eco markets AUSTRALIA

Annual Report 2023-24

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Chair's Message

Jo Sheppard, Chair

As the 2023-2024 financial year comes to an end, so too does my tenure as the inaugural Chair of Eco-Markets Australia. Reflecting on the past four years, it's been a privilege to lead this organisation from its start-up phase to its current role as the first independent administrator of environmental markets in Australia. This journey has been immensely fulfilling, and I am proud to have played a part in laying the foundations for what is now a respected leader in the environmental market space.

Our role as Australia's first independent administrator of environmental markets is crucial in maintaining the transparency and integrity that underpin investor and market participant confidence. Over the past year, we have seen significant growth, with Eco-Markets Australia strengthening its position as a trusted authority in environmental markets. The progress of the Reef Credit Scheme has been particularly noteworthy, offering exciting opportunities to expand our impact and deliver real, measurable outcomes.

> **"Leading Eco-Markets Australia from start-up to a trusted leader has been immensely fulfilling."**

The expansion of our Board from four to seven Directors this year was a key strategic move, bringing diverse expertise across agriculture, energy, finance, consulting, IT, and government sectors.

This broadening of skills and experience has been vital in supporting the continued success of our work, and I extend my heartfelt thanks to my fellow Directors for their unwavering commitment and invaluable contributions.

We have achieved significant milestones over the last 12 months, not least in enhancing the reach and success of the Reef Credit Scheme and solidifying Eco-Markets Australia's position within the broader environmental markets. I also extend my sincere appreciation to the Technical Advisory Committee, whose guidance on technical aspects of Standards and Methodologies has been instrumental in upholding the high level of integrity which remain a cornerstone of our work.

As I step down from my role, I would like to thank the inaugural Board, the Eco-Markets Australia Chief Executive Officer and team, and our foundation members and stakeholders for their dedication, passion, and hard work. I look forward to observing the ongoing success and evolution of Australia's first independent environmental market administrator.

CEO Message

Maree Adshead, Chief Executive Officer

The past year has been a pivotal time for Eco-Markets Australia, as we continued to build on the strong foundations laid by the organisation. Since joining as CEO, I've been focused on strengthening our leadership in environmental markets and expanding the reach and impact of the Reef Credit Scheme, opening up new opportunities for both landholders and investors alike.

This year, we saw our organisation grow, with the expansion of the Board and key changes within the Secretariat and supporting team. The commitment shown by everyone involved has been vital in helping us maintain our focus on creating meaningful environmental improvement outcomes.

> **"Market mechanisms like ours will play an increasingly vital role in Australia's transition to net zero emissions and a nature positive future."**

A significant highlight during the year was the Queensland Government finalising its contracts to purchase $10 million in Reef Credits. This is a clear signal by government of it's confidence in our market and demonstrates a growing recognition of the vital role environmental credits play in Australia's pathway to nature positive . For us, it underscores the importance of continuing to stimulate utilisation of these markets, as investor demand plays a key role in motivating supply through project participation.

The Reef Credit Scheme itself has gone from strength to strength, with 13 projects now registered and over 46,000 Reef Credits generated. This represents over 46 tonnes of Dissolved Inorganic Nitrogen (DIN) prevented from entering the waterways of the Great Barrier Reef catchment – a tangible and measurable water quality improvement outcome we can be proud of.

We also saw the approval of a new Wastewater Methodology under the Scheme, broadening the ways to participate and earn Reef Credits. The Wastewater methodology focuses on the removal of Dissolved Inorganic Nitrogen (DIN) in wastewater discharged from a site or facility through managed algal bioremediation solutions, preventing DIN from entering the waterways of the Great Barrier Reef catchment. Another Reef Credit methodology, Grazing Land Management, has also been progressing through our rigorous assessment process which has included public consultation and peer review. We look forward to further expanding the options available for landholders to measure and demonstrate improved water quality outcomes.

A key achievement this year was our comprehensive review of the Reef Credit Standard and supporting documentation. This process allowed us to make valuable improvements, enhancing accessibility while maintaining the integrity and rigour that is fundamental to our work.

As we move forward, we are committed to expanding participation and investment in the Reef Credit Scheme and exploring new opportunities to administer additional biodiversity and water quality markets. With a growing team and a reinforced governance structure, we are well positioned to continue delivering real, measurable outcomes that contribute to the national and global efforts to restore and protect nature.

Annual Highlights

- Wastewater Methodology approved.
- Commenced public consultation and peer review of the Grazing Land Management methodology.
- Conducted a review and update of the Reef Credit Scheme Standard.
- Welcomed Rob Allen, Ros Baker, Prof John Cole and Brett Spicer to Eco-Markets Australia Board of Directors.
- Queensland Government announces a commitment to invest $10m in Reef Credits.
- 13 Reef Credit generating projects registered on our Registry.
- 46,662 Credits issued up until 30 June 2024.
- 40,773 Credits retired up until 30 June 2024.

reef credits

46622
CREDITS ISSUED

13
PROJECTS REGISTERED

40773
CREDITS RETIRED

1 Reef Credit = 538kg Fine Sediment or 1kg Dissolved Inorganic Nitrogen (DIN)

About Eco-Markets Australia

Eco-Markets Australia is Australia's first independent administrator of environmental markets, committed to facilitating transparent, reliable, and science-based market solutions that deliver key environmental improvement outcomes. We proudly administer the nation's first water quality market focused on improving the health of one of Australia's most iconic ecosystems – the Great Barrier Reef.

We are committed to market mechanisms as a practical and effective way to incentivise environmental improvement. By offering landholders financial rewards for participating in environmental markets, we help ensure tangible, positive outcomes for Australia's environment.

