CMI statement **Carbon Estimation Area Data Release**

The Carbon Market Institute (CMI) fully supports, and has called for, increased transparency and data access for carbon farming projects. This includes support for recommendation 4 in the Independent ACCU Review led by Professor Ian Chubb, to increase trust and confidence in the scheme. We support maximum disclosure of information and prompt implementation of the review recommendation. This is best achieved through the development of a National Data Platform managed by the Australian Bureau of Statistics.

In the context of the Senate Inquiry into the *Safeguard Mechanism (Crediting) Amendment Bill, a* request was made in hearings before the Senate Environment and Communications Legislation Committee for the Clean Energy Regulator (CER) to provide Carbon Estimation Area (CEA) geospatial boundaries to the Committee.

This statement by CMI conveys our concerns around any potential public release of this dataset by the Senate Committee before consultation on implementation of Chubb Recommendations. The release of such data may not adhere to the recommendations made by Professor Chubb, including as conveyed in his statement which notes that CEA boundary information should be released with management information. The data which has been requested by the Senate Inquiry is likely a subset of available data only and has significant limitations to enable accurate assessments of project eligibility and performance. Assessments will be made from CEA boundaries with publicly available current and historic satellite imagery but such assessments may not be accurate nor consider more detailed assessments provided to the CER.

1. *What CMI understands the CER is preparing to provide to Senate Committee:*

    a) Geospatial "shapefiles" (boundaries) of CEAs with longitude and latitude for all area-based methods with CEAs;
    b) These boundaries will be for a single year only (the most recent project report to CER), not a time series;
    c) The name of the method associated with the CEA boundaries;
    d) No accompanying information about management.

2. *What information **can** be gained from examination of these boundaries alone?*

    The location of the CEA boundary compared with the project area boundary at a single point in time.

3. *What information **cannot** be derived without further information?*

    a) Whether the area within the CEA meets the applicable method eligibility requirements;
    b) Whether trees in the CEA are a result of project activities or not;
    c) How the land was managed in the baseline period (usually ten years prior to commencement);
    d) How the land has been managed in the project period (eg. for HIR - management practise changes to remove suppression agents);
    e) How the boundaries were developed and verified using field plots, drone and/or Lidar data;
    f) How abatement has been modelled for the project.

4. *What additional information is provided to monitor project eligibility, impact and calculate abatement?*

    In addition to CEA boundary files, the following is a list of additional datasets collected and audited as part of carbon farming projects to assess eligibility, monitor implementation and calculate and report on abatement. All of the data sets are collected as a time series covering multiple years of the project baseline (typically 10 years) and project crediting period (typically 25 years).

a) Processed satellite imagery which has been classified into ineligible areas (for example: baseline forest or non-regenerating areas) and eligible areas (for example: regenerating or planted areas) in line with specific method requirements;
b) High resolution verification data used to verify the accuracy of the processed satellite image to a minimum of 85% threshold (for example: field plots, Lidar or drone plots);
c) The standard operating procedure or workflow used to classify the imagery – noting the processes used by qualified GIS technicians, as well as mapping products and outputs they produce, are audited to verify that they comply with method requirements;
d) Land and agricultural or forestry management data, which can include but are not limited to:
    i) Financial records;
    ii) Livestock stocking rates;
    iii) Information relating to feral animal numbers and management practices;
    iv) Information relating to native animal populations and grazing impact;
    v) Planting techniques and species;
    vi) Historic management regimes;
    vii) Current management regimes.
e) Modelling points and property specific management calibrations required to run carbon abatement models (such as FullCAM), including setting model commencement dates;
f) Project commencement date (can differ from the publicly available project registration date).
g) Date of management changes for individual CEAs which can vary across the project;
h) Regeneration or other gateway checks;
i) Independent auditing outcomes or adjustments.

5. *Data privacy concerns:*

- CEA data packages contain personal and sensitive financial and location information so public release of this information must include adequate privacy protections;
- Project data is not the property of the CER or the carbon service provider, but rather the land manager who must be consulted to provide consent for the release of this data.

6. *How can we provide what is being requested and ensure that information derived from analysis of CEAs is accurate?*

Release of data required to analyse carbon project eligibility and outcomes is best achieved through an open and transparent process and the development of a National Data Platform where attribution data can be provided and personal details can be protected.

Glossary (with particular reference to HIR)

Abatement – net abatement is the total tonnes tCO_2-e sequestered by a carbon project minus the project's emissions (reported also in tCO_2-e).

Audit – For most projects, a minimum of three scheduled third-party audits are required across a project's crediting period. This includes initial, subsequent and threshold audits.
- Project specific audit schedules are determined by the CER at the time of project registration.
- The audit schedule is determined at project registration and sets out the level of assurance, frequency, and scope of audits required for the project, according to size.
- Auditors and the CER are provided with multiple datasets and evidence points, not just project and CEA boundaries.
- CER can also initiate compliance audits in addition to standard audit schedule. These provide extra spot checks on project performance.

Baseline forest – For HIR projects, the baseline period is ten-years prior to project start and the baseline forest is an area that was forest at any point in that ten-year period. It is ineligible for crediting.

Baseline management – human activities (or lack thereof) that have inhibited regeneration, preventing it from achieving forest. Examples include overgrazing by livestock, feral animals, plants not native to the area, and/or clearing of regrowth.

CEA – Carbon Estimation Areas may change over time (eg. paused or removed if drought halts growth, removed if no regeneration, or new areas added if additional land regenerates). A CEA is an area of land:

a) in which the project management changes have been implemented; and
b) that has started to become native forest through regeneration; and
c) in relation to which carbon stock and emissions are to be calculated for the purposes of this determination.

CER Stratification Guidelines – the CER has developed guidelines on stratification evidence and records for HIR and NFMR. They are intended to provide information about the approach the CER will take in administering the requirements for CEA eligibility.

Crediting – occurs following CER approval of the submitted crediting applications and is the provision of ACCU to the project proponent for carbon abatement that has already occurred.

Eligible areas – areas within the project area that are confirmed during baseline assessments to meet the method requirements. Carbon Estimation Areas must not have forest cover (defined as trees >2m tall with canopy cover >20%).

Exclusion areas – areas within the project area that are identified during baseline assessments to not be eligible under the methodology (e.g roads, houses, other infrastructure or areas with no potential to become forest).

Regeneration check - Three regeneration checks are assessed by the CER on five yearly basis, with forest cover required in year 15. The HIR stratification guidelines outline the requirements for these – for the first 5-year regeneration check the CEAs are assessed at a 100-hectare scale and must have a minimum of 7.5% canopy cover (canopy cover of trees 2m or greater). Alternatively, the CEA must have had a 5% increase in canopy cover since project start. A finer scale and a higher canopy threshold is used for the ten and fifteen year gateway checks.

Permanence discount- A discount is applied that reduces the carbon abatement issued as ACCUs during a reporting period by 5% for projects with a 100-year permanence period and by a further 20% for projects with a 25-year permanence period.

Stratification- the geospatial process of classifying satellite imagery and preparing a project map based on landscape features (forest and bare earth which become exclusion area, and regenerating areas which form the CEAs.