LAND
RESTORATION
FUND

CAIRNS

17 March 2020
Presentation overview

• About the Land Restoration Fund
  ✓ who we are
  ✓ our objectives
• Carbon farming
  ✓ How the LRF works with the ERF
• Co-benefits
• The immediate opportunity
  ✓ LRF investment round 1 2020
North Queensland Regional Opportunities

The environment and community:

- Diverse ecosystems – rainforest, eucalypt forests, coastal heath, savanna, eucalypt woodlands
- Strengths:
  - Indigenous knowledge of land management and agriculture, including managing protected areas
  - Potential for scale and new business opportunities
- Challenges:
  - Natural hazards and changing climate
  - Access to trusted providers

Carbon methods:

- Environmental Plantings, Human Induced Regeneration, Native Forest from Management Regrowth, Avoided Clearing, Forestry
- Soil carbon methods
- Beef herd method

Co-benefit opportunities:

- Environment: Threatened wildlife (species – animals and plants), threatened ecosystems, native vegetation, soil health, Great Barrier Reef, wetlands
- Socio-economic: Employment and skills, community resilience and environmental connectivity, diversity and human rights
- First Nations: Location and participation
Land Restoration Fund – how did we get here?

- Carbon Credits (Carbon Farming Initiative) Act 2011
- Emissions Reduction Fund commences 2014
- 1st Carbon Farming Industry Summit 2017
- Energetics Report 2017 – up to $8 billion by 2030
- Carbon Farming Industry Roadmap 2017
- MLA’s CN30 Target 2017
- Land Restoration Fund commitment 2017
- LRF investment round 1 2020
Our Strategy

The Land Restoration Fund is working across three broad areas:

1. **Investment in projects** that will deliver ACCUs + co-benefits.

2. **Building capacity** across Queensland in carbon farming with co-benefits.

3. **Investment in research and development** to grow the carbon farming industry.
Emissions Reduction Fund

Crediting
- Crediting of ACCUs from registered projects

Purchasing
- ERF Reverse Auctions
- Lowest cost abatement

Safeguarding
- To protect abatement purchased through the auctions
Land Restoration Fund builds on the Emissions Reduction Fund

**Emissions Reduction Fund**
- Regulates Carbon projects and is also a buyer of ACCUs
- Contracts up to 10 years
- Lowest cost abatement
- For carbon credits only
- Not just land – industrial, coal mine gas, energy efficiency, waste

**Land Restoration Fund**
- Invests in projects delivering Carbon plus Co-benefits
- Contracts up to 15 years
- Price evaluated for total benefit
- Pricing in the additional value of carbon projects
- Only ERF land sector methods
LRF Pilot Projects with First Nations representatives

Kick starting the Market

• Balkanu Cape York Development Corporation - Strategic analysis of Cape York Peninsula fire patterns - increase carbon abatement through optimised regional-scale management

Catalysing Action

• YACHTDAC ‘Murra Yambanka Carbon’ project – building capacity, demonstrate cobenefits and partnerships
• Gidarjil Development Corporation ‘Tradition meets innovation’ project – trial a collective approach to carbon farming, demonstrating partnerships
Investment Round 1 - 2020

Current intake closes 15 April 2020

$100 million released for investment

Assessment
- Eligibility
- Value for Money
- Co-benefit value

Investment Selection
- Independent panel
- Priority Investment Plan

Deliver projects
- Register with Clean Energy Regulator
- Co-benefit reports
- Template contracts
Investment Round 1 - 2020

Priority Investment Plan

Projects evaluated based on value for money
Carbon plus delivery of co-benefit priorities
Wetlands & Coastal Ecosystems including the Great Barrier Reef
Threatened species and biodiversity
Social and economic sustainability
Eligibility requirements

- Carbon service provider must be **signatory to Carbon Industry Code of Conduct**
- Comply with business checks and agree to publicly share knowledge about the project including results
- Projects must be:
  - located in Queensland
  - already registered (but not commenced), being registered, or eligible for registration with the Clean Energy Regulator under CFI Act land sector (agriculture, savanna burning and vegetation) methods
  - compliant with other existing laws to not adversely impact vegetation
  - clearly aligned with one or more of the three Investment Priorities
  - capable of generating data for verification as detailed in the LRF Co-benefits Standard
How the project will deliver co-benefits and contribute to our priorities
Project design and risk mitigation (delivery, technical, financial)
Financial and technical capability of applicant and partners
Value for money
Level of assurance for verification of co-benefit outcomes

