

Reef Credits

Critical transitions:



Innovation: Paying for nature

Geographic focus: Australia

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The Great Barrier Reef is valued at AU\$56 billion, contributing AU\$6.4 billion to the national economy and supporting more than 64,000 jobs.

While climate change is the most significant threat to the Great Barrier Reef, poor water quality is the second-highest threat. Tackling climate change is a global challenge but on a local level, improving water quality is a clear positive action that advances towards improving the health of the Reef. This highlights the need for data-driven, measurable market-based products like Reef Credits to be available to investors.

A Reef Credit is a tradable unit that quantifies and values the work undertaken by farmers and graziers to improve water quality flowing onto the Great Barrier Reef.

The Reef Credits Scheme is the first water quality market of its kind in the world, and pays landholders for improved water quality resulting from on-farm actions, without compromising the productivity of their land. The world's first Reef Credits were issued in October 2020 and purchased by HSBC and the Queensland government. Over 3,000 Reef Credits were issued, preventing more than 3,000 kg of nitrogen from reaching the Great Barrier Reef.

For buyers, Reef Credits provide a measurable, audited water quality outcome tracked against internationally recognised targets and based on actual reduction in pollutants entering the reef.

For landowners, Reef Credits provide the opportunity to recognise, value and monetise the critical actions they undertake to provide cleaner water to the Great Barrier Reef. The scheme encourages investment from corporations and government that diversifies landholder income, integrates sustainable practices, reduces business risk and helps to future-proof their property for years to come.

There is a market opportunity of over 6 million credits by 2030, and this opens the door for more businesses to put the environment on the balance sheet and invest in the future of the Reef and rural Queensland as part of their Environmental, Social and Governance (ESG) strategies.

The unique partnership between GreenCollar and Greening Australia combines expertise in environmental markets – particularly Reef Credits – and large-scale ground delivery of wetland and gully repair to stop sediment and pollutions at source. This partnership aims to significantly scale up investment in the water quality, carbon and biodiversity of Reef catchments.

Stakeholders:

Greening Australia; GreenCollar; Queensland government; farmers and graziers; Great Barrier Reef Foundation; Australian Government

Status:

● Operational