



2024 Carbon Farming Scorecard Report

May 2024



RESEARCH PARTNER



Acknowledgements

The Carbon Market Institute (CMI) acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, water and culture. We pay our respects to their Elders - past, present and emerging.

CMI is a member-based institute accelerating the transition towards a negative emissions, nature positive world. It champions best practice in carbon markets and climate policy, and its over 150 members include primary producers, carbon project developers, Indigenous organisations, legal, technology and advisory services, insurers, banks, investors, corporate entities and emission intensive industries.

This report forms part of the CMI’s research initiative. The views, findings and recommendations are those of Carbon Market Institute (CMI), however, CMI would like to acknowledge KPMG Australia’s assistance and support.

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The Carbon Market Institute acknowledges that the geographical size and location have a considerable influence on the availability of natural resources needed to implement land-based carbon farming practices. It is important to note that results in this report only consider information that is publicly available, rather than internal Department ambition.

Although efforts have been made to ensure all relevant, publicly available resources have been considered, it is recognised that to fully ascertain how carbon farming is supported in each jurisdiction, a broader consideration of policies and initiatives which influence carbon farming may be required.

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Summary

Following the announcement of several carbon farming policies, programs and reviews in recent years, the last year has seen important steps made to begin to implement these reforms. However, faster implementation progress is needed in some areas to build momentum and ensure there is sufficient levels of supply to be able to significantly contribute to Australia’s decarbonisation and nature positive ambition.




The Carbon Market Institute’s 2024 Carbon Farming Scorecard (the Scorecard) presents an updated snapshot of how Australia’s states, territories and the Federal Government are supporting carbon farming and its associated benefits. The findings in this report build upon the 2022 and 2023 Carbon Farming Scorecards and consider progress in actioning carbon farming initiatives or policies over the past year.

The results of the 2024 Scorecard show progress across the board, with most jurisdictions making incremental investments and taking steps to build stakeholder capacity. The Federal Government has implemented the first phase of ACCU Review recommendations, focused on underpinning market transparency and integrity. Uncertainties remain among market participants due to the gap between the sunseting of two land-based methods and the introduction of new or revised methods. Continued implementation of the ACCU Implementation Plan, utilising announced resourcing, will be important to support the supply and integrity of ACCUs, contributing to Australia’s decarbonisation ambition.

Of the other jurisdictions, Queensland maintains its leadership position among states and territories, primarily through strong existing capital investment including the building in of co-benefits. Western Australia has demonstrated the greatest score increase since the release of the last scorecard. Other jurisdictions have also shown improvements. Addressing administrative processes and aligning national efforts from outreach to method development will be a key challenge over the next twelve months.

Significant opportunities remain, including investment in method development and capturing co-benefits, bolstering capability and participation, particularly for Traditional Owners. There is also a need for a clearer articulation of the contribution of carbon farming and markets to achieving ambitious national and jurisdictional decarbonisation and nature positive outcomes. Addressing these opportunities will allow land-based sequestration to fully meet its potential to accelerate emissions reduction and offset hard-to-abate emissions.

Results

	2022	2023	2024
 Advanced	Queensland Federal Government	Queensland Federal Government New South Wales	Queensland Federal Government New South Wales
 Intermediate	New South Wales South Australia Western Australia Victoria	Western Australia South Australia	Western Australia South Australia
 Under-developed	Tasmania Northern Territory	Victoria Tasmania Northern Territory	Victoria Tasmania Northern Territory

A snapshot of Carbon Farming Scorecard performance over the last three years

Key themes from the 2024 Scorecard

Priority level

Low

Medium

High

- **The integrity of Australia’s carbon farming scheme is robust**

Implementation of the first phase of ACCU reforms has improved the legal and institutional framework, while Independent reviews have supported the integrity and effectiveness of the ACCU system. Further transparency reforms are vital for investor and community confidence.
- **Improvements are evident across all Jurisdictions but are slowing, and clear opportunities remain**

Jurisdictions have demonstrated progress in building their carbon farming policy framework. All jurisdictions have considerable room to further improve scores. Differences in performance point to opportunities for jurisdictions to learn from, complement and cooperate with each other to lift national performance.
- **Implementation of announced reforms remains vital to unlocking further carbon farming contributions**

There have been notable achievements over the past twelve months, though full implementation of announced reforms must be prioritised at both a state and federal level. It is hoped that additional resourcing in the 2024-25 Budget will allow timely rollout of the ACCU Implementation Plan, ensuring carbon markets and land-based projects make their contribution to stronger decarbonisation ambition.
- **Progress has been made in advancing education and tools available to carbon farming participants**

Most state and Federal governments have started to invest in resources to build capability and knowledge. Work remains to continue to build these out and align market education with government and agricultural industry initiatives.
- **Frameworks for enhancing co-benefits have improved, with the focus turning to implementation**

The passage of the Nature Repair Act has put in place a framework for building legal protection of nature, including the opportunity for nature market instruments, and their integration with carbon markets. Several jurisdictions have invested in projects to capture co-benefits. The challenge is now to implement these frameworks and scale solutions, within a much stronger Nature Positive vision and legal framework
- **The gap in method coverage risks slowing ACCU supply from new sources**

With the Human-induced Regeneration Method sunseting in October 2023, the Environment Planting method in September 2024 and the Integrated Farm and Land Management (IFLM) method not due for some time, there is a risk that vegetation-based ACCU supply momentum will stall. The refreshed method development processes, and new resources, can assist with this.
- **Articulation of the role of carbon markets in contributing to decarbonisation ambition would provide greater market certainty**

Several jurisdictions have set ambitious bipartisan 2035 targets, and the Federal Government is developing a comprehensive sectoral approach to achieving net zero ambition. Carbon market strategies can continue to build investor and community confidence by articulating the role of carbon crediting in supporting decarbonisation and setting goals for reversing deforestation, ecological restoration and carbon removal.
- **Traditional Owner participation has been enhanced, but further work is needed**

Many jurisdictions are increasing their focus on engaging with and building the capacity of Traditional Owner communities. Nonetheless, further efforts are needed to build capacity amongst Traditional Owners with the tools and resources to effectively participate in and realise benefits from the carbon market. New resources should ensure reforms to Native Title Consent are prioritised.

WHAT IS CARBON FARMING?

Carbon farming refers to practices that increase carbon storage in our landscapes, or avoid the release of greenhouse gases such as methane and nitrous oxide, through active management of vegetation, fire, soil or livestock.

In Australia, carbon farming is an established and growing industry, which makes a significant contribution to Australia's climate crisis response, whilst also delivering important environmental, economic, social and cultural benefits across the country. This includes the potential to create new job opportunities and economic benefits in rural and regional areas, including in remote Indigenous communities.

State of play: Australia’s evolving climate policy landscape

Research by think-tank ClimateWorks Centre has found that by 2050, Australia may need up to an eight-fold increase in its annual rate of land-based carbon sequestration to achieve net zero and align with limiting temperature rise to 1.5 degrees, even if ambitious emissions reductions are achieved in all parts of the nation's economy [1]. Carbon farming and sustainable, climate-smart agriculture can play a critical part in achieving sequestration at this scale and can also deliver significant benefits to land managers in terms of productivity gains and resilience increases.

Building interlocking climate policy architecture

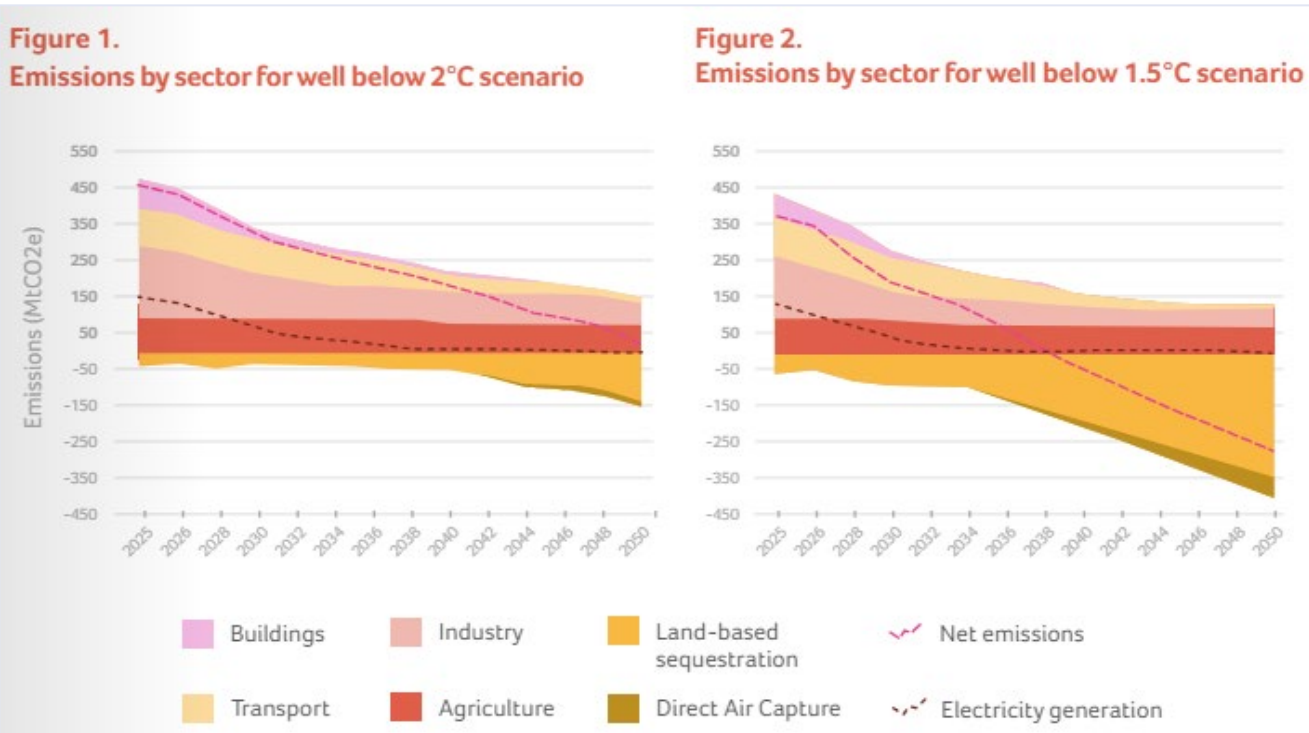
There have been significant advances to help complement the growth of a high-integrity carbon farming industry in Australia over the past twelve months. Aside from updated Federal and state emissions reduction targets, key initiatives have included the commencement of sectoral consultation under the Federal Net Zero Plan, reforms progressed for the ACCU framework, nature repair market legislation, Safeguard Mechanism and Climate Active program during this time. Some state governments are innovating on incentives and education [2-7].

With the right supporting processes, policies and funding, these developments can create an interlocking, enduring national policy framework that allows all parts of the economy, including carbon farmers, to contribute towards becoming carbon-negative and nature positive and the ambitious medium-term progress required.

