



Australian Government

AHCCFI502A Assess the feasibility of a Carbon Farming Initiative project

Release 1

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Modification History

Release	TP Version	Comments
1	AHC10v6	Initial release

Unit Descriptor

This unit covers the process of analysing and assessing the feasibility of a carbon farming project using methodologies approved under the Carbon Farming Initiative (CFI).

Application of the Unit

The unit applies to carbon service providers who determine the feasibility of a carbon farming project in the context of an approved CFI offsets methodology and the requirements of the CFI. Note that this unit does not relate to financial advice which requires an Australian financial services license. This unit does not address the skills or the generic knowledge requirements in "ASIC Regulatory Guide 146: Training of Financial Product Advisors".

When this unit is taught as part of the following Skill Sets, it applies in the context of at least one approved sequestration methodology and one approved emissions avoidance methodology under the Carbon Farming Initiative:

- Carbon Farming Initiative Advisor Skill Set
- Carbon Farming Initiative Business Skill Set

When this unit is taught as part of the following Skill Sets, it applies in the context of the methodologies relevant to the particular Skill Set. It should also apply the skills and knowledge applicable to new approved CFI methodologies relevant to these Skill Sets as they become available:

- Carbon Farming Initiative Vegetation Project Implementer Skill Set
- Carbon Farming Initiative Livestock Project Implementer Skill Set
- Carbon Farming Initiative Waste or Manure Project Implementer Skill Set
- Carbon Farming Initiative Soil or Biochar Project Implementer Skill Set
- Carbon Farming Initiative Savannah Burning, Feral Animal or Rangelands Project Implementer Skill Set
- Carbon Farming Initiative Soil or Crops Emissions Avoidance Project Implementer Skill Set

When this unit is taught as part of the Carbon Farming Initiative Business Skill Set, it applies in the context of assessing the feasibility of an aggregated CFI project.

Licensing/Regulatory Information

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of publication.

Pre-Requisites

AHCCFI501 Provide technical advice on the Carbon Farming Initiative

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify the rights of the project proponent and the stakeholder	1.1 The right of the project proponent to undertake the project on the proposed land is determined 1.2 The rights to the land, project boundaries and if appropriate the applicable carbon sequestration right are determined, with legal advice sought where required 1.3 All interest holders in the land are identified and their likely agreement to the project determined 1.4 The ownership of carbon sequestration rights, if relevant, is determined
2. Identify the project and its eligibility	2.1 The nature and scope of the project is confirmed 2.2 Approved CFI methodologies are assessed to determine if one is applicable to the project 2.3 Any negative impacts of the project are determined and checked against the CFI negative list 2.4 Whether the project, or any part of it, is required by law is determined 2.5 How the project is in accordance with relevant regional Natural Resource Management plans is determined 2.6 The project is checked for compliance with an approved offset methodology
3. Identify the contractual arrangements for the project	3.1 Contract parties are identified 3.2 The responsibilities of owning and managing a CFI project are identified 3.3 The managerial and governance structure of the project is determined and roles of the parties are clarified 3.4 Responsibilities and obligations of the parties under relevant carbon farming legislation are identified 3.5 Financial relationships between the parties are identified, including for transfer of carbon rights if relevant
4. Analyse the project	4.1 Specialist technical advice is sought as required 4.2 Operational capabilities to successfully implement the project are assessed 4.3 Means of calculating the baseline and project emissions in accordance with the relevant methodology are established 4.4 Frequency of data collection, monitoring, ratification and verification requirements are determined 4.5 The impact of differing crediting and reporting periods on project feasibility is assessed 4.6 Approvals and restrictions associated with project

- implementation are determined
- 4.7 Timelines for the application, development, approval and implementation of the project are estimated
 - 4.8 Potential risks in the project cycle and mitigation strategies are identified and responsibility assigned between parties involved in the project
 - 4.9 Analysis of stakeholders and their expectations is undertaken.
 - 4.10 The scope for project design, planning and implementation is defined
5. Evaluate project viability
- 5.1 The distinction between administrative advice on CFI projects and advice about carbon credits that requires holding a financial services license is stated
 - 5.2 The impact of project location on the type of carbon credits generated, where relevant, is ascertained
 - 5.3 Funding requirements for the application, development and implementation of the project are calculated
 - 5.4 The potential abatement and short and long term returns are identified
 - 5.5 Capacity to complete project activities within timeframes is assessed
 - 5.6 Issues that impact on project business viability, including methods of valuing carbon credits, are assessed
 - 5.7 A business viability case for the project identifying the source and cost of project capital, long term project costs and revenue and non-carbon economic benefits of the project is developed
 - 5.8 Project feasibility is determined and advised in a written report to project proponent

Required Skills and Knowledge

This section describes the skills and knowledge required for this unit.

