



Carbon opportunities on Indigenous pastoral lands in Western Australia

Information and support for Indigenous pastoral lease-holders and Native Title groups

Overview

The purpose of this document is to provide guidance to support and assist Indigenous groups – both pastoral lease holders and Native Title holders – with information and decision-making about carbon projects on their land.

The [unlocking of pastoral leases by the Western Australian government for carbon farming](#) offers an opportunity for Indigenous land and title holding groups to access a range of potential benefits including new streams of income, employment, biodiversity and improved land management.

It's important that groups with carbon farming prospects on their Country are in a position to make informed decisions about opportunities on their lands. To this end, the Indigenous Land and Sea Corporation (ILSC) is:

1. **Offering assistance and advice** if you are an Indigenous land-holder within, or surrounding, the [eligibility zone](#) identified by the Western Australian government for Human Induced Regeneration (HIR) carbon projects and are interested in:
 - an independent assessment of the feasibility and viability of a carbon project on your country
 - information about the carbon sector and carbon projects
 - advice about a contract or agreement that you may have already signed with a carbon project developer; or if your land is the subject of project already registered with the Clean Energy Regulator.
2. **Able to provide advice and support for Native Title groups** on their rights, interests and the processes involved in providing consent for projects proposed on your lands whether it's an Indigenous or non-Indigenous pastoral lease-holder.

About the Indigenous Land and Sea Corporation

The Indigenous Land and Sea Corporation (ILSC) is a corporate Commonwealth entity established to assist Aboriginal and Torres Strait Islander people to realise economic, social, cultural and environmental benefits that the ownership and management of land, water and water related rights can bring. As part of this role, the ILSC has supported Indigenous groups to develop and register carbon projects on their land and in negotiations with other parties.

For pastoral lease-holders

Indigenous pastoral-lease holders whose land is within or surrounding the Human Induced Regeneration (HIR) [eligibility zone](#) may have an opportunity to undertake carbon projects on their land.

In areas of Northern Australia, Indigenous land-holding groups have now registered 29 projects using the Savannah Fire Methodology and generated over \$90 million in income through the sale of carbon credits, called Australian Carbon Credit Units (ACCUs). Those groups are using that income to reinvest in community, employment and enterprise.

Carbon and environmental specialists can analyse your property and provide you with an estimate of how many ACCUs your land can generate over 25 years, and what the costs and benefits are.

Independent carbon businesses may offer to supply you with this analysis and then seek to negotiate a carbon services agreement with you. Resulting carbon project agreements can include clauses and conditions that may limit your potential to benefit from the project.

Matters to consider carefully include:

1. Prior to entering into any arrangement with a developer, remember that you will be subject to a 'sales pitch', and have the right to shop around other suppliers or ask the ILSC for an independent assessment.

You should consider not only the agreement to assess carbon potential, but also **ask for a copy of the agreement that would result should the project be deemed viable by the developer**, so you and a lawyer can assess both documents and compare to others in the market.

2. The **share of project value** being offered to you as the landowner in return for access to the land:
 - Are you being offered a percentage of project profits or project/credit value?
 - Is your share of profits a fixed rate, or tagged to the market price each year? The latter is likely a far better arrangement.
3. If you or your corporation are the owner of a pastoral lease and are **not** representative of the Prescribed Body Corporate (PBC) or Native Title representative group for the area, you will need to secure their consent, often this would include sharing project value as per below.
4. Obligations and risks to you as the landowner
 - Who is undertaking the work to deliver the project? This includes:
 - actions to create carbon credits, such as allowing trees to regenerate by reducing grazing pressure (such as cattle, goats and other animals), may require fencing and shooting activities
 - monitoring carbon storage in the project area
 - Does the project reduce the value of other business interests?
 - Will the project affect the viability of a cattle or other business activity? Often vegetation projects will require reduced cattle grazing.
 - Commitments to carry risk if the project is unworkable or carbon losses occur, such as through bushfire
 - Are you carrying all project risks? where a carbon agent is operating the carbon administration, they need to at least cover all risks that could occur in mishandling their allocated tasks
 - Will you need to purchase more insurance etc. to cover changed risk profile in your business?

To discuss obtaining an independent assessment of the carbon opportunity on your land, or to follow up on any related issues in further detail please contact the ILSC. Contact details are included at the end of this document.

For Native Title Holders/claimants

A carbon project can be registered on pastoral leases and other crown leases with native title holder consent pending. However, the carbon project operator **cannot commence earning carbon credits until they have secured native title holder consent**. The Clean Energy Regulator has [clear rules in place](#) about this requirement.

This means that native title holders can veto (put a stop to) projects or seek a legal commitment to various benefits in return for providing consent. Title holders can also withdraw consent for a project if the project operator reneges on commitments.

In similar project developments elsewhere in Australia, native title holding bodies expect to be offered the following in return for consent:

1. Direct share in project value; to ensure native title is protected and assist PBC in its administration functions, one of
 - a. 5% of the ACCU (carbon credits) (where PBC nominates an ANREU Account {carbon credit holding and trading account}) transferred within 2-weeks of credit assessment, or
 - b. 5% of the value of credits resulting from the project (not 5% of profits) payable within 2-weeks of sale of credits

AND

2. Contribution to Indigenous enjoyment of native title rights, activities to be agreed between pastoralist and PBC, including assisting TOs to get on country, can be on-country projects to protect or enhance native title values, can be delivered by pastoralist for PBC to oversee and include 6-monthly activity report and 12 monthly review and renegotiate meeting, one of
 - a. 10% of the ACCU (carbon credits) (where PBC nominates an ANREU Account {carbon credit holding and trading account}) transferred within 2-weeks of credit assessment, or
 - b. 10% of the value of credits resulting from the project (not 10% of profits) payable within 2-weeks of sale of credits.

About Human Induced Regeneration (HIR)

The HIR method applies to projects that store carbon by regenerating native forest using one or more eligible activities. Project activities must occur on eligible land where regrowth of native forest has been suppressed for at least 10 years.

Human-induced regeneration activities include:

- limiting or excluding livestock and taking reasonable steps to keep livestock excluded within the project area (not the whole property)
- managing the timing and extent of grazing
- managing feral animals in a humane manner
- managing plants that are not native to the project area,
- implementing a decision to permanently cease mechanical or chemical destruction, or suppression, of native regrowth,
- monitoring tree regrowth and the performance of other project activities (such as feral animal control) for carbon credit reporting, and

- administration tasks, such as maintaining project records, reporting and handling carbon credit transactions

Australian carbon credit units (ACCUs) are earned when carbon is stored as a result of the project activities. The carbon store is calculated using the Full Carbon Accounting Model (FullCAM) tool. The HIR methodology is based on sequestration, meaning calculating the increased storage of carbon in the landscape as tree number and size increases. The methodology requires a commitment from the landholder, and eligible interest holders for the increased tree cover to be retained for either 25 or 100 years.

Additional benefits of running a human-induced regeneration project may include improved quality of land and water supply, increased biodiversity and shade and shelter for stock.

CONTACT INFORMATION

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