

## Frequently Asked Questions (FAQs)

These FAQs relate to the ACCU Plus funding stream of the Carbon Farming and Land Restoration Program ([CF-LRP](#)) and should be read in conjunction with the [Program Guidelines](#).

The CF-LRP seeks projects that can have a positive impact and encourage the take up of sustainable, climate resilient agricultural activities that sequester carbon. Successful applicants will be willing to share their learnings and partner with the Department of Primary Industries and Regional Development to help grow the industry in Western Australia.

### ACCU Plus Eligibility and Funding

#### Is ACCU Plus funding a grant?

No. It is financial assistance (a loan) used to establish a carbon farming project in exchange for an agreed number of Australian Carbon Credit Units (ACCU) from the project.

#### Are existing carbon farming projects eligible for funding?

No. The CF-LRP aims to increase the uptake of carbon farming in WA, so only new projects are eligible.

#### Do I have to offer all the ACCUs from the project as repayment for the funding?

No. In the application you propose the funding needed, your co-contribution, and the number of ACCUs to be offered. All remaining and future ACCUs are retained by the project proponent.

#### Does the project have to be registered with the CER before I apply?

No; however, projects must be eligible for registration, be in the process of being registered, or be registered but not commenced. Be clear on what can be done and when! The Clean Energy Regulator (CER) requires the project activities (e.g., ground preparation, planting seedlings, pasture seeding) to not commence until CER registration is complete.

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 ACCU Plus funding Agreement and/or CER registration does not proceed.

## **Which carbon farming methods are eligible for funding from the CF-LRP?**

- [Reforestation by environmental or mallee plantings – FullCAM](#)
- [Measurement based methods for new farm forestry plantations](#)
- [Plantation forestry \(Schedule 1\)](#)
- [Estimation of soil organic carbon sequestration using measurement and models](#)

## **Is there a minimum project size?**

No; however, applicants should consider the purpose of the project and its economic viability (return on investment) based on size, method and complexity. [CF-LRP case studies](#) show a range of project sizes and types.

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

The [Co-benefits Standard](#) can help identify the co-benefits based on the area, and can be used with the [Co-benefits Portal](#) (an interactive mapping tool), other data sources and on-ground evidence.

Independent verification is not a requirement of the CF-LRP. Some co-benefits can be easily monitored by the landholder (see the [Co-benefits Standard](#)). You can also seek expert advice from consultants, ecologists, agronomists, Natural Resource Management, land care or grower groups.

## **How are the ACCUs and co-benefits valued?**

The applicant determines the funding required and the number of ACCUs offered as repayment. This gives the bid price per ACCU. The value will be higher than the current market price for as it reflects the cost to establish the price. The difference between the bid price and the market price gives an approximate value of the co-benefit. ACCU price will vary between projects.

## **What tools are available to assess the project's carbon sequestration potential?**

An independent assessment of carbon estimation should be undertaken to give confidence about the project's feasibility. Visit DPIRD's [Resources](#) page for tools and information.

## **What happens if the project does not create enough ACCUs to meet the agreement?**

Project proponents should consider the risk of non-delivery when deciding how many ACCUs to offer. Project proponents should have a 'buffer' – a percentage of ACCUs held back to help manage risk. Conservative estimates are also important given seasonal variation and other variables that will slow or reduce the carbon sequestered. Likewise, the co-benefits should be realistic and consider the timeframe needed to achieve measurable changes.

## **Do I need a carbon service provider?**

You can manage the project yourself if you have the time and skills necessary or engage a service provider to undertake all or some of the activities. However, this is a specialised area, so obtaining advice from a qualified service provider or consultant with carbon project knowledge is recommended. Payment to service providers needs to be considered from a cost/benefit perspective and as a risk management strategy.

Carbon service providers involved in CF-LRP projects (i.e., applicant, developer, or advisor) must be a signatory to the [Australian Carbon Industry Code of Conduct](#).

Independent advice should always be obtained before entering any agreement. The [Service Provider Directory](#) can identify potential providers. Always check references and get quotes.

## How are ACCUs taxed?

Anyone contemplating a carbon farming project or receiving financial assistance from the CF-LRP should seek independent financial and tax advice. Visit the [ATO's website](#) to read about the taxation of ACCUs for primary producers and concessional treatment for primary producers.

## 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 farming project. Selling the land may require transferring the project and associated responsibilities to the new landowner, who may or may not agree to taking on the project.

Sellers must make prospective buyers aware of any permanence obligations which are for either 25 or 100 years from when the first ACCUs are issued. Discuss the implications with your financial advisor and business partners and family.

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

Project proponents, usually the landowners, are responsible for managing the permanence of the carbon over areas where ACCUs were issued and taking reasonable steps to protect the carbon (e.g., maintaining firebreaks and working with the local fire agency to mitigate risks).

If more than 50 hectares or 5 per cent 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 levels either by re-planting the area or through natural recovery. If the proponent chooses not to continue, the project will be revoked and any ACCUs issued returned to the CER. This may mean purchasing ACCUs on the secondary market to meet the obligations if they have been sold or cancelled (used).

## Do I need a carbon farming project to offset my farm's emissions?

Completing a carbon account for your farm business is an important first step in understanding what to do with your ACCUs - sell into the secondary market, hold as an asset, or use to offset your farm's emissions. Avoiding overall emissions is also important so to reduce the need to offset - the land has limitations on how much it can sequester in soil and vegetation over the long term.

Australia's Climate Active program oversees insetting practices that can be used to reduce a business's emissions using ACCUs or other certified sequestration units. Climate Active has verification and reporting obligations and all the emissions from the business need to be taken into account to determine the overall balance.

Professional advice is recommended to help you determine which scheme or standard best suits your business needs.

## Who can I contact for assistance and ask questions?

You can email us at [carbonfarming@dpird.wa.gov.au](mailto:carbonfarming@dpird.wa.gov.au) to speak to someone within the Carbon Farming team or visit [agric.wa.gov.au/CF-LRP](http://agric.wa.gov.au/CF-LRP) for more information.

### Important Disclaimer

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