Required skills

- administration and management skills to:
 - manage documents
 - manage time, including planning and prioritising work
 - coordinate work across a range of disciplines
- communication skills to:
 - liaise with others, share information, seek advice and guidance
 - determine and confirm client requirements, using questioning and active listening as required
 - liaise with others, share information, listen and understand
- language, literacy and numeracy skills to:
 - read and interpret documentation from a variety of sources
 - access, interpret and manage complex information
 - use internet to research information
 - analyse information to ensure currency, accuracy and appropriateness to client needs
 - complete documentation accurately
 - estimate costs
 - interpret and apply complex information, including legislation, regulations, and codes and standards
- interpersonal skills to:
 - establish rapport with clients
 - liaise with other team members and specialists
 - relate to people from diverse backgrounds and people with diverse abilities
 - interact with clients and other stakeholders, including planning and regulatory personnel and technical experts
 - establish networks with relevant technical experts
- research and evaluative skills to:
 - apply outcomes of research
 - access, interpret and manage complex information

Required knowledge

Knowledge of:

- the *Carbon Credits (Carbon Farming Initiative) Act 2011* and regulations, particularly provisions that impact on the ability to undertake the project and the cost and benefits of doing so, including:
 - eligible projects

- land tenure requirements, including for freehold, leasehold and native title
- carbon sequestration rights requirements
- project requirements
- participant requirements e.g. Recognised Offset Entity
- reporting and auditing requirements
- crediting (e.g. obtaining credits, and monitoring and enforcement)
- details of relevant CFI methodologies that impact on the cost and benefits of undertaking a project including requirements for:
 - project eligibility
 - capital works and machinery
 - inputs including labour and resources
 - project establishment
 - ongoing maintenance, data collection, monitoring and reporting
 - calculation of baselines and project abatement
- productivity or other benefits of undertaking a project in accordance with the relevant CFI methodologies and their monetary value
- carbon farming project initiation and development:
 - project feasibility analysis
 - project application and approval process
 - administration and reporting requirements for the project
 - design, planning and implementation processes
 - the CFI negative list
- the types of relevant requirements of regional Natural Resource Management Plans and how to assess them
- circumstances when an Australian financial services license is required to provide advice about carbon farming credits
- legal and regulatory requirements relevant to the type of project, for example necessary permits and their costs
- project design and implementation
- risk management
- principles of cost/benefit analysis
- possible terms and conditions under a purchase and sales agreement including:
 - possible pricing mechanisms such as payment on delivery, spot, forward, upfront payment options, floor price, cap, fixed price, variable price
 - each contract party's obligations and responsibilities
 - delivery schedules
 - event of default

Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	Evidence of the ability to: • undertake background and preparatory work for a feasibility assessment • assess the feasibility of a CFI project for clients and land managers • develop a business viability case for a CFI project
Context of and specific resources for assessment	Assessment must be undertaken in the context of at least one approved sequestration methodology and one approved emissions avoidance methodology under the Carbon Farming Initiative. Assessment resources must be developed to determine the candidate's depth and breadth of knowledge of carbon farming project feasibility as well as their ability to evaluate a project's feasibility.
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit: • observing processes and procedures in workplaces • oral or written questioning on required knowledge and skills • evaluating workplace documents and samples of work • simulated projects, scenarios or case studies • obtaining and validating third party references and reports
Guidance information for assessment	Assessment with other units relevant to the job role is recommended. The unit of competency can be assessed in the workplace or a simulated workplace environment.

Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

An approved offset methodology includes:	a methodology for which a determination has been made under the <i>Carbon Credits (Carbon Farming Initiative) Act 2011</i>
Contract parties include:	• land managers • leaseholders • project developers • aggregators • others
Carbon service provider includes:	a person who provides advice about participation in or develops or manages a project under the Australian Government's Carbon Farming Initiative

Unit Sector(s)

Carbon farming.