2,000 ACCUs by reducing their emissions or storing carbon. These ACCUs are proof that there are now 2,000 fewer tonnes of GHG in the atmosphere than there would otherwise have been, thanks to the farmer’s efforts. If the farmer sells you their ACCUs, it has the effect of reducing your net emissions for a year. You must then ‘cancel’ (also called ‘retire’) the ACCUs, which removes them from the market because you have ‘redeemed’ the tonnes of CO2-e they represent and used them to offset the emissions you haven’t been able to cut. By taking them out of circulation, cancelling the ACCUs ensures no 2 (or more) entities count the emissions reduction benefit that the ACCUs represent.  For the same reason, if you generate ACCUs and sell them to someone else, you cannot claim the emissions reduction or carbon storage benefit in your GHG account. |

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| **Buyers and sellers** |
| People speak of the ‘compliance’ and ‘voluntary’ carbon markets.  In terms of ‘compliance’, the Australian Government’s [Safeguard Mechanism](https://cleanenergyregulator.gov.au/home/schemes/safeguard-mechanism) sets legislated limits on net GHG emissions from the largest industrial facilities. It applies to about 215 mining, oil, gas, manufacturing, transport and waste facilities. The amount they are allowed to emit will decline yearly, but they can buy and surrender ACCUs to reduce their net emissions and meet their obligations.  In terms of ‘voluntary’, many organisations buy ACCUs to offset their emissions for non-regulated reasons. These include meeting company or supply-chain pledges to reduce net emissions. Again, they can decide to buy ACCUs and then cancel them. This is a fast-growing area of demand as more organisations commit to reducing their carbon footprints.  Some organisations are buying ACCUs, expecting their value to increase over time. They may plan on selling their ACCUs for a profit when prices rise. |

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| **The trading process** |
| There are 3 main ways ACCUs are traded in Australia.  The first is direct contracting between buyers and sellers for a set quantity of ACCUs at a set price.  The second involves trading on exchange platforms where sellers can offer ACCUs at a price, or buyers can seek ACCUs at a price. This represents a spot market. Brokers managing exchange platforms may charge transaction fees, for example, as a fixed value per ACCU or a percentage of the total transaction.  The third is through the Australian Government purchasing ACCUs. Between 2015 and 2023, the Clean Energy Regulator bought ACCUs on behalf of the Australian Government by conducting reverse auctions for [carbon abatement contracts](https://cleanenergyregulator.gov.au/schemes/australian-carbon-credit-unit-scheme/how-participate/contracts-and-auctions/understanding). Some contracts were optional, providing the ACCU owner with the option but not the obligation to sell their ACCUs to the Commonwealth at a future date. This provided the security of a future set price while still being free to seek higher prices from private buyers. The Australian Government is developing future arrangements for purchasing ACCUs. It will continue purchasing ACCUs through the Powering the Regions Fund. |

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| **Co-benefits increase the ACCU price** |
| The ‘generic ACCU’ spot price is the price if the buyer and seller do not stipulate a particular carbon farming project or ACCU method. If they do, the price will generally be higher because of the verified co-benefits the project delivers. These include benefits to the community and environment beyond avoiding emissions and storing carbon.  For example, a project in an industrial setting might have few environmental benefits. On the other hand, a First Nations organisation running a savanna fire management project may have taken a rigorous approach to identifying and verifying other benefits (such as through the Aboriginal Carbon Foundation's Core Benefits Verification Framework for the Environmental, Social and Cultural Values of Aboriginal Carbon Farming). These benefits may include income and other opportunities for First Nations communities and restored and improved habitat for native plants and animals.  Many buyers want ACCUs with co-benefits and will pay more for them. Factors influencing the price include the project’s reputation, location, ownership and frequency of producing ACCUs. |

### Activity

## Activity: Respond to the following questions

Section 2 of this topic provides links for the Clean Energy Regulator’s webpages about each ACCU Scheme method. Each webpage has detailed information about the method.

1. Choose a method of particular interest to you and click on the link to the webpage.
2. Some methods have a ‘simple method guide’ that provides a step-by-step approach to registering, running and reporting on the project. Download this guide and read it. If there is no guide for the method, there may be a factsheet or other resource to help you understand the method.
3. Does the method specify a calculator for estimating emissions reductions or carbon storage? If it is not a calculator you used in Topic 3, open it up and see how far your current knowledge and skills take you in using it.

