

Questions from Carbon + Biodiversity Round 2 Webinar

Hosted 25 February 2021

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1. Will a recording of the webinar be made available?

A recording of the Carbon + Biodiversity Webinar which was held on the 15th February is now available on our website: <https://www.awe.gov.au/agriculture-land/farm-food-drought/natural-resources/landcare/sustaining-future-australian-farming/carbon-biodiversity-pilot>

2. I am having technical issues submitting my application, where do I go for help?

When submitting your Carbon + Biodiversity Pilot Round 2 application through the National Stewardship Trading Platform we recommend using Chrome or Firefox web browsers.

If you are experiencing any technical difficulties please contact us on **1800 329 055** or at agstewardship@awe.gov.au.

3. What do I need to know about my project's costs before I start my application ?

The Carbon + Biodiversity Pilot application requires applicants to map the areas where the plantings will be established (known as 'planting areas'), provide details of how the plantings will be established and managed in each planting area, and estimate the cost of establishing and managing the plantings in each planting area.

Cost estimates can be found in the [Carbon + Biodiversity Price Guide](#). These estimates can be used as a starting point for project planning however, they should not be relied on as the sole or primary source of information on the costs associated with undertaking a C+B Pilot project.

Project costs are highly variable and depend on a range of factors, including the size, remoteness and accessibility of the site, the types of species that are planted, soil type, slope and the type of tree protection that is used (if any). Applicants are responsible for collecting their own information on project costs and conducting their own analysis of the costs and benefits of participating in the C+B Pilot.

4. What species should I plant as part of my project, and do I need to know this prior to submitting an application?

You must establish your plantings in accordance with the requirements of both the ERF (for carbon) and this C+B Pilot (for biodiversity improvement). Both programs have rules governing the establishment and management of your plantings and ongoing reporting/monitoring requirements. Information about the requirements of your plantings under the Carbon + Biodiversity Pilot can be found in the C+B planting protocols for your region available at: awe.gov.au/carbon-biodiversity-pilot.

It is not necessary to know which species you will plant in advance of making your application, but your application does need to indicate whether you are planting mixed natives or local species. You can contact your regional NRM group for advice on the establishment and management of plantings, including advice on species appropriate for your region.

5. What are my permanence obligations in the instance my plantings are destroyed, such as by a bushfire?

Please read [section 3.2 of the Carbon + Biodiversity Pilot guidelines](#) to understand permanence obligations of a C+B project or read [Frequently Asked Questions](#)

6. I have existing plantings, am I eligible to apply?

To participate in the Carbon + Biodiversity Pilot you must be willing to undertake a **new** environmental plantings method project. This is because the project must be able to provide new carbon sequestration to be able to be registered under the ERF. This requires that you plant either a mix of trees, shrubs and understory species native to the local area or species of mallee eucalypts on land that has been clear of on forest for at least 5 years.

7. Will the proposed new veto power for certain native forest regeneration projects impact my C+B project?

No, the proposed changes to allow the Agriculture Minister to veto certain native forest regeneration projects under the Emissions Reduction Fund (ERF) where they will have adverse impacts on regional communities and agricultural production does not impact Carbon + Biodiversity Pilot projects. There is no veto power relating to the ERF Environmental Plantings method.

The proposal relates only to two ERF methods (Human-induced Regeneration and Native Forest from Managed Regrowth). These methods have been commonly used for carbon projects in rangeland regions in WA, Qld and NSW but are not methods applicable to the Carbon + Biodiversity Pilot. Further information on the proposed changes can be found at www.consult.industry.gov.au/native-vegetation-regeneration-new-requirements.

8. Will I be able to refine my project details after seeking professional advice with the professional advice payment?

Upon receiving the offer and seeking professional advice, applicants will be given the opportunity to propose good faith variations to the details of the project – for example, minor modifications to the size of the project area. Any proposed modifications will be accepted or rejected at the department's discretion, to ensure that it does not compromise the integrity and fairness of the selection process. Where variations are made to the project, the payment offer may also change.