Portfolio of projects selected by external panel
Co-benefit standard

- Sets out the eligibility and reporting requirements for projects to deliver 'verified' co-benefits
- Verified co-benefits will be published through the LRF co-benefit register

Co-benefit classes

- Soil health
- Great Barrier Reef
- Wetlands
- Coastal ecosystems
- Threatened ecosystems
- Threatened wildlife (includes plants)
- Native vegetation

- Employment and skills
- Diversity and human rights
- Community socio-economic resilience

- Indigenous carbon (location)
- Indigenous carbon (participation)

Assurance

Proponent assurance: available for co-benefits clearly linked to carbon activity and location (e.g. soil health ~ soil carbon project)

Third party assurance:
- higher level of evidence
- required to verify co-benefits for some methods
- Accounting for Nature
- Aboriginal Carbon Foundation
LRF Environment co-benefit priorities - some examples

Catchment priorities for GBR water quality improvement for sediment. 2017 Scientific Consensus Statement

Pre-clear density of threatened fauna habitat.

Pre-clear density of threatened flora habitat.
Growing the Market
Support for land managers

There are a number of ways farmers, land owners and land managers can participate:

1. Manage project independently
2. Partner with professional services
3. Engage with a project developer

However they choose to participate, they will:

- Own the environmental benefits to their land
- Receive an income stream from the co-benefit payments and carbon credits

Apply for the Land Restoration Fund

In 2020 the Land Restoration Fund (the Fund) will invest up to $100 million in projects. Applications are now open for the 2020 Investment Round.

Apply now

Queensland landholders, land managers and farmers interested in developing a new carbon farming project (or interested in entering the carbon farming industry) are invited to apply.

As part of their application, eligible applicants must be willing to undertake a project based on an approved carbon farming method and enter into a commercial contract (PDF, 1MB).

The 2020 Investment Round has two intakes:

- Intake 1 closes 28 February 2020 – this intake is for projects ready to get started now
- Intake 2 closes 15 April 2020 – this intake gives other potential applicants more
Ready for applications
Queenslanders identify 3 main barriers to participation in carbon projects

1. Knowledge
   • Understanding of carbon farming in general
   • Potential downsides – including some misconceptions

2. Cost of advice

3. Upfront capital costs

92% of land managers are aware of carbon farming

26% of land managers feel they have a high knowledge of carbon farming

58% of land managers feel that carbon farming offers an opportunity to diversify income sources

65% of land managers feel that a barrier to carbon farming is the risk of future policy changes
Local support – rebate program

- Carbon Farming Advice Rebate Program of up to $10,000 per applicant for professional fees.
- Help for land managers to pay for professional advice to assess for carbon farming projects.
- Part of a broader support package to help land managers understand carbon farming, carbon credits and the new concept of co-benefits.
Carbon Farming Advice Rebate Program

The Carbon Farming Advice Rebate Program (the Program) will provide land managers with a rebate to offset the cost of obtaining advice about undertaking a carbon farming project/s on their land through the Land Restoration Fund.

Funding up to $10,000 is available to offset the costs of eligible advice from Approved Advisers at a cost of up to $200 per hour (excluding GST), and reasonable travel and accommodation expenses for the Approved Adviser.

Eligibility criteria

To be eligible for a rebate under the program you must be:

- an eligible entity, such as:
  - primary producers
  - small to medium sized businesses
  - land holders with a private conservation area
  - non-profit organisations
  - Aboriginal and Torres Strait Islander corporations; or
  - local governments
- be a land holder in Queensland
- receive the eligible advice from an Approved Adviser

For a complete list of eligibility criteria please see Guidelines.

How to find an Approved Adviser

Please click here to access the list of Approved Advisers.

Approved Advisers are qualified and experienced professionals who have undergone a rigorous assessment and application process managed by QRIDA. This approval process ensures the carbon farming advice provided to land holders meets the required standard.

