



## NRM Regions Australia Submission to the Clean Energy Regulator's consultation paper - Emissions Reduction Fund audits – projects subject to alternative assurance arrangements.

Thank you for the opportunity to respond to the Clean Energy Regulator's consultation paper: Emissions Reduction Fund audits – projects subject to alternative assurance arrangements.

NRM Regions Australia is the national representative body of Australia's 54 regional NRM organisations. Our members cover all of Australia and are major partners in the delivery of the Australian Government's National Landcare Programme. Depending upon the jurisdiction within which our members operate, they also deliver NRM programs for State and Territory governments

Regional NRM organisations have been involved in the emerging carbon economy since prior to the creation of the Carbon Farming Initiative. The role of the land sector in providing emissions reductions and sequestration while increasing farm profitability has long been recognised; land sector participation in the Emissions Reduction Fund demonstrates the potential that exists.

NRM Regions Australia has consistently received feedback from our member organisations that the monitoring and auditing requirements, and other costs associated with participation in the ERF, are prohibitive to many landholders: our previous submissions to the CER and ERF have reflected this.

NRM Regions Australia welcomes the proposal to reduce the auditing requirements for smaller, low risk projects, while maintaining the integrity of the scheme through improved use of technology, and we thank you for your responsiveness to our earlier feedback on this matter. These measures will undoubtedly increase the opportunity for land managers to participate in the scheme, increasing the sequestration potential across the land sector, and we are pleased that this advice is being implemented in this practical way.

In addition, the proposed change to the mixed and mallee plantings method and associated legislation offers an increased opportunity to further embed regional plans into the ERF delivery. Ensuring strong alignment with regional plans, including a requirement to consider climate projections in ERF project planning, including the selection of appropriately resilient, local plant species, will further ensure the integrity of the scheme and reduce risk associated with the reduced audit requirements. Strengthening the links between regional plans and

ERF projects will also ensure projects are coordinated across catchments and regions; that plantings deliver multiple environmental co-benefits; that any potential adverse impacts as a result of rapid escalation of carbon farming are considered; and the social and economic outcomes from the investments made through carbon farming are optimised.

Projects submitted under the alternative assurance arrangements are smaller and less complex due to the requirement to use the mixed species block planting generic calibration in FullCAM, and are also potentially less lucrative, as abatement is measured conservatively under this method. Thus, proponents may seek to maximise their income and avoid costs associated with involvement of third-party project developers. This development is likely to lead to increased demand for support by NRM regional organisations, as farmers seek the advice of trusted independent professionals – a role played by NRM regional staff all over Australia. This would be a desirable outcome – NRM regional organisations have the knowledge, skills and networks to fill this gap. However, while increased participation of NRM regional organisations in this space would lead to better on-ground and community wide outcomes, it should be noted that, in most cases, NRM organisations are not resourced to participate in projects in this way. Support to help NRM organisations play this important role would be welcomed.

In addition, NRM regional organisations would benefit from the development and delivery of a tailored training course in ERF project planning, including running FullCAM. Some of our members have commented that it is very difficult to gain in-depth knowledge of running FullCAM- the specialist knowledge on running the software resides with project developers, and is considered intellectual property.

Based on the above, NRM Regions Australia recommends the following to increase participation, optimise outcomes from the investment in carbon farming, and reduce risks for all participating parties:

1. Stronger linkages between this ERF method and NRM regional plans. This should include specific linkages to the climate projections for the regions, for both plant species selection and risk planning.
2. Increased funding for NRM regional organisations to assist farmers to understand and access the ERF.
3. The development and delivery of a training program that allows NRM representatives to interact with a trainer to ask questions and seek assurance. This will build confidence among staff in supporting farmers to plan projects, while reducing risk for both the farmers and purchasers of ACCUs.

Thank you again for the opportunity to provide a submission on the Emissions Reduction Fund audits – projects subject to alternative assurance arrangements consultation paper. If you have any questions about our submission or would like to discuss, please contact NRM Regions Australia CEO Dr Kate Andrews: 0403 604 823