### Other resources

## Carbon on Country – A guide for NSW Aboriginal landholders and managers (New South Wales Government)

The New South Wales Government’s [Carbon on Country](https://www.energy.nsw.gov.au/sites/default/files/2023-02/202301-Carbon-on-Country-Guidelines.pdf) (PDF 31 MB) guide for Aboriginal landholders and managers explains carbon farming, participating in carbon markets, conducting ACCU Scheme projects and sources of funding and support.

## Fighting fire with fire (Clean Energy Regulator)

[Fighting fire with fire](https://cer.gov.au/news-and-media/case-studies/fighting-fire-fire) explains a savanna burning project managed by the Nyaliga Aboriginal Corporation on 6,400 km2 of Country just southwest of Wyndham, Western Australia.

## Jawoyn Fire Project (Jawoyn Association)

The [Jawoyn Fire Project](https://www.jawoyn.org.au/wp-content/uploads/2023/05/jawoyn_fire_project.pdf" \t "_blank) (PDF 5.4 MB) is an Australian Government-approved project that recognises ACCUs produced by reducing wildfires through strategic, controlled savanna burning. Please note this resource does not cover potential costs or risks, which should always be considered before embarking on a project.

## Savanna Burning

[Savanna Burning](https://ictv.com.au/video/item/2675), a 7:33 minute video (supported by NAILSMA, Live and Learn Environmental Education), overviews savanna burning to earn ACCUs. It includes animated diagrams explaining how ACCUs are created. It also explores the co-benefits of savanna burning by addressing, from an Indigenous perspective, the question, ‘Why would we want to be involved?’.

## Carbon Farming Planning Guide (Western Australia Department of Primary Industries and Regional Development)

This Western Australian Government [Carbon Farming Plan Guidance](https://www.agric.wa.gov.au/sites/gateway/files/Carbon%20Farming%20Plan%20Guidance.pdf) (PDF 682 KB) explains the process of developing a carbon farming plan for the ACCU Scheme, including the need for a cost-benefit analysis.

## Case studies (Clean Energy Regulator)

ACCU Scheme [case studies](https://www.cleanenergyregulator.gov.au/Infohub/case-studies/Pages/erf-case-studies/Emission-Reduction-Fund-case-studies.aspx) highlight different emissions reduction projects and show how each has benefitted participants.

## Integrity in the Australian Carbon Market Explainer (Carbon Market Institute)

The Carbon Market Institute [Integrity in the Australian Carbon Market Explainer](https://carbonmarketinstitute.org/app/uploads/2022/04/Explainer-Integrity-in-Australias-Carbon-Market.pdf) (PDF 433 KB) factsheet overviews the ACCU Scheme and the checks and balances to ensure that ACCUs achieve environmental integrity, are only issued for abatement that has actually occurred and that abatement cannot be credited twice.

## Mapping the Opportunities for Indigenous Carbon in Australia (Indigenous Carbon Industry Network)

The Indigenous Carbon Industry Network’s [Mapping the Opportunities](https://assets.nationbuilder.com/icin/pages/182/attachments/original/1664240300/Mapping_the_opportunities_ABRIDGED_WEB.pdf?1664240300) (PDF 7 MB) report provides First Nations carbon farming opportunities in Australia.

## Arnhem Land Fire Abatement (Clean Energy Regulator)

The [Arnhem Land Fire Abatement](https://cleanenergyregulator.gov.au/news-and-media/case-studies/arnhem-land-fire-abatement) project is a savanna fire management project combining traditional Indigenous knowledge with modern technologies conducted under the ACCU Scheme.

## Video – North Australia Savanna Fire Forum

[2020 North Australia Savanna Fire Forum video](https://www.youtube.com/watch?v=HVI_VchhN0E&t=46s), a 6:16 minute video, is from an event where some 320 people from across northern Australia, including Indigenous fire managers, government representatives, scientists and carbon businesses, gathered on Larrakia Country to discuss savanna fire management. Fire is central to Indigenous knowledge and culture. Right-way fire is an important tool for looking after Country, supporting biodiversity, reducing greenhouse gas emissions and renewing connections to cultural stories and traditional knowledge.

## Video – Storing blue carbon (Clean Energy Regulator)

Watch the video (1:30 minutes) [Storing blue carbon in our coastal ecosystems](https://www.youtube.com/watch?v=_onXdxyarkg&t=2s). This video describes the process of storing blue carbon in our coastal ecosystems and how ACCUs can be earned by doing so.

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