Dear Minister

On behalf of the Emissions Reduction Assurance Committee (ERAC), I am pleased to inform you that it has considered the draft Carbon Credits (Carbon Farming Initiative – Beef Cattle Herd Management) Methodology Determination 2015 (our reference: 013AG2014) and advises that it is suitable to be made into a Determination.

The draft Determination was developed by the Department of the Environment in collaboration with experts from the beef livestock sector and the Clean Energy Regulator. The Department invited public submissions on the draft Determination and also commissioned two separate technical assessments.

Having considered the information from these processes, advice from the Clean Energy Regulator, the draft Explanatory Statement and the text of the draft Determination, the ERAC concluded that the draft Determination complies with the offsets integrity standards specified in section 133 of the Carbon Credits (Carbon Farming Initiative) Act 2011. On this basis, the ERAC agreed it was suitable to be made into a Determination.

Further details of the reasons for the ERAC’s advice are included in the attached notice.

Yours sincerely,

[Signature]

Andrew Macintosh
Chair
Emissions Reduction Assurance Committee

24 August 2015
EMISSIONS REDUCTION ASSURANCE COMMITTEE

Notice of advice to the Minister for the Environment under subsection 123A(2) of the Carbon Credits (Carbon Farming Initiative) Act 2011 (the Act)

Draft Carbon Credits (Carbon Farming Initiative – Beef Cattle Herd Management) Methodology Determination 2015 (draft Determination)

On 21 August 2015 the Emissions Reduction Assurance Committee (ERAC) agreed that the draft Determination is suitable to be made into a Determination.

In forming this view, the ERAC considered:

1. the offsets integrity standards specified in section 133 of the Act;
2. the public submissions received during the public consultation period; and
3. advice from the Clean Energy Regulator.

The ERAC was not directed to have regard to any additional issues under section 123B of the Act in providing its advice on the draft Determination.
1. **Assessment against the offsets integrity standards**

<table>
<thead>
<tr>
<th>Section*</th>
<th>Requirement</th>
<th>Statement</th>
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<tbody>
<tr>
<td>133(1)(a)</td>
<td>The draft Determination’s requirements and method should result in carbon abatement that is unlikely to occur in the ordinary course of events (disregarding the effect of the Act).</td>
<td>The draft Determination specifies appropriate requirements to ensure that projects are delivering additional abatement. The draft Determination measures emissions reductions against a baseline derived from historical beef cattle herd production data. Proponents of beef cattle herd management projects must undertake at least one new agricultural practice to reduce emissions in the project and must submit information demonstrating how the practice(s) reduce emissions. Accordingly, the ERAC considers that the above draft Determination complies with this offsets integrity standard.</td>
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<tr>
<td>133(1)(b)</td>
<td>Estimations of removal, reduction or emission, as the case may be, are measurable and capable of being verified.</td>
<td>Appropriate equations are specified for the calculation of emissions reductions and project emissions. Appropriate data collection, record-keeping and reporting requirements are specified so as to enable verification of emissions reduction estimates. Proponents’ claims are verifiable using a range of documents and information sources commonly held by beef cattle producers. Accordingly, the ERAC considers that the above draft Determination complies with this offsets integrity standard.</td>
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<tr>
<td>133(1)(c)</td>
<td>Carbon abatement used in ascertaining the carbon dioxide net abatement amount for a project must be eligible carbon abatement from the project.</td>
<td>The carbon abatement used in ascertaining the abatement amount is eligible carbon abatement from the project. The abatement delivered by the draft Determination relates to methane and nitrous oxide emissions from beef cattle, estimated using approaches derived from inventory systems used to prepare Australia’s National Greenhouse Accounts under the United Nations Framework Convention on Climate Change. Accordingly, the ERAC considers that the above draft Determination complies with this offsets integrity standard.</td>
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<tr>
<td>133(1)(d)</td>
<td>The draft Determination is supported by clear and convincing evidence.</td>
<td>The draft Determination is supported by clear and convincing evidence. A substantial body of scientific evidence demonstrates that adopting improved beef cattle herd management practices can improve herd production efficiency and reduce emissions. Accordingly, the ERAC considers that the above draft Determination complies with this offsets integrity standard.</td>
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<tr>
<td>133(1)(e)</td>
<td>Material amounts, in carbon dioxide equivalent, of greenhouse gases that are emitted as a direct consequence of carrying out the project are deducted.</td>
<td>Net abatement is calculated after deducting material emissions generated as a direct result of carrying out the project. Accordingly, the ERAC considers that the above draft Determination complies with this offsets integrity standard.</td>
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<tr>
<td>133(1)(g)</td>
<td>Estimates, projections or assumptions included in the methodology are conservative.</td>
<td>The assumptions and estimates included in the draft Determination are conservative. The net abatement estimate is conservative. The conservativism of the net abatement estimate is ensured by a number of measures, including the application of a four per cent discount to the baseline to account for the effects of natural variation. Accordingly, the ERAC considers that the above draft Determination complies with this offsets integrity standard.</td>
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<tr>
<td>133(1)(h)</td>
<td>Such other standards that are set out in the legislative rules.</td>
<td>Not applicable.</td>
</tr>
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</table>

* Section of the Act

2. **Submissions received during public consultation period**

The ERAC received seven public submissions regarding the draft Determination published on the Department’s website between 10 December 2014 and 9 January 2015 consistent with the requirements of section 123D of the Act.

Except for those submissions subject to a request not to publish under subsection 123D(5), all public submissions have been published on the Department’s website.

3. **Relevant advice from the Clean Energy Regulator**

The Clean Energy Regulator advised the ERAC that it supports the above draft Determination.

**Conclusion**

On the basis that all the offsets integrity standards are met, the ERAC agreed that the draft Determination is suitable to be made into a Determination.