Introduction of new climate legislation

Several states have either passed or are considering new climate change legislation, following the passage of the Federal Climate Change Act in late 2022, Increasingly, state and territory climate legislation is receiving bipartisan support [8].

At the Federal level, landmark reforms to the Safeguard Mechanism to convert it to a declining baseline-and-credit system, took effect on 1 July 2023 [9]. Credits from carbon farming projects and from other ACCU-generating projects will have an important, supplementary role to play in helping facilities meet their Safeguard obligations. The role of the Commonwealth as purchaser of carbon credits is yet to be defined but should be guided by a vision of reversing deforestation, ecological restoration, and scaling atmospheric carbon removals.



Legislating a nature repair market

Maximising carbon farming activities at scale, with projects that have broader environmental benefits, will need robust, effective, transparent carbon and nature repair markets that operate in tandem.

Over the last twelve months, Australia has taken the first steps towards the establishment of dual, aligned carbon and nature markets. Most significantly, the Federal Parliament passed the Nature Repair Act in December 2023, which aims to direct more finance to the task of restoring and protecting biodiversity, through a regime of potentially tradeable biodiversity certificates [4].

The Act is largely modelled on the Carbon Credits (Carbon Farming Initiative) Act 2011 and creates a framework for a voluntary national market intended to facilitate investment in biodiversity, including in carbon project areas where biodiversity outcomes can be potentially generated.

Significant steps remain to bring to life a working nature repair market, including the establishment of a Nature Repair Committee, the finalisation of subordinate legislation, and the development of biodiversity assessment tools.

Reforming Australia’s environmental regulation architecture

The deferment of reforms to the Environment Protection and Biodiversity Conservation Act adds investor and community uncertainty to the government’s Nature Positive plans [9]. However, its intention to establish a new independent Environment Protection Agency, as well as a new entity called Environment Information Australia (EIA) are positive steps that can play an important part in ensuring that Australia’s landscapes are properly protected and repaired [10].

Developing a net zero policy for the land sector

The Federal Government is developing an agriculture and land sector decarbonisation plan, as one of six sectoral plans supporting the development of a Net Zero Plan to guide Australia’s transition to a net zero economy by 2050 [11].

The development of the plan follows the release late last year of the inaugural national statement on climate change and agriculture, endorsed by federal, state and territory agriculture ministers.

Separately in the 2024-2025 Federal Budget, the government also committed \$63.8 million over ten years to support low-emissions agriculture [12].

Updating carbon market infrastructure

Carbon market infrastructure needs to be transparent, workable, and readily auditable throughout the ACCU lifecycle for farmers, Traditional Owners, and other land managers to participate with full confidence that they are being treated fairly.

Works are underway on several fronts to make ACCU trading more efficient and transparent and to further bolster integrity.

The establishment of the EIA provides an opportunity to streamline, integrate, and digitise a range of nature and carbon datasets, while the CER has contracted the ASX to create a centralised, standardised Australian Carbon Exchange for buying and selling ACCUs [13].

The CER is also working with Trovio, a digital environmental assets registry services provider, to deploy tamper-proof digital ledger technologies that will provide a transparent, fully auditable framework for the entire lifecycle of carbon credits [13].

The ACCU Review recommendations & potential method shortage

The recommendations contained in the final report of the ACCU Review provided a reform blueprint to ensure the ACCU framework continues to have high integrity and operates in a transparent, efficient way to support future increased ambition.

The remaining recommendations will deal with important matters including governance and transparency, Native Title consent, government purchasing arrangements for ACCUs, and new procedures for developing ACCU methods [14].

Separately, there are a number of ACCU methods that have either now expired or are rapidly approaching their end-of-life. The 2015 Avoided Deforestation ACCU method has been revoked [15], the Human-Induced Regeneration ACCU method expired in October 2023 [16], and the Environmental Plantings method is due to expire on 30 September 2024 [17]. Without high-integrity method replacements there is a potential for a supply shortage in the short-medium term.

The government’s upcoming gazettal of an Expression of Interest process for method development is welcomed and should be governed by criteria for integrity, scale and co-benefits, while it has also committed \$48 million over four years in the recent Federal Budget to progress the ACCU scheme reforms [12].

Land Sector Projects: Assessing Performance and Opportunities

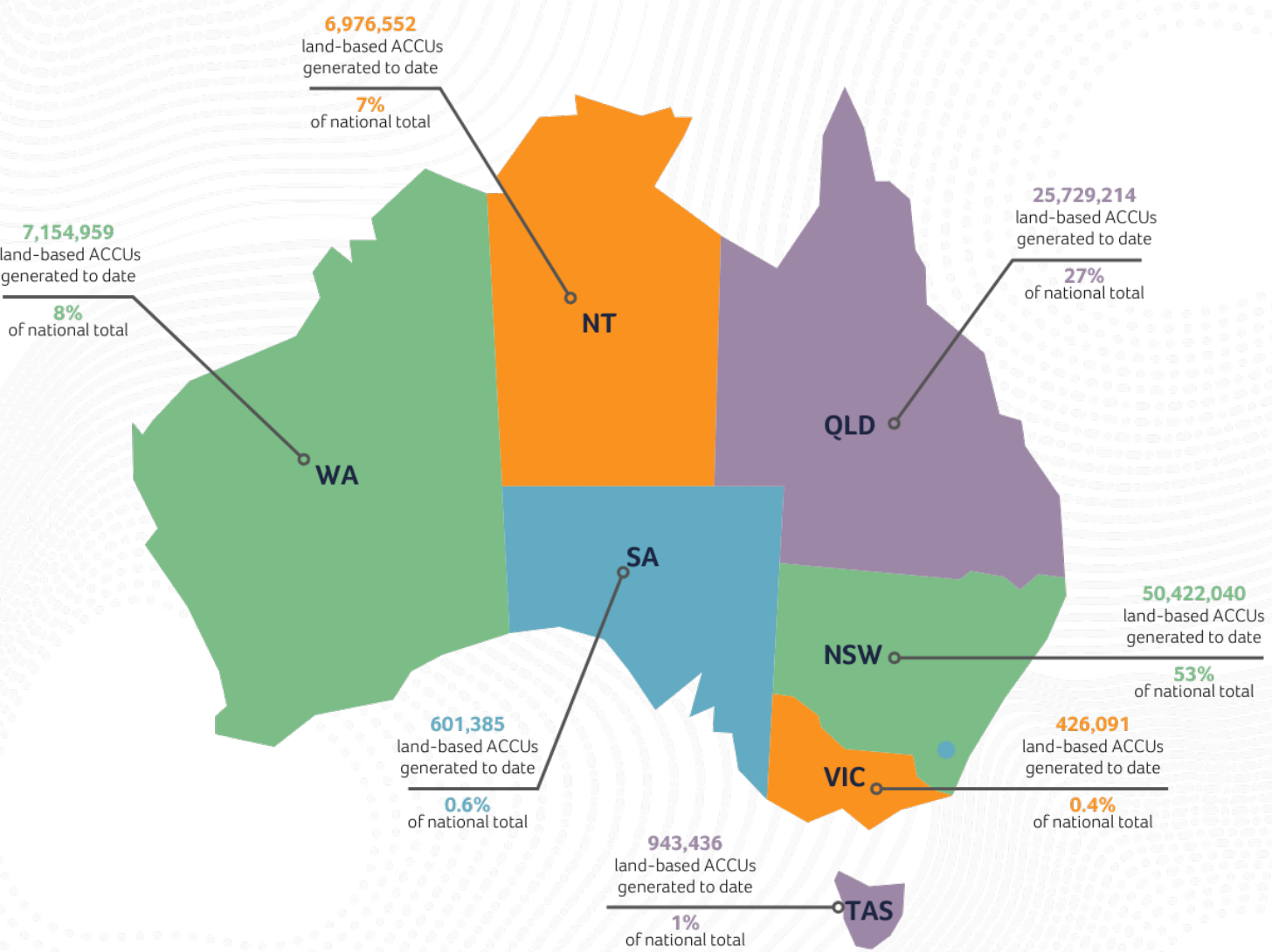


Chart: Number of land-based credits issued in each jurisdiction.
Source: CER Project Register Interactive Map and CER Registry data [18].

The graphic shows that NSW and Queensland have registered the majority of land-based projects and consequently have created the largest number of ACCUs sourced from land-based projects. Western Australia now also has many land-based projects, although many of these have yet to produce a significant volume of ACCUs. Northern Territory projects are dominated by managed savanna burning, and the NT does not have many projects registered under other ACCU framework land-based methods. Victoria, South Australia, and Tasmania all have less than half the number of land-based ACCU projects registered in either Queensland or NSW. These three states between them account for less than 2.2% of the total number of ACCUs issued to ACCU framework land-based projects.

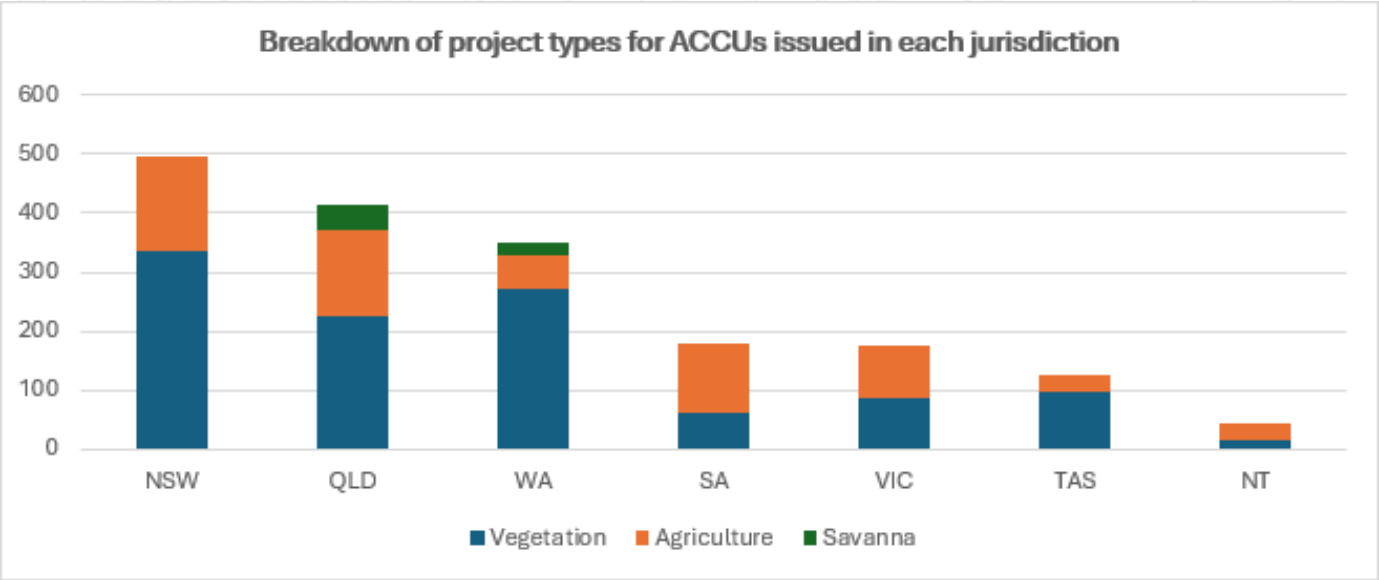


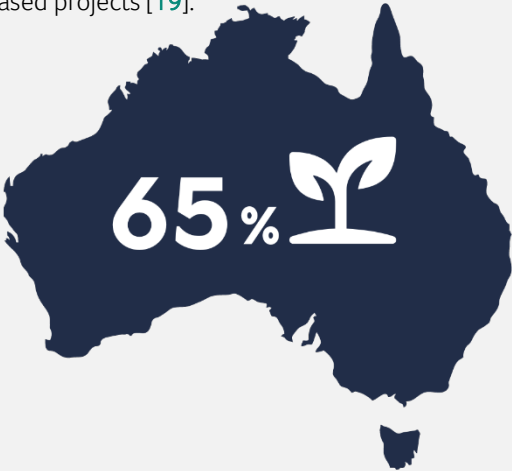
Chart: Breakdown of project types for ACCUs issued in each jurisdiction.
Source: CER Project Register Interactive Map and CER Registry data [18].