9. The project planning tool shows some of my proposed project area as "likely ineligible", what should I do?

The ERF Environmental Plantings eligibility overlay indicates land that has had forest cover in the past 7 years according to the National Forest and Sparse Woody Vegetation Data (Version 5.0 - 2020 Release). Land that has had forest cover in the past 7 years may not be eligible under the ERF Environmental Plantings method and therefore not eligible for the C+B pilot.

The overlay should only be used for "first pass" eligibility assessments. Additional data is needed to confirm eligibility under the ERF and C+B Pilot. This information can be provided in the 'additional comments' section at the end of the Carbon + Biodiversity Pilot application form.

10. What are my long-term commitments under the Pilot?

Plantings established under the C+B Pilot will need to be protected and maintained for at least 25 years to ensure biodiversity outcomes. At the time of ERF project registration, you will be required to nominate either a 25-year or 100-year permanence period. During this period, you must maintain your project as per the environmental plantings method to protect the carbon stored in your project.

Under the C+B contract between successful applicants and DAWE the farmer will be required to contact DAWE if there is a proposed transfer of the land to another person. The farmer must seek the proposed owner's agreement to continue the project and enter into an agreement with DAWE. If the farmer is in default of their agreement with DAWE this would need to be remedied prior to transfer of the land.

Under the Emissions Reduction Fund, there are certain permanence obligations that run with the land. Permanence obligations commence as soon as ACCUs have been issued for a sequestration project, and are designed to ensure that carbon sequestered (for example, in a forest) by registered projects is maintained for 25 or 100 years (depending on the project proponent's choice made at the start of the project).

Permanence obligations can mean that specific parcels of land must be dedicated to sequestration activity, maintained, protected or reinstated (in the event of a reversal event) for the entire 25 or 100 year period. This has obvious implications for land owners and prospective purchasers. To remove the permanence obligation, it is possible for projects to be withdrawn. However, any ACCUs that have been issued for the project must be returned (relinquished)—either by sourcing the required amount at the prevailing market price, or from another project.

More information about permanence obligations under the ERF for landholders is [here](#).

11. Who can I sell my project outcomes to?

Under the Carbon + Biodiversity Pilot successful farmers will receive income for the biodiversity improvement generated from the Australian Government through a Biodiversity Payment.

The Australian Carbon Credit Units (ACCUs) generated by your Carbon + Biodiversity project, are yours to do with as you wish.

You are able to sell your ACCUs to generate income or retain them for your own use, such as for the carbon neutrality of your farm. You may choose to sell your ACCUs to the Australian Government through the Clean Energy Regulator (once issued) or connect with a private buyer on the National Stewardship Trading Platform (this can be done before or after ACCUs are issued) Guidance will be provided on how to list your ACCUs on the platform.

12. Where do I go to seek professional advice with the professional advice payment?

You will receive \$10,000 to seek professional advice if your C+B application is successful. Advice can include, but is not limited to, financial, legal, agronomical or carbon advice. You can seek this advice wherever you see fit. You will need to provide the department with information about the type of advice you sought.

13. What happens if I can't complete all my plantings in one season due to planting failure, or availability of seed/tube stock?

The published grant guidelines specify that participants have 9 months from when both parties (participant and the government) have signed the C+B project agreement to complete their planting of seeds or tubestock. Please note that this milestone simply involves planting or seeding and is not dependent on survival, growth or germination.

While the 9 month planting envelope is not ideal for all sites, it has been set as an attempt to balance giving enough time to farmers while ensuring the Pilot and projects as a whole can be established in a reasonable timeframe. It is not essential for you to identify the exact species mix or proportions in order to submit an application (it is only necessary to indicate a choice between local community or mixed native planting). It may therefore take time for shortfalls in plant supply to become fully evident.

We are able to grant an extension to the 9 months period in cases where farmers are faced with circumstances beyond their control e.g. drought or unavailability of plants.

14. How is the estimate of CO₂ sequestration estimated on the National Stewardship Trading Platform?

Estimates of CO₂ on the National Stewardship Trading Platform refer to the amount of carbon dioxide (CO₂) that could be sequestered in trees and debris over 25 years under average climate conditions.

The estimates are derived from FLINTpro, modelling vegetation growth in