What We Do:

- **Supporting Environmental Markets**

  Eco-Markets Australia plays a vital role in the development and accessibility of environmental markets across Australia. We focus on ensuring that market frameworks are in place to allow landholders and managers to participate in initiatives that deliver verified environmental benefits. Our work is centered on building trust and transparency in these markets.

- **Providing Independent Administration**

  We provide the essential oversight and administration needed for environmental markets to operate with integrity. Our responsibilities include developing, assessing and managing Standards, assessing Methodologies, assessing project applications, and ensuring the Credit Registry remains secure and functional. Independence and transparency are key to maintaining the credibility of the markets we oversee.

- **Developing Crediting Standards and Methodologies**

  Our team works to develop, assess and manage robust, clear, and scientifically backed Standards that underpin the crediting process. These Standards guide the development and verification of projects, ensuring that every step from validation to credit issuance is transparent and accountable. We engage with our Technical Advisory Committee and the public in consultation processes to ensure the Methodologies we approve are scientifically rigorous and practical for market participants.

- **Managing Credit Transactions**

  The Eco-Markets Australia Credit Registry tracks the entire lifecycle of environmental Credits, from their generation to final retirement. Our stringent verification process ensures that every Credit reflects a genuine environmental outcome, supported by independent audits. This approach ensures transparency and confidence in every transaction, maintaining the integrity of the market.

About Reef Credits

The Great Barrier Reef, the largest coral reef system on the planet, spans over 348,000 km² and is home to more than 25% of all known marine species. Beyond its ecological importance, the Reef plays a vital role in mitigating climate change by storing carbon. With an estimated economic, social, and iconic value of $56 billion, it supports 64,000 jobs and contributes $6.4 billion annually to the Australian economy.

The impacts of climate change and poor water quality, caused by sediment run-off and pollution, are the biggest threats to the Reef.

Reef Credits is a voluntary, Australian-led nature market that incentivises landholders to implement land management practices that improve water quality in the Great Barrier Reef catchment. A Reef Credit represents a verified and quantified reduction of pollutants, such as nutrients, pesticides, or sediment, that have been prevented from entering the Reef's waters.

Reef Credits provide a market-based solution that brings together environmental project developers, landholders, and investors. It enables landholders to implement projects that deliver measurable water quality improvements, generating tradeable Reef Credits that represent real environmental outcomes. Landholders are remunerated for their efforts in reducing pollutant loads, creating a win-win for both the environment and agriculture.

Under the Reef Credit Scheme there are three approved methodologies that can be used to generate Reef Credits;

- Nitrogen Use Efficiency Method (DIN)
- Gully Method
- Wastewater Method

Additional methodologies are under review for approval. Administered by Eco-Markets Australia, Reef Credit projects can be undertaken across the Great Barrier Reef catchment. Most participating landholders are sugarcane farmers, who have introduced improved fertiliser management practices. These efforts have collectively prevented over 50 tonnes of Dissolved Inorganic Nitrogen (DIN) from entering the Reef's waters, while also enhancing farm productivity and profitability.

To find out more about Reef Credits, approved methodologies and current projects please visit the Eco-Markets Australia website:

eco-markets.org.au

Our PEOPLE

Board of Directors

Jo Sheppard
Chair

Prof John Cole
Company Secretary

Wilfred Finn
Director

Matt Healy
Director

Ros Baker
Director

Rob Allen
Director

Brett Spicer
Director

Executive Team

Maree Adshead
Chief Executive Officer

Hannah Tilakumara
Secretariat & Market Development

Kate Sammon
Administration & Secretariat Support

Tom Deane
Communication & Market Education

Technical Advisory Committee

Bob Speirs
Chair

Jane Waterhouse
Member

David Pannell
Member

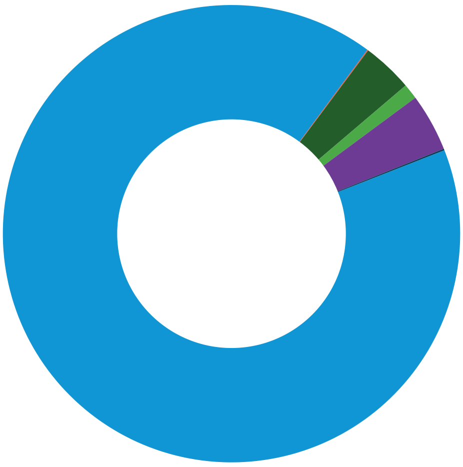
Financials

FINANCIALS

2023-24

Income

Total Income: $659,135



Grants 91.08%

Registry Account Fees 0.07%

Methodology Applications 3.58%

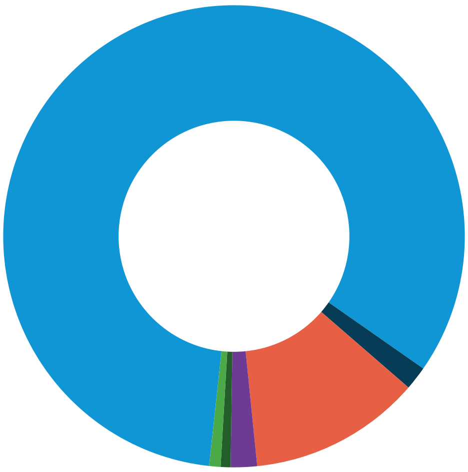
Reef Credit Administration Fees 1.09%

Market Consultancy Services 4.08%

Interest 0.11%

Expenses

Total Expenses: $951,777



Employment Expenses 83.55%

Board Expenses 1.67%

General Operating Expenses 12.12%

Consultant / Contract Fees 1.85%

Depreciation 0.70%

Professional Fees / Legal Costs 0.8%

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