The Australian Carbon Industry Code of Conduct is a world-first consumer protection mechanism that commits the nation's carbon industry to higher standards of behavioural integrity, transparency, and accountability. Established in 2018 and operational since July 2021 it promotes market integrity, consumer protection and best practice interaction between project stakeholders and consumers in the carbon market. It is an independent and voluntary code with a public complaints process that is overseen by an independent Code Administrator and a Code Review Panel. The Administrator conducts annual audits and investigates potential breaches.

The Code is undergoing its second independent review which is commencing at a vital time for the carbon industry in Australia. The Code now has three formal government partners; the Queensland, Western Australian and NSW Governments, as well as an industry partnership with the Clean Energy Finance Corporation. It forms part of the eligibility requirements in several carbon farming funds like Queensland's \$500 million Land Restoration Fund, the

\$15 million Western Australian Carbon Farming and Land Restoration Program, and Tasmania's Carbon Farming Advice Rebate Pilot Program. The number of Code Signatories, furthermore, has grown by 40% since 2021 and currently stands at 46. Between them, the Signatories now operate over 65% of the land-based projects [19].



Signatories' coverage of land-based carbon market

Project Spotlight

Nyaliga Fire Project, Western Australia

The Nyaliga Fire Project is located in the East Kimberley region of Western Australia and was registered in 2017 under the Savanna Burning carbon method (2015). The project is run by the Nyaliga Aboriginal Corporation, which represents the Traditional Owners of the geographical area currently known as Karunjie and Durack River pastoral stations.

For this project, Nyaliga Traditional Owners carry out controlled early dry season burns, via aerial and on-ground techniques in a “mosaic pattern” to reduce the prevalence and likelihood of hot and destructive late season fires. The avoided greenhouse gas emissions from the hot late-season fires are calculated, and earn the project Australian Carbon Credit Units (ACCUs) under the Emissions Reduction Fund (ERF).

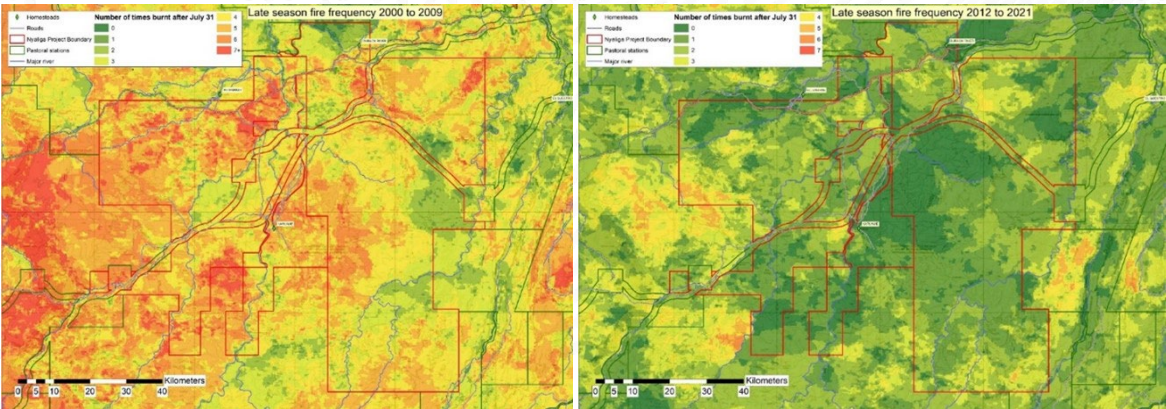
In 2020 the Nyaliga Aboriginal Corporation established the Nyaliga Indigenous Ranger Team to run the savanna burning program. The ranger program provides employment opportunities for people in the community, while also ensuring the transfer of intergenerational knowledge. Burning operations blend traditional Indigenous knowledge and practice with modern technology, including through the use of satellite mapping and aerial incendiary drops from helicopters.

The project is supported by the Kimberley Land Council for fire and carbon operations, Wilinggin Aboriginal Corporation and the Wajina-Wunggurr (Native Title) Aboriginal Corporation, as well as the Indigenous Land and Sea Council as the current leaseholder.

To date, the project has been issued 57,628 ACCUs [20].



Nyaliga Rangers on Country monitoring a controlled early dry season burn, as part of their accredited training. Photo supplied by the Kimberley Land Council.



Comparison of late season fire frequency from 2000 – 2009 (left) to 2012 – 2021). Yellow through to red indicated a higher frequency. The red lines indicate the fire project boundary. Images supplied by the Kimberley Land Council.

Yimba Biodiversity Project, Western Australia



A team of planters preparing tube stock for the Yimba property. Photo supplied by Carbon Neutral.

The *Yimba Biodiversity Project* is a recent addition to Carbon Neutral Pty Ltd's portfolio within the *Yarra Yarra Biodiversity Corridor*. Once teeming with expansive York and Salmon gum woodlands, this corridor in the Wheatbelt region of Western Australia has seen over 90% of its vegetation cleared since the early 1900s for agricultural purposes. Today, soils have become increasingly unsuitable for traditional farming due to degradation and climate change as well as contributing to increased salinity and river turbidity.

Spanning 1,560 hectares in the Shire of Chapman Valley, the *Yimba Biodiversity Project* is a registered project under the ACCU Scheme.

This initiative involves establishing permanent plantings of native tree species on land primarily used for agriculture, utilising the Carbon Credits (Carbon Farming Initiative) (Reforestation by Environmental or Mallee Plantings – FullCAM) Methodology Determination 2014. Along with other tree planting programs, the project is estimated to generate a total of 54,000 ACCUs over its lifetime and has been protected under a 100-year carbon covenant [20].

In developing the Yimba Biodiversity Project, Carbon Neutral implemented a model that retained productive farmland while reintroducing over 70 species back into the landscape. Through collaborative efforts with neighbours and consultants, designated revegetation corridors and farming areas were established, aiming to create buffer plantings, corridors adjoining remnant vegetation, and significant wildlife corridors between nearby reserves.

Also on the property, the Greenough River supports vital corridors of wildlife habitat, enabling Carbon Neutral's revegetation efforts to flourish, benefiting flora and fauna communities along the stream. Through continuous monitoring and assessment, Carbon Neutral ensures the ongoing success of these restoration initiatives.



Aerial view of the Yimba Biodiversity Project showcasing remnant landscape to the left, and prepared planting lines to the right. Photo supplied by Carbon Neutral.

Outlook: Areas of focus for the next 12 months

There are priority tasks to be completed if Australia is to maximise the potential of carbon farming in the fight against climate change and allow regional communities to realise the benefits.

Updating the ACCU framework

Completing the Federal Government's update of the ACCU framework, including by implementing all remaining ACCU Review recommendations, will be essential to strengthen confidence in the integrity of Australia's carbon market, and to make it more efficient and effective.

The government's \$48 million Federal Budget allocation is a welcome boost in continuing progress here. Further amendments to the Carbon Farming Initiative Act [21] will also be required, as well as administrative changes and improvements at Federal and state levels. It is important these are introduced soon, with appropriate processes for scrutiny to enable momentum.

Developing a transparent national data platform that integrates nature and carbon data is also a vital priority for industry and the community.

Addressing the gap in method development

Unless scientifically sound, workable replacement carbon farming methods are finalised soon, a shortage of robust, viable methods might curtail the number of new carbon farming project registrations.

As projects take several years to be developed, this could have a negative impact on the supply of ACCUs at a critical time when, due to Safeguard Mechanism reforms, demand is expected to substantially grow towards the end of the decade.

One of the new methods prioritised for development is the Integrated Farm and Land Management (IFLM) method – enabling land managers to carry out activities from various ACCU framework methods on the same project site, allowing landowners to optimise carbon sequestration on their properties while reducing registration and auditing fees

New resources in the Budget will assist the finalisation of new .

Overhauling procedures for developing new ACCU methods

With an Expression of Interest process for new method proposals shortly underway, the way in which ACCU methods are developed is set to move away from a government-led process towards a 'proponent-led' co-design process.

Greater involvement by innovators, investors or project developers in the development of new ACCU methods, to be assessed initially by the Emissions Reduction Assurance Committee (ERAC), will help to boost the supply of high-integrity credits. This, assisted by support from state and federal governments, should help speed the development of a portfolio of carbon farming methods able to deliver emissions reductions at scale.

The government is now encouraging those involved in carbon farming to guide initial development work on new methods, based on clear and compelling scientific evidence. The CAIC will carefully assess each proposed new method before providing its advice to the Minister.

Strengthening consent arrangements

In line with recommendations of the ACCU review, changes to the Carbon Farming Initiative Act are being planned by the government to ensure that free, prior, informed consent approaches underpin carbon farming projects on Native Title lands.

Introducing a requirement for proponents to attain written preliminary consent from Native Title holders before project registration is granted by the CER will be an important first step, of which \$12.2 million has been allocated in the 2024-2025 Federal Budget.

Government funding for legal and financial advice to Indigenous entities and Native Title eligible interest holders to support their participation in consent processes is important, the recent Federal budget allocation is a welcome start. It would also be useful to explore strategies to better embed and share best practice benefit-sharing arrangements into carbon farming activities and to encourage more Indigenous-owned and led projects.

Providing education and capacity-building services

Significantly expanding education and capacity-building programs for all those involved in carbon farming projects, or that use the credits they produce, remains an important, ongoing task.

Land managers and owners face a daunting array of decisions that have long-term ramifications when they are considering becoming involved in carbon projects, or in nature repair and clean energy projects. Every effort must be made to ensure they have access to clear, independent, information, tools and resources when making these decisions.

Important developments include the federal government's Carbon Farming Outreach Program which is a national training and advice program aimed at supporting Australian farmers and land managers to reduce emissions and store carbon. It includes \$17.5 million in grants to independent advisors, including First Nations representatives [22]. This federal program is complemented by important state programs, such as Victoria's On-Farm Emissions Action Plan Pilot [23], as well as NSW's On-Farm Carbon Advice project [24].

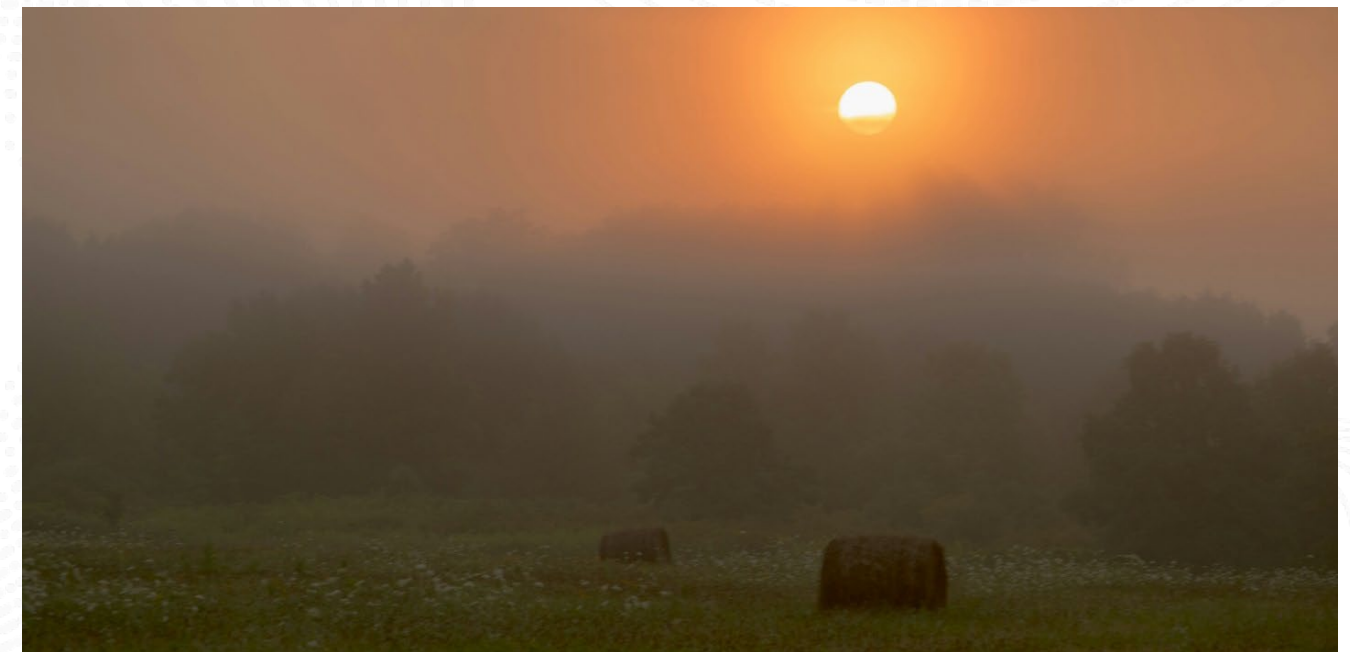
The provision of guidance to land managers on the respective merits of "insetting" and "offsetting" remains particularly important, as is information regarding appropriate carbon farming activities and meshing them with nature protection and repair activities. Skills and technical capacity development will also be important to integrate into Federal and state workforce development programs.

Developing a carbon market strategy

The development of an overarching carbon market strategy across the six sectors of the Net Zero Plan could provide important guidance on the government's view of the evolution of carbon and nature markets.

It would also contribute to the important task of formulating an ambitious international emissions reduction pledge for 2035 (known in UN climate negotiations as a Nationally Determined Contribution), due in 2025.

In addition to supporting a more efficient domestic decarbonisation and nature repair effort, an overarching strategy would provide stronger policy direction and transparency to market participants, while forming the basis for better national coordination between governments. It would also provide clarity on key items, such as Australia's participation in international carbon trading initiatives and its expected contribution to ACCU purchasing via Powering the Regions Fund.



About the Carbon Farming Scorecard

The carbon farming scorecard provides an updated snapshot of federal, state and territory government efforts to support and develop the Australian carbon farming sector.

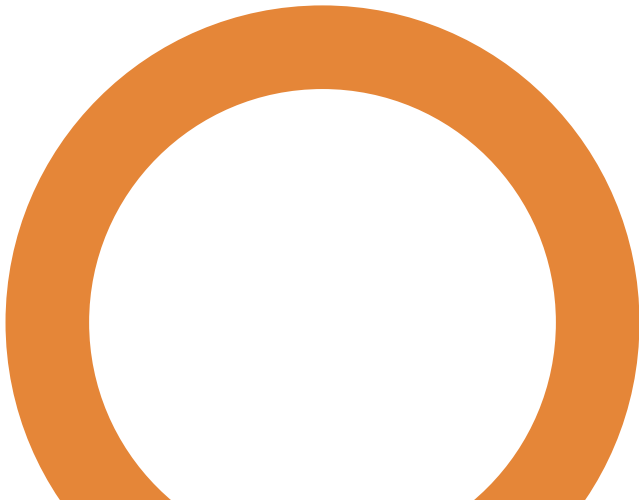


The 2024 Scorecard builds upon previous versions issued in 2022 and 2023. The Scorecard is closely aligned with the Australian Carbon Farming Industry Roadmap, which was developed as a national strategic framework that outlines how Australia's carbon farming industry can reach its full economic, environmental and social potential.

The Scorecard comprises twelve criteria against which Australia's federal, state and territory governments have been assessed. These criteria are grouped under the Carbon Farming Industry Roadmap's four critical pillars for industry development. The weighting of each criterion reflects their perceived relative importance.

The scoring is based on publicly disclosed information, including policies, reports, grants, announcements, tools and educational resources. Representatives from each jurisdiction were consulted to ensure the assessment is based on the most relevant materials - both those directly targeting carbon farming and those which may have relevant impacts and influence. This year's scorecard has the same criteria as the previous edition, however, rising focus on the imperative to achieve strong action has been considered when scoring the jurisdictions.

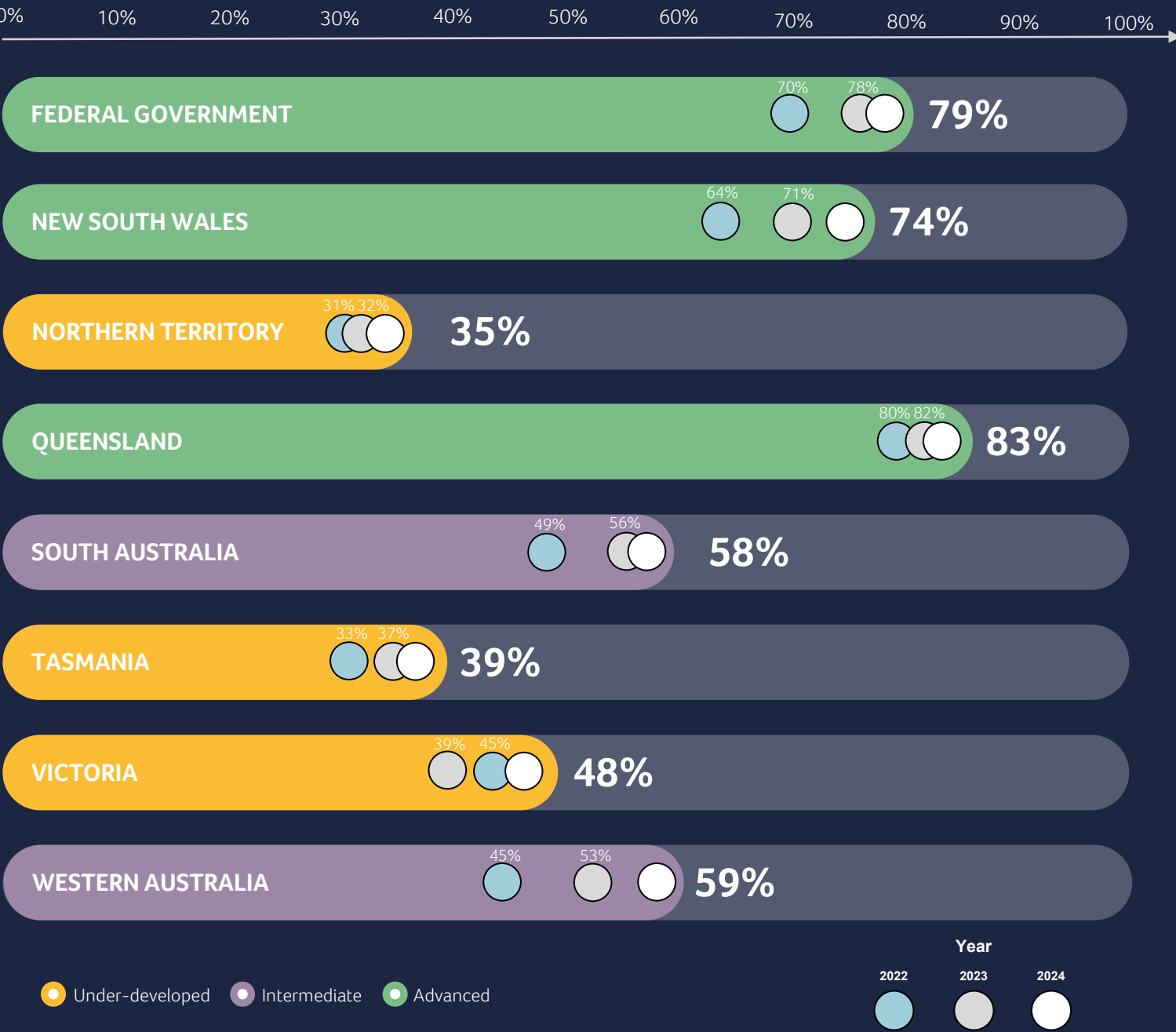
Each government is ranked based on its score out of 100 relative to other governments. Those scoring lowest are marked as 'under-developed', mid-range as 'intermediate', and above marked as 'advanced'. Discretion is used to ensure overall and relative alignment.



