



Understanding the 'negative list' of the Carbon Farming Initiative

Taking action on the land to reduce emissions or store carbon can produce benefits for agricultural productivity, biodiversity and local communities. However, the wrong project in the wrong place could have adverse impacts.

The Carbon Farming Initiative (CFI) has been designed to minimise adverse impacts on the environment and on local communities. The CFI includes three mechanisms to manage potential negative impacts:

1. CFI project proponents must take account of the natural resource management (NRM) plan that is relevant to their region.
2. CFI projects must comply with any applicable water, planning or other environmental requirements.
3. Projects cannot be approved if they are of a kind that is identified on the 'negative list'.

What is the 'negative list'?

The negative list identifies types of projects that are likely to cause adverse impacts to one or more of the following:

- Water availability
- Biodiversity conservation
- Employment
- Local communities
- Land access for agricultural production.

It is designed to address residual risks that are not managed through existing regulations and planning regimes.

The types of projects may:

- Involve a specific activity - for example, converting a plantation into a permanent carbon sink
- Apply to many activities - for example, reforestation and revegetation projects cannot include identified weed species.



The negative list excludes certain types of projects where there is a significant risk of adverse impacts, which cannot be easily managed. For example, tree planting projects can pose risks to water availability in some areas. To address this, the negative list excludes some types of tree planting projects in certain rainfall zones. It does not exclude projects where the risks to water availability can be managed, such as when the project proponent holds a suitable water access entitlement.

Some types of projects would not pose risks when undertaken on a small scale or by only a few landholders but would have adverse impacts when undertaken on a large scale. In these cases, the negative list may specify a threshold above which adverse impacts are likely to occur. For example, if there are significant risks that reforestation may limit access to land for agricultural production, the negative list could exclude reforestation projects in particular circumstances or above a certain size.

Adverse impacts may be the direct result of a CFI project or occur indirectly in nearby areas. For example, the negative list could exclude types of projects that pose significant risks to employment in certain circumstances.

How are types of projects with adverse impacts identified?

Anyone can suggest types of projects for the negative list. Sometimes the type of project will constrain an activity that is otherwise eligible for the CFI – for example, establishing vegetation on land that has been illegally cleared.

Potential adverse impacts are identified through:

- Consultation with stakeholders when methodologies are developed and assessed, or when activities are considered for the positive list
- Advice from NRM bodies, industry associations, community organisations and government agencies.



How are types of projects added to the negative list?

The negative list is included in Division 3.12 of the [Carbon Credits \(Carbon Farming Initiative\) Regulations 2011](#), which are made by the Minister and considered by the Parliament.

Before adding types of projects to the negative list, the Minister receives advice from the Department and other relevant sources. The Department assists the Minister by:

- receiving suggestions or identifying types of projects that may have adverse impacts
- gathering information to determine the severity and likelihood of these impacts
- undertaking public consultation.

Changes to the negative list

The negative list is reviewed regularly to keep pace with economic developments and latest scientific research. This ensures that negative list entries are added, removed or revised in a timely fashion based on acceptable levels of risk.

It is important to note that changes to the negative list will not affect projects during their crediting periods. Changes would only affect applications for new projects or projects seeking approval for a further crediting period.

How do I make a suggestion for the negative list?

Suggestions for the negative list can be made:

- when there is public consultation on a new CFI methodology or eligible activity (the '[positive list](#)')
- by contacting the CFI team at: cfi@climatechange.gov.au.

Suggestions should identify the type of project and explain why it is likely to cause adverse impacts. If possible, suggestions should include evidence of adverse impacts and identify ways to avoid or reduce these impacts.

Public consultation is normally undertaken on any new regulations to add activities to the negative list.

Further information

Details of public consultation are published on the Department's website and stakeholders notified via the CFI mailing list. To join the CFI mailing list, please email: cfi@climatechange.gov.au.

For further information about the negative list or the Carbon Farming Initiative, call 1800 057 590 or visit: www.climatechange.gov.au/cfi.



Photo: John Baker and the Department of Sustainability, Environment, Water, Population and Communities.