To find out more about the Approved Advisers, or if you are interested in becoming an Approved Adviser, read more here.
• Free online training is available to become an approved advisor. Please see our website to check eligibility and how to apply.
• The rebate program supports education and knowledge sharing, creating a network of experienced advisors to advise on carbon farming opportunities.
Approved Adviser Program under the Carbon Farming Advice Rebate Program

The Carbon Farming Advice Rebate Program (the Program) will provide landholders with rebates up to $10,000 to offset the cost of obtaining relevant advice related to carbon farming projects and how these projects may be eligible to participate in the Queensland Government’s Land Restoration Fund.

To ensure the required standard of advice and service is provided under the Program, QRRLDA is approving suitably qualified advisers and providing them with a broad understanding of carbon farming and the Land Restoration Fund. Applications are being sought from suitably qualified and experienced professionals who are interested in being approved under this Program.

The purpose of the advice under the Program is to provide land holders relevant information and guidance about undertaking a carbon farming project or projects on their land through the Land Restoration Fund.

Approved Adviser Eligibility Criteria

To ensure the professional advice meets the requirements of the Program, a set of criteria has been established to assist in assessing applications.

To be an Approved Adviser under the Program, applicants will be asked to provide evidence of:

(a) certificate of completion of the Land Restoration Fund Knowledge Centre training; and

(b) commentary on experience and Industry specialisation; and

(c) up to date resume detailing experience; and

(d) evidence of adequate insurance – public liability ($10 million) and professional indemnity insurance ($2 million) cover to be held by a relevant professional organisation; and the criteria for the relevant adviser below; and

(e) additional evidence as required for solicitors, accountants, project developers, environmental consultants and agribusiness consultants.

For a full description of an eligible applicant, please refer to the Information to Apply as an Approved Adviser.

Application Process

Applicants are encouraged to apply to be an Approved Adviser under the Program at any time throughout the duration of the Program. Applications that do not adhere to the guidelines, will not be considered.
Suggested next steps

1. Read the documents (guideline, application form & template agreement, PIP, co-benefit standard)
2. Identify a suitable carbon method (i.e. ERF method)
3. Evaluate your “assets” and identify potential co-benefits
4. Calculate costs of project: activities, reporting, opportunity costs, risk (seek advice)
5. Estimate ACCU yield
6. Scope project: eligible interest holders, tax considerations
7. Determine your price per ACCU (including co-benefits)
8. Develop application
Where to find more information

**Land Restoration Fund website:**

Land Restoration Fund website:

- Queensland Government
- Government home
- For Queenslanders
- Business and industry
- Government employees

**Apply for the Land Restoration Fund**

In 2020 the Land Restoration Fund (the Fund) will invest up to $100 million in projects. Applications are now open for the 2020 Investment Round.

**Apply now**

Queensland landholders, land managers and farmers interested in developing a new carbon farming project (or interested in entering the carbon farming industry) are invited to apply.

As part of their application, eligible applicants must be willing to undertake a project based on an approved carbon farming method and enter into a commercial contract (PDF, 1MB).

The 2020 Investment Round has two intakes:
- Intake 1 closes 28 February 2020 – this intake is for projects ready to get started now
- Intake 2 closes 15 April 2020 – this intake gives other potential applicants more time to prepare and win

Where to find more information

Queensland Globe, Biomaps, Regrowth Management Guides, and maps online

Clean Energy Regulator website and Looc-c have information about carbon yields
Recap – investment overview

• The LRF invites applications to its first investment round
• Applications must be submitted online
• Projects must deliver Australian Carbon Credit Units, (issued by the Clean Energy Regulator)
• Applicants must specify the price per ACCU they will deliver, including co-benefits
• The co-benefit component of the funding to successful projects will be paid annually
• Payments for ACCUs will be made on delivery
Recap - Key documents

- Priority Investment Plan
- Project Investment Agreement
- Investment Application Guideline
- Co-benefits Standard

Clean Energy Regulator website

Recap - Website


Download Key documents
Frequently asked questions
Links to other resources
Thank you

carbonfarming@des.qld.gov.au