Methodology

Pillar	Criteria		Max score
 Pillar 1: Optimising Frameworks & Market Design	Policy and ambition	Specific carbon farming strategy and integration of carbon farming into appropriately ambitious emission reduction goals and policy mechanisms	10
	Transparency and integrity	Policies and initiatives to enhance market transparency and accountability and to develop and implement integrity principles and standards	10
	Cooperation	Collaboration on carbon farming at all levels of government (federal, state, local, potential for cross-jurisdictional international linkages) and with Aboriginal and Torres Strait Islander communities	8
 Pillar 2: Unlocking finance and investment	Opportunity assessment	Mapping of strategic opportunities for development/investment based on assessment of land and marine carbon opportunities, and facilitating efficient approvals	8
	Enabling private investment	Collaboration with banks, investors, and insurers to enhance understanding, facilitate carbon market engagement and ensure suitable support for carbon farming projects.	8
	Capital allocation	Direct funding of positive land use change through carbon farming projects, and using programs to pilot new approaches and purchase units	8
 Pillar 3: Co-Benefits & Creating New Markets	Market architecture and enablers	Development of new methods, co-benefit taxonomies, metrics and measurement frameworks that are aligned with international standards and best practice	8
	Markets & policy integration	Feasibility / enabling of new environmental markets, co-benefits and carbon methods	8
	Valuation	Assessment and communication of potential carbon farming co-benefits: environmental, economic, social and cultural (e.g. employment and ecosystem services)	8
 Pillar 4: Communicating benefits and building capacity	Resources and training	Allocation of resources to assess skills and training needs, to support outreach, education, upskilling/training programs and to provide tools and materials to support project developers	8
	Innovation	Development of new tools and technologies that support growth and efficiency of carbon farming initiatives	8
	Advocacy and leadership	Communicating to the broader community the contribution, benefits and opportunities related to carbon farming	8

Scorecard



FEDERAL GOVERNMENT

The first phase of ACCU Review recommendations have been implemented, underpinning market transparency and integrity. Capacity building efforts have broadened and the Nature Repair Act will allow biodiversity and carbon markets to operate effectively together. However, a coverage gap has emerged for vegetation-based methods, checking supply momentum. Additional resourcing should allow timely progress.



SOUTH AUSTRALIA

South Australia has set a solid foundation to embed the uptake of carbon farming at scale, underpinned by the Carbon Farming Roadmap 2022-2026. Continued implementation of the Carbon Farming Roadmap remains crucial to increasing future scores, especially for policy and ambition.



NEW SOUTH WALES

New South Wales continues to make strong progress, with the release of the Climate Change (Net Zero Future) Act 2023, the existing Natural Capital Statement of Intent, the On-Farm Carbon Advice Program, and the Primary Industries Productivity and Abatement Program. Developing a co-benefits standard remains key to bolstering the integrity of carbon farming in the state.



TASMANIA

Tasmania has demonstrated progression in advancing its carbon farming capabilities over the past 12 months. The publication of the Climate Action Plan Implementation Plan outlines timeframes for the delivery of key carbon farming actions. Tasmania has also allocated funding towards positive land use change with the introduction of the Stems for CO2 2024 Grant Program.



NORTHERN TERRITORY

The Northern Territory has progressed cooperation with Traditional Owners and assisted in capacity building. Further opportunities exist to work with Traditional Owners to progress the establishment of an Aboriginal Carbon Unit.



WESTERN AUSTRALIA

Western Australia has had the largest improvement compared to other jurisdictions. Among a wide range of developments, Western Australia has bolstered carbon market integrity with the introduction of the Climate Change Bill 2023 to ensure offsets will be aligned to international best practices for offset integrity standards.



QUEENSLAND

Queensland has retained its position as the leading jurisdiction for the third consecutive year, based on its continued and significant financial investment and focus on enhanced integrity. The state's standing could be enhanced through further implementation of initiatives set out in the Low Emissions and Agriculture Roadmap Implementation Plan.



VICTORIA

Victoria continues to make solid progress across existing initiatives to support its carbon farming in the state. The state has made impressive strides in opportunity assessment with the release of Mapping Victoria's Blue Carbon Report and Coast Kit Marine and Coastal Knowledge Decision Support Tool.

Although included in the inaugural 2022 Scorecard, the Australian Capital Territory has not been scored in the 2023 and 2024 Scorecards. This is due to the ACT's natural geography having a limited capacity for land-based carbon storage. Much of the ACT's spatial geography, beyond the city, is occupied by protected National Parks and therefore already contributing to sequestration / ineligible for carbon farming projects. It would be unfair to assess. The ACT has excelled in other decarbonisation strategies having offset 100% of energy consumption with renewable electricity in 2020, 2021, and 2022, alongside a number of other measures.

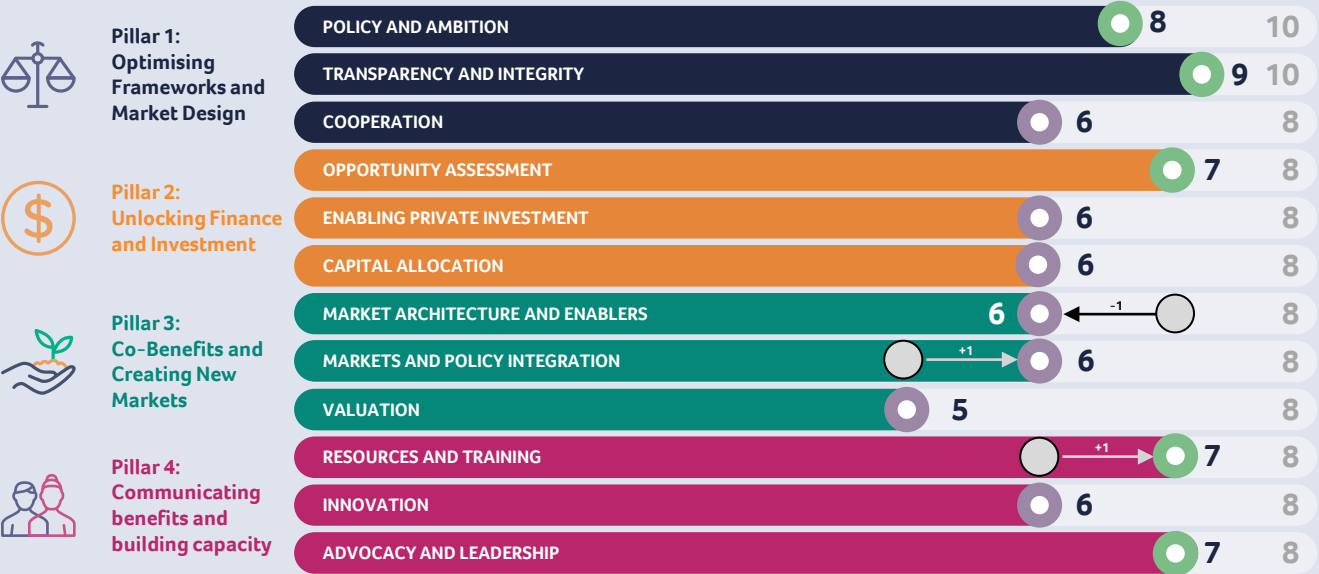
Individual Government Results

Score 79%

2023 Score 78%

2022 Score 70%

Federal Government



The Government has progressed a wide-ranging reform agenda, including Safeguard Mechanism reforms, a Nature Positive Plan and a strengthening of the ACCU system. Sectoral decarbonisation plans are being developed to contribute to a new net zero 2050 plan and 2035 emissions targets. This includes an Agriculture and Land Sectoral Plan (\$63.8 million over ten years), which will provide an opportunity to crystallise the role of carbon farming to complement and accelerate other sectoral emissions reductions [12].

Stage 1 of the ACCU Scheme Implementation Plan (the plan) has reinforced market integrity and transparency which has included the publication of Carbon Estimation Areas, the appointment of a full-time Chair and First Nations member to the Emissions Reduction Assurance Committee, and the release of the first independent review of Human-Induced Regeneration (HIR) gateway checks [12, 25, 26, 27, 28]. An official audit of the Clean Energy Regulator’s administration of the ACCU Scheme found it to be “largely effective” and the Climate Change Authority’s review of the ACCU Scheme found it was “fundamentally well designed” [29, 30]. The finalisation of legislative and institutional changes will underpin this investment grade and globally leading market framework.

The 2024-2025 Federal Budget outcomes for the ACCU Scheme (\$48m over four years) and the Nature Positive Agenda (\$40.9m over two years) should facilitate the progression of Stage 2 of the plan. Critically, there is currently a gap in vegetation-based methods for new projects, with the new Integrated Farm and Land Management (IFLM) method not expected to be in place until late 2024 to replace the sunsetted HIR method [31]. Interim guidance was published on proponent-led method development in September 2023 [32], with funding of \$3.7m from the ACCU Scheme allocation for supporting the new process through targeted engagement and advice for proponents [12]. Legislation is required for this widely anticipated reform to take full effect.

The passage of the landmark Nature Repair Act has progressed market integration. Implementation efforts (\$17.7m from the Nature Positive allocation) are now focused on ensuring biodiversity and carbon markets are interoperable and work in tandem to promote nature positive outcomes. Progress has also been made towards finalising new initiatives such as the Australian Carbon Exchange [13]. The role of government purchases in the ACCU market should be clarified, including in complementing market-led growth in demand driven by the Safeguard Mechanism. Legislative reform will also be progressed to remove the ability to conditionally register projects on Native Title lands without eligible interest holder consent.

Continued progress was made in building industry capacity, with the new \$302m Climate-Smart Agriculture Program supporting farmers to harness carbon and biodiversity incentives [33]. The Carbon Farming Outreach Program is developing training packages in partnership with the Indigenous Carbon Industry Network, Indigenous Professional Services and the University of Melbourne [34].

Highlights

- Completion of Stage 1 ACCU Reforms, reinforcing market integrity and transparency.
- Tenders awarded for the Australian Carbon Exchange and new registry.
- Passage of Nature Repair Act allowing for carbon markets and biodiversity to work in tandem.
- Progress in building capacity in industry and First Nations peoples.
- Allocation of further resources for ACCU Review Nature Positive Plan.

Opportunities

- With announced resourcing, progress Stage 2 of the plan, finalise methods and prioritise passage of legislation to finalise new integrity institutional arrangements and proponent-led methods. Fast track CFI Act amendment to reform conditional consent arrangements on Native Title land.
- Articulate the role of carbon farming and markets in enabling ambition in the Net Zero plan and 2035 emissions targets, and transparently outline the role of government purchases in the carbon market.
- Progress wider nature positive reforms to better support nature protection and repair.

Score **74%**

2023 Score **71%**

2022 Score **64%**

New South Wales



New South Wales (NSW) has now legislated its emissions reduction targets with the passage of the Climate Change (Net Zero Future) Act 2023, including a 2035 target of a 70% reduction from 2005 emissions levels [35], alongside stronger sectoral decarbonisation expectations, with enhanced accountability arrangements including the new Net Zero Commission [36]. Integration of carbon farming will be important as this strategy is embedded.

