



Seeking eligible interest holder consent from your bank

An overview of the process your bank will take when providing consent for carbon or biodiversity projects.

Understanding consent

This document aims to help farm businesses understand the process your bank will undertake when providing consent for a carbon or biodiversity projects through a state based or federal government scheme.

Information about carbon and biodiversity markets can be complex to navigate, involving robust regulatory frameworks and legal instruments, therefore you should always seek independent legal and financial advice.

To support farm businesses to participate in a carbon or biodiversity project you may choose to partner with a project developer or carbon service provider.

When should I notify my bank?

Having early conversations with your bank and other financial advisors is essential when considering a carbon or biodiversity project to ensure you make an informed decision.

It is important to speak with your bank, and seek consent, before entering into an agreement to ensure you understand any implications to your banking arrangements.

Consent from your bank may be required before your project can be registered with the relevant government body or before the end of the first reporting period, therefore the earlier you contact your bank, the better.

Why does my bank need to provide consent?

If you are applying to register a carbon or biodiversity project and your bank has a mortgage over your property where this project will occur, you are required under the legislation to seek consent from your bank*.

Banks in Australia want to ensure customers understand current and future implications for any project that is being considered which may have an impact on their property.

Banks need to assess the impact any future project may have on areas such as:

- The value of your property.
- Ongoing farming operations e.g., impact to existing farm revenue.
- Your ability to service existing debt and access future credit.

* Associated fees may apply

What is the process with my bank?

Step 1	Customer	Contact your bank to advise of your intent to register a carbon or biodiversity project through a state based or federal government scheme. It is a good idea to do this as early as possible, such as when a project development plan has been prepared, but prior to application being registered with the government body.
Step 2	Bank	Your bank will discuss your intended project in more detail with you and may seek further information required to complete the assessment of the project. Your bank may also recommend you seek independent legal advice, if you have not done so already, and provide you with any documents you need to sign to commence your application.
Step 3	Customer	Provide all the required information to your bank as soon as possible to ensure the process can be completed in a timely manner.
Step 4	Bank	The request for consent will be assessed by the bank's credit department and a property valuation may be required. After the credit team reviews your proposed project, your bank will let you know if any further information is required to consider the consent request.
Step 5	Bank	After the bank's assessment process, you will be informed if your project has been provided with consent to proceed. If your project has received consent: Your bank will provide you with a copy of the signed eligible interest holder consent form, together with any other documentation that may be required. If your project has not received consent: Your bank will discuss with you why consent could not be granted. You and your bank will then need to consider under what conditions a consent could be provided and if this would be acceptable to you.
Step 6	Customer	Include the signed eligible interest holder consent form in your application to the relevant government body. Note: The bank's provision of consent does not constitute an approval of a project.

What will I need to provide to my bank?

Every customer's circumstance will be different. As a guide, your bank may ask for the following information to commence your request for consent:

1. Location, size of the project and percentage of the property that will be impacted by the project
2. Methodology determination and practical changes required to implement the project
3. Duration of the project and permanence obligations
4. Contingency planning - Information on executing the permanence obligation and management of potential risks to the project
5. Copy of your project development plan
6. Proposed ACCU generation potential (if applicable) and ongoing regulatory obligations
7. Proposed sale contract type including forecasts or forward contract price
8. Copy of agreement with the project developer / carbon service provider

If you are working with a project developer or carbon service provider, they may provide you with an information pack, containing some of the information outlined above.

As your request progresses, your bank will let you know if further information is required.

What happens if my bank does not provide consent?

You should have conversations with your bank to understand why consent could not be granted, and what alternatives are available, or if a further application can be considered in the future.

It is important to have early conversations with your bank and other eligible interest holders as under some state and federal schemes, if consent is not provided, the project may need to be revoked and credits will not be issued.

If you're not satisfied with your bank, you can lodge a complaint with your bank or the Australian Financial Complaints Authority. Generally, AFCA won't deal with your dispute until you've given your bank a chance to resolve things. For more information, go to www.afca.org.au or phone 1800 931 678.