NSW continues to make progress on strengthening its carbon farming framework through further implementation of the Primary Industries Productivity and Abatement Program (PIPAP). Round 1 funding (\$6.8m) was allocated to six successful projects through the PIPAP High-Impact Partnership Grant, which sought to promote innovation to maximise benefits for land managers and secure co-benefits [37]. Increased on-the-ground support for Aboriginal landholders through Local Aboriginal Land Councils has enhanced cooperation, as well as a state government partnership with NSW National Parks to undertake projects registered under the ACCU Scheme [38]. NSW has also updated its Carbon on Country Guide for NSW Aboriginal landholders and managers, including ongoing caring for Country, protection of cultural heritage and economic opportunities for communities [7].

Highlights

- Legislated interim net zero targets under the Climate Change (Net Zero Future) Act 2023.
- Allocation of Round 1 High Impact Partnership funding.
- Updated the Carbon on Country Guide.
- Delivered workshops with Local Aboriginal Land Councils to support carbon farming uptake.
- Launch of Living Carbon grants to assist applicants in delivering carbon abatement through planting projects.
- Continues to be a government partner of the Australian Carbon Industry Code of Conduct for 2024.

Opportunities

- Continue to develop and integrate a co-benefits standard to secure wider benefits from carbon farming initiatives.
- Draw on lessons learned from Round 1 of the High-Impact Partnership Grant to further enhance innovation.
- Further articulate the role of carbon farming in complementing sectoral decarbonisation in NSW.
- Halt and reverse land clearing deforestation by developing a new framework for an avoided clearing method.

NSW On-Farm Carbon Advice Program

The NSW On-Farm Carbon Advice project aims to enhance carbon farming knowledge in beef, sheep, dairy, and mixed farming systems. It is focused on topics including climate change impacts, agricultural emissions, and carbon farming strategies (including methods, carbon sequestration options, market opportunities and sustainable land management practices).

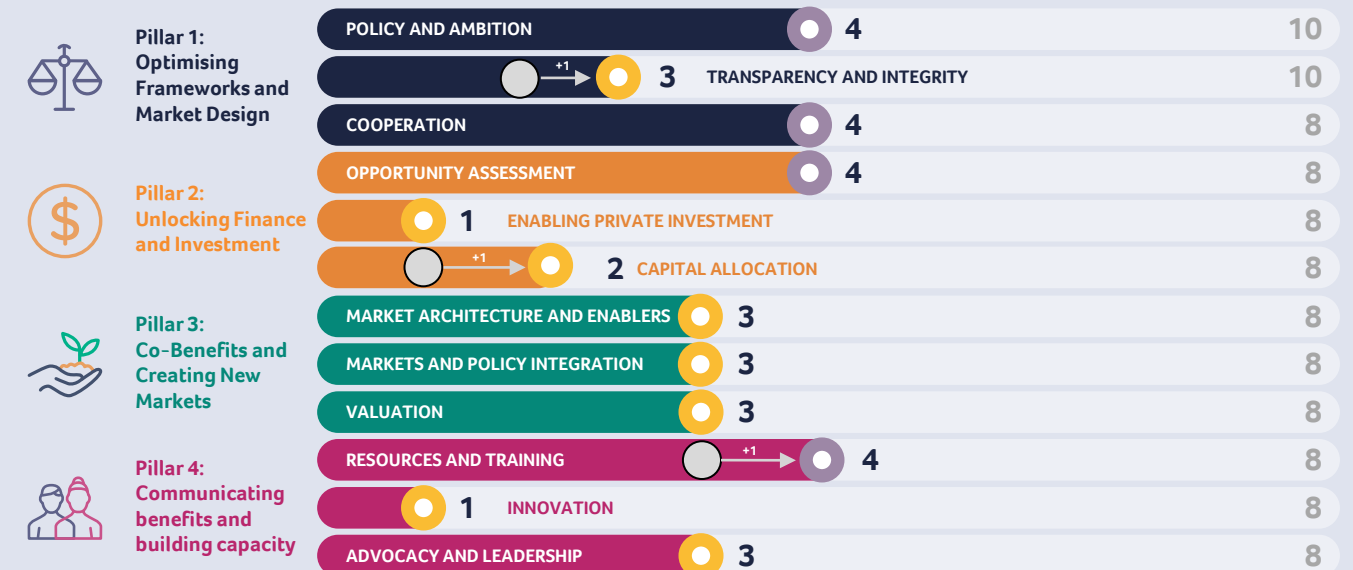
The program's key offerings are a variety of training and education workshops, Farm Carbon Management plans and an online platform provides tools and resources that are designed to provide in-depth knowledge and advanced techniques tailored to farmers at varying stages of their carbon journey [24].

Score **35%**

2023 Score **32%**

2022 Score **31%**

Northern Territory



The Northern Territory's distinctive geography, marked by expansive uncleared land, presents bespoke opportunities for advancement in carbon farming initiatives.

Recent updates from the Northern Territory's Climate Change Response: Towards 2050 Progress Report signify the implementation of the Land-Based Carbon Abatement Program, designed to bolster participation in the carbon market [39]. Stronger scores were achieved for resources and training, given the program's focus on equipping stakeholders with the necessary tools for effective engagement.

Meanwhile, a \$150k funding allocation towards the Indigenous Carbon Industry Network (ICIN) aims to empower Aboriginal Territorians in navigating and benefiting from carbon market opportunities [39]. The enabling relationship the government intends to foster with ICIN builds on a key area of focus and development from the 2023 Scorecard, which was to direct financial support to empowerment and capacity building for Traditional Owners. Funding allocations were made for the NT Cattlemen's Association (NTCA) to support pastoralists in reducing emissions while enhancing productivity and facilitating their entry into the carbon market landscape [39].

Highlights

- Implementation of the Land-Based Carbon Abatement Program.
- Funding for ICIN to empower Aboriginal Territorians in navigating and benefiting from carbon market opportunities.
- Established relationship with Charles Darwin University to assess the tenure and viability of blue carbon sequestration on fisheries and pastoral land.

Opportunities

- Build Traditional Owners into the strategy and progress the establishment of an Aboriginal Carbon Unit, a previous commitment under the Aboriginal Carbon Industry Strategy.
- Deliver the skills development strategy, previously set to be delivered at the end of 2022, to capitalise on new and emerging opportunities associated with low-carbon economies.
- Co-design a method encouraging high integrity regeneration, appropriate to NT circumstances'

2024 Savanna Fire Forum: Indigenous fire management and sustainability

The North Australia Savanna Fire Forum is a key event for Indigenous fire management, focusing on sustainable practices, fire science, and First Nations' role in land care.

This annual forum, in collaboration with Charles Darwin University and in partnership with the Northern Territory Government, serves as a knowledge-sharing platform in the Indigenous carbon industry, enhancing understanding and community involvement in fire management strategies.

Now in its seventh year, the North Australia Savanna Fire Forum facilitates knowledge sharing and practice improvements within the growing Indigenous carbon industry [40].

- Become a government partner of the Australian Carbon Industry Code of Conduct (continuation of 2023 Scorecard opportunity) to bolster the integrity of carbon farming.

Score **83%**

2023 Score **82%**

2022 Score **80%**

Queensland



Queensland remains dedicated to advancing its ongoing carbon farming policies and programs, which are now underpinned by the legislation of Queensland's 2035 emissions reduction target of 75% from 2005 levels by 2035 [41]. Integration of carbon farming into the target will be crucial for determining its immediate contribution to emissions reduction.

The Queensland Low Emissions Agriculture Roadmap remains the key strategy underpinning carbon farming in the Queensland agribusiness sector, of which an implementation plan has been released. The implementation plan identifies landholder upskilling and advances in method development to maximise opportunities in the natural capital market [42]. Additionally, applications were sought for Round 3 of the Land Restoration Fund (\$50m), which delivers funding and educational materials for landowners to develop carbon farming projects that deliver co-benefits for the environment and communities [43].

Queensland has shown an increased focus on integrity by prioritising Round 3 projects in the Land Restoration Fund with a longer permanence period, as well as a commitment to transparency through a quarterly Investment Rounds Report which delivers price discovery for contracted ACCUs with co-benefits. Recognising Queensland's established jurisdictional leadership, the scorecard observes that despite the ambitious nature of the initial \$500m Land Restoration Fund announcement in 2017, disbursements to date have been slower than anticipated.

Highlights

- Release of the Queensland Low Emissions Agriculture Roadmap Implementation Plan to embed a sector-wide partnership approach to achieve carbon reductions in agriculture.
- Applications closed for Round 3 of the Land Restoration Fund, with successful projects soon to be announced.
- Launch of the Queensland Pasture Resilience Program (\$24.4m); a collaboration between the state government and Meat and Livestock Australia that aims to support the red meat industry meet its goal to be carbon neutral by 2030.
- A Carbon Industry Code of Conduct partner since 2018. Land Restoration Fund proponents delivering projects on land other than their own must be Code signatories.

Opportunities

- Execution of land use initiatives set in the Queensland Low Emissions Agriculture Roadmap Implementation Plan, including the development of First Nations partnerships, and methods that recognise emerging drivers and farming system approaches.
- Halt and reverse land clearing deforestation by developing a new framework for an avoided clearing method.

Queensland Carbon Farming Advice Scheme

Since 2020, three rounds of the Queensland Government's Carbon Farming Advice Scheme have provided over 260 landholders with up to \$10,000 each towards the costs of receiving carbon farming advice. The scheme aims to increase understanding of carbon farming and unlock opportunities for landholder participation in the carbon market.

Participants in the scheme can access advice from a network of 100 Land Restoration Fund Approved Advisers. This network offers landholders comprehensive information, ranging from the evaluation of carbon and biodiversity potential on a specific property to legal and financial considerations of carbon farming and the latest environmental market developments, including the options available for participation in the Land Restoration Fund.

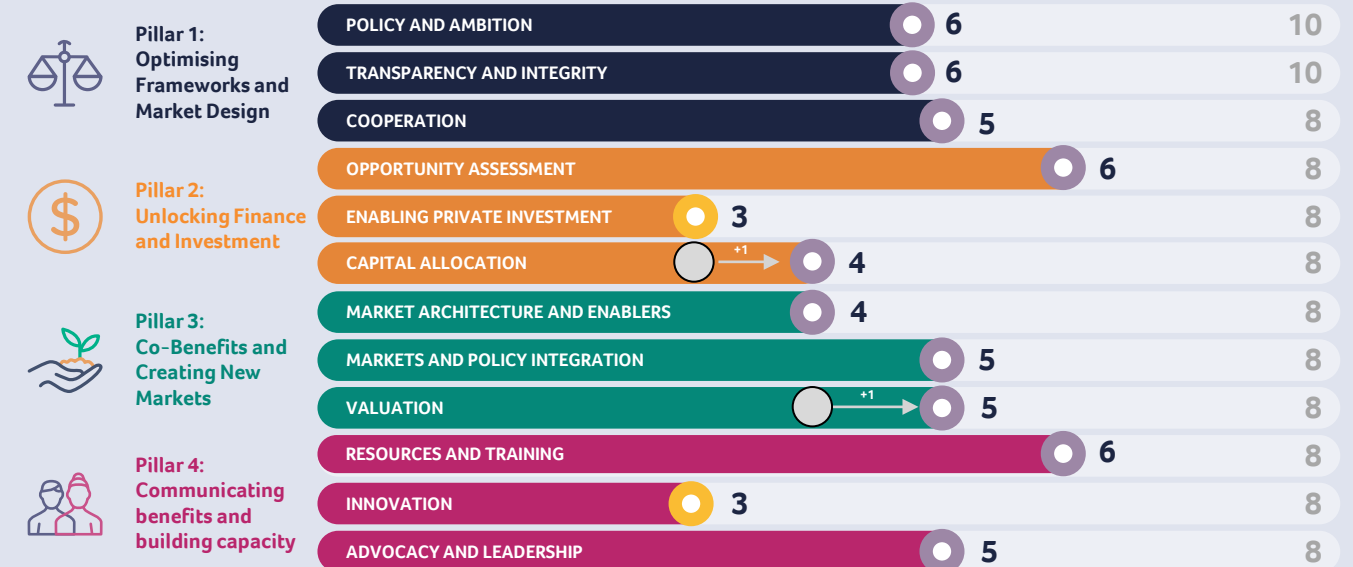
- Leverage the existing \$500m Land Restoration Fund to fully integrate carbon farming into Queensland's 75% emissions reduction legislated target.

Score **58%**

2023 Score **56%**

2022 Score **49%**

South Australia



South Australia has set a solid foundation to embed the uptake of carbon farming at scale. This foundation is underpinned by the the existing Carbon Farming Roadmap 2022-2026 for South Australia which recognises the importance of unlocking opportunities and increasing participation in carbon farming across the public and private sectors [44]. Continued implementation of the Roadmap will remain key to unlocking these opportunities. Landscape Boards SA also continues to play a pivotal role in advancing carbon farming practices to deliver practical, on-ground carbon farming programs. The latest round of funding in the Grassroots Grants program continues to support landholders working locally for environmental and regenerative land management outcomes [45].

In the past year, South Australia allocated funds of \$15m over 10 years for a new Forestry Centre of Excellence, and more than \$600k of funding under the Growing Carbon Farming Pilot to projects that demonstrate commercial carbon farming activities and measurable environmental, social and economic co-benefits [46, 47].

Highlights

- Commitment of \$15m over 10 years for a new Forestry Centre of Excellence.
- More than \$600k in funding for landowners through the Growing Carbon Farming Pilot.
- Progressing a suite of blue carbon initiatives in the state including identifying potential tidal restoration sites.
- Amendment to the *Pastoral Land Management and Conservation Act 1989* to give leaseholders more flexibility to manage their land and provide pastoralists, including Traditional Owners, with options for generating alternative revenue sources.

Opportunities

- Continued implementation of the Carbon Farming Roadmap to increase participation in carbon farming.
- Maximise high-integrity carbon market opportunities under the Forestry Centre of Excellence, including by prioritising ACCU Scheme projects to meet growing domestic demand.
- Showcase Growing Carbon Farming Pilot projects to demonstrate the viability and benefits of carbon farming practices.
- Become a government partner of the Australian Carbon Industry Code of Conduct (continuation of 2023 Scorecard opportunity) to bolster the integrity of carbon farming.

Hiltaba project delivers co-benefits and biodiversity

Located on the Hiltaba pastoral lease in the Gawler Ranges of South Australia, this HIR project seeks to regenerate 23,000ha of culturally significant native forest land. The project is a three-way partnership between the Gawler Rangers Aboriginal Corporation (the local Native Title Body Corporate), GreenCollar and the Nature Foundation who manage the Hiltaba pastoral lease, which is managed for conservation purposes as the Hiltaba Nature Reserve.

The carbon project delivers social co-benefits for the Gawler Ranges People including supporting educational camps at Hiltaba for Barngarla, Kokatha and Wirangu children and families as part of the Nature Foundation's Kids on Country program. The project also delivers important biodiversity co-benefits. Through the regeneration of native forest, it restores habitats for Short-Tailed Grasswren, Pink Cockatoo as well as for Yellow-Footed Rock-Wallaby, whose population estimates have demonstrated a significant recovery in recent years.

Score **39%**

Tasmania

2023 Score **37%**

2022 Score **33%**



Acknowledging Tasmania's unique geography and topography, the government has continued to recognise the importance of carbon farming to agriculture and farming. The government published Tasmania's Climate Change Action Plan 2023–25 in June 2023, which identified a key action to support the transition to low-carbon agriculture. A subsequent Implementation Plan outlines timeframes for delivery of these actions [48, 49]. The continuation of the Landcare Action Grants Program and Carbon Farming Advice Rebate Pilot Program supports farmers and other community organisations to co-invest in practical, on-ground works [50, 51].

Improvement has been made across capital allocation for the introduction of the \$600k Stems for CO2 Program. The program is led by Private Forests Tasmania, a state government statutory authority, and consists of a \$450k grant program and \$150k to undertake carbon modelling and develop communications materials [52]. Co-investment support is provided for farmers, agricultural producers and landowners with upfront establishment costs to successfully integrate commercial tree plantings into their agricultural enterprises, as well as estimates of carbon sequestered from the tree plantings by the successful grant applicants. The program also develops media articles and other resources to communicate to other Tasmanian farmers and landowners the carbon uptake benefits of tree plantings and co-benefits such as improved farm productivity, biodiversity and water quality and reduced soil erosion.

Highlights

- Publication of the Climate Action Plan and Implementation Plan.
- Introduction in 2024 of the Stems for CO2 Grant Program (\$450K) and modelling and communications resources (\$150K).
- An additional \$225k allocated to the Landcare Action Grants program in the 2023–24 budget, with the intent to extend until 2026.
- Partnered with the University of Tasmania to explore whether land use should be included when accounting for carbon in the Tasmanian livestock sector.

Opportunities

- Develop a co-benefits standard and framework that is specific to Tasmania's nature and biodiversity needs.
- Continue to build confidence for landowners to uptake existing carbon farming initiatives by expanding the Carbon Farming Advice Rebate Program.
- Become a government partner of the Australian Carbon Industry Code of Conduct (continuation of 2023 Scorecard opportunity) to bolster the integrity of carbon farming.

Integrated Farm Forestry Demonstration Sites Program

Private Forests Tasmania has delivered the Integrated Farm Forestry Demonstration Sites Program to develop landscape-scale best practice forestry plantings in Northwest, Northern and Southern Tasmania. There have been two rounds of demonstration sites resulting in over 500ha of new farm forestry plantings.

The first round in 2019–20 allocated \$600,000 for seven properties to establish seedlings. The second round of the program provided an additional \$600,000 in funding to eight landowners in 2021, with planting taking place in winter 2023. The outcomes of this program included direct value from carbon credits and increasing carbon productivity, as well as co-benefits from improving biodiversity, native species habitat and land amenities and value.

Score **48%**

Victoria

2023 Score **45%**

2022 Score **39%**



Victoria continues to make solid progress. The release of the state's 2035 emissions reduction target of 75–80% from 2005 levels demonstrates strong ambition, and a basis for further articulating the role carbon farming may have in contributing to these targets [53].

The BushBank program (\$77m) allocated existing funding of \$5.6m over five years in 2023 for suitable projects that enhance carbon sequestration and storage while empowering Traditional Owners to practice self-determination [54]. In 2023, 738 hectares of land were planted under the BushBank program. A further 151 hectares of degraded habitat were enhanced and restored. It is anticipated 2,000 hectares of land will be planted by the end of 2024. The existing Victorian Carbon Farming Program pilot (\$15m) is exploring opportunities for extension [55].

This year, Victoria has made progress across opportunity assessment, largely attributed to the release of the Mapping Victoria's Blue Carbon Report [56]. The report outlines the methodologies and technical approaches utilised in mapping blue carbon opportunities across the state. The release of the CoastKit Marine and Coastal Knowledge Decision Support Tool demonstrates improvement across the communicating benefits and building capacity pillar [57]. The tool serves as a centralised hub for marine and coastal data, specifically tailored for landowners and individuals seeking information related to blue carbon opportunities.

Highlights

- To date, \$5.6 m of existing Bushbank program funding committed to Traditional Owners to deliver 18 carbon farming projects.
- Release of the Mapping Victoria's Blue Carbon Report and CoastKit Decision Support Tool
- The On-Farm Emissions Action Plan Pilot has reached its second year of delivery, with funding distributed for projects.
- Catchment Management Authorities continue to work collaboratively with landholders to incentivise large-scale revegetation works.

Opportunities

- Explore the potential for a state-wide rollout of the Victorian Carbon Farming Pilot, leveraging insights from the pilot to optimise scalability and effectiveness.
- Identify key lessons learned from CoastKit and Victoria's Blue Carbon Report to progress bespoke carbon farming practices unique to Victoria.

Blue Carbon in Western Port (Bunurong/Boon Wurrung land)

In partnership with Deakin University Blue Carbon Lab, the Victorian Government has provided a \$700k grant to the Western Port Biosphere Foundation to protect, restore, and plan for the future of blue carbon ecosystems across the Western Port region and a further \$500k under the Bushbank program to partner with Bunurong Land Council to restore and protect coastal wetlands in the region.

The project aims to build further connections with stakeholders around Western Port, to design a series of management plans for the future protection and restoration of blue carbon sites, and to carry out on-ground works such as monitoring and sampling [58].

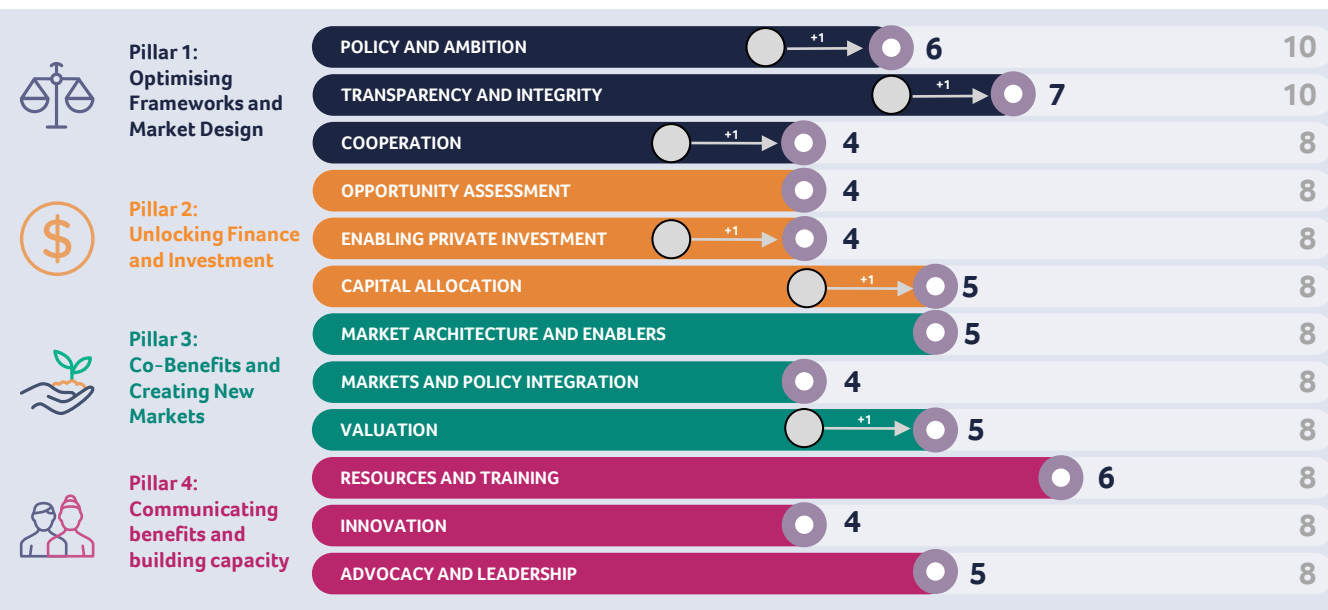
- Become a government partner of the Australian Carbon Industry Code of Conduct (continuation of 2023 Scorecard opportunity) to bolster the integrity of carbon farming.

Score **59%**

2023 Score **53%**

2022 Score **45%**

Western Australia



Western Australia has demonstrated solid progression across several scorecard criteria. The introduction of the Climate Change Bill in November 2023 has bolstered transparency and integrity within Western Australia's carbon farming sector by ensuring offsets will be aligned with international best practice offset integrity standards [58]. The government has also fostered cooperation among private investors through the Carbon for Conservation market-led proposal, which calls on the private sector to propose carbon farming concepts and solutions for Western Australia's national parks and reserves [59].

Western Australia is also actively advancing its existing carbon farming initiatives, with \$2.94m in funding for Round 3 of the Carbon and Land Restoration Program [60]. This round emphasises the involvement of Traditional Owners as project proponents. Additionally, Round 2 recipients of the Carbon for Farmers Voucher Program, now offering \$15k per recipient (up from \$10k in Round 1), have been announced, with over \$587k allocated to aid farmers in evaluating the feasibility of integrating carbon farming into their operations [61].

Western Australia has also updated its Co-Benefits Standard to emphasise its commitment to communicating potential co-benefits linked with carbon farming, with a particular focus on benefits for Traditional Owners [62].

Highlights

- Preparation for Round 3 of the Carbon and Land Restoration Program (\$2.94m).
- Release of the Carbon Project Service Provider Directory, directing landholders to relevant service providers. Service providers are asked to declare if they are a signatory to the Australia Carbon Industry Code of Conduct.
- Updated guidelines for carbon farming projects using ACCU Scheme methods under Round 2 of the Carbon Farmers Voucher Program.
- Continues to be a government partner of the Australian Carbon Industry Code of Conduct for 2024.

Opportunities

- Expand the Carbon and Land Restoration Program pilot into a state-wide program.
- Continue to investigate the potential of unlocking pastoral land for carbon farming practices.
- Due to Western Australia's vast landscape, realise the full benefits and opportunities associated with the proposed Integrated Farm and Land Management method.

Hacienda De Trigo Soil & Endemic Vegetation Carbon Project

The Hacienda De Trigo Soil and Endemic Vegetation Carbon Project combines a soil carbon project over 1307 hectares, and reforestation through environmental plantings over 200 hectares on a private property northwest of Corrigin [63]. The vegetation project focuses on land restoration by planting mixed endemic species to increase biodiversity.

The soil carbon project aims to improve soil health and increase carbon sequestration through the introduction of new practices to the farming business. These include very deep ripping, ameliorating soil with clay, compost and manure, and introducing mixed legume species fodder crops. It is estimated that the project can increase soil organic carbon levels from 0.8% to 1.3% in the top 30cm, which would generate 3.1 ACCUs/ha/year during the 25-year timeframe.

Conclusion and outlook

Continued implementation of the ACCU Scheme Review recommendations will further strengthen Australia's already robust scheme, and ensure strong market participation and continued supply momentum. Looking forward, the development of a renewed national net zero plan provides an opportunity to articulate the role of carbon farming and carbon markets in lifting ambition and accelerating decarbonisation.

Key Takeaways



Completion of the ACCU Scheme Review Implementation Plan is pivotal for leveraging the carbon market in helping Australia reach its emissions reduction targets.



A critical method gap has emerged due to sunseting and delays to new method development leading to potential impacts to the future supply pipeline of vegetation-based ACCU credits.



Capacity building through education, on-the-ground training and workshops has enhanced bottom-up carbon farming engagement. Tools and resources to measure and reduce on-farm emissions are a growing focus area.

Key areas of focus and development for 2024-25



With recent budget resourcing, progress the ACCU Review Implementation Plan to ensure timely delivery of high integrity method development, supported by a transparent national data platform.



Carbon market strategies to help define the role of carbon farming within national and jurisdictional net-zero strategies, complementing the sectoral decarbonisation planning process.



Progress the next stages of the Nature Positive Plan including implementation of the Nature Repair Market, with a focus on ensuring that biodiversity credits integrate well with carbon markets in practice.



Prioritise First Nations resourcing and capacity building to empower the necessary voices across states, territories and the Federal Government, and fast-track reform to ensure Free, Prior and Informed Consent for projects on Native Title lands.



Grow the number of state and territory signatories for the Australian Carbon Industry Code of Conduct to ensure all jurisdictions meet a single consumer standard ensuring behavioural integrity, transparency and accountability.



Integrate and align Federal and state capacity-building, skills and outreach programs under a national framework.

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Detailed scorecard and assessment rationale

Pillar	Criteria		Max	Score	Rationale
 Pillar 1: Optimising Frameworks & Market Design	Policy and ambition	Specific carbon farming strategy and integration of carbon farming into appropriately ambitious emission reduction goals and policy mechanisms	10	8-10	Carbon farming strategy with clear indication of its contribution to domestic climate goals and alignment with global net zero goals
				4-7	Aspirational statements on carbon farming not specifically linked to broader decarbonisation goals
				1-3	Yet to disclose a carbon farming strategy, targets or aspirations
	Transparency and integrity	Policies and initiatives to enhance market transparency and accountability and to develop and implement integrity principles and standards	10	8-10	Government partner of or financial contributor to the Australian Carbon Industry Code of Conduct, implementation of aligned policies and initiatives to ensure integrity, accountability and transparency, and lack of policies and initiatives which may undermine integrity and transparency.
				4-7	Endorsement of the Australian Carbon Industry Code of Conduct and/or exploration of some aligned policies and initiatives related to integrity, accountability and transparency
				1-3	Yet to progress or engage with integrity and transparency initiatives
	Cooperation	Collaboration on carbon farming at all levels of government (federal, state, local, potential for cross jurisdictional international linkages) and with indigenous communities	8	7-8	Proactively engaging formally
				4-6	Informal ad hoc information sharing
				1-3	Meeting basic engagement obligations (e.g. related to non-carbon farming specific legislative/regulatory requirements such as planning and approvals)
 Pillar 2: Unlocking finance and investment	Opportunity assessment	Mapping of strategic opportunities for development/investment based on assessment of land and marine carbon opportunities, and facilitating efficient approvals	8	7-8	Published formal mapping of the opportunities (methods, areas, volume of carbon abatement/credits, economic potential, etc)
				4-6	Some indication of opportunity assessment but nothing/comparatively little publicly available.
				1-3	Yet to map opportunities
	Enabling private investment	Collaboration with banks, investors, and insurers to enhance understanding, facilitate carbon market engagement and ensure suitable support for carbon farming projects.	8	7-8	Implementing policies, regulation and initiatives, and proactively engaging with financial institutions to facilitate and incentivise private investment and/or drive private sector demand
				4-6	Some engagement and consultation with financial institutions and exploration of potential ways to attract or incentivise private investment
				1-3	Yet to engage on or implement specific policies, regulation and initiatives to encourage investment
	Capital allocation	Direct funding of positive land use change through carbon farming projects, and using programs to pilot new approaches and purchase units	8	7-8	Significant public funding specifically allocated to carbon farming projects within a clearly defined allocated funding window
				4-6	Some public funding for carbon farming or complimentary projects, or indication of intent
				1-3	Yet to provide direct funding for carbon farming projects
 Pillar 3: Co-Benefits & Creating New Markets	Market architecture and enablers	Development of new methods, co-benefit taxonomies, metrics and measurement frameworks that are aligned with international standards and best practice	8	7-8	Actively engaged in development of principles, methodologies, taxonomies, metrics and MRV frameworks
				4-6	Indicating some interest but yet to engage on market architecture enablers
				1-3	Yet to engage on market architecture enablers
	Markets & policy integration	Feasibility / enabling of new environmental markets, co-benefits and carbon methods	8	7-8	Conducting feasibility studies and/or implementing robust policy incorporating co-benefits (including financial incentives)
				4-6	Indicating intent but yet to either conduct feasibility studies or implement policy incorporating co-benefits
				1-3	Yet to progress or engage with activities to enable markets and policy integration
	Valuation	Assessment and communication of potential carbon farming co-benefits: environmental, economic, social and cultural (e.g. employment, ecosystem services,	8	7-8	Quantifying and communicating the value of carbon farming co-benefits to support creation of new economic opportunities and markets
				4-6	Have acknowledged the potential co-benefits of carbon farming and have indicated an intent to quantify economic potential
				1-3	Yet to recognise the co-benefits of carbon farming
 Pillar 4: Communicating benefits and building capacity	Resources and training	Allocation of resources to assess skills and training needs, to support outreach, education, upskilling/training programs and to provide tools and materials to support project developers	8	7-8	Appropriate education, outreach and training programs/resources have been made available
				4-6	Some exploration and assessment of skills and training needs
				1-3	Yet to allocate resources to skills and training
	Innovation	Development of new tools and technologies that support growth and efficiency of carbon farming initiatives	8	7-8	Have developed tools and technologies that are available to support carbon farming initiatives
				4-6	Engaged in and/or exploring development and piloting of tools and technologies
				1-3	Yet to get involved in the development of tools and technologies
	Advocacy and leadership	Communicating to the broader community the contribution, benefits and opportunities related to carbon farming	8	7-8	Proactively leading communication on carbon farming and associated benefits
				4-6	Participating in some communication on carbon farming and associated benefits
				1-3	Yet to communicate on carbon farming with the broader community



The Carbon Farming Scorecard report is an initiative of CMI Research, with the assistance and support of KPMG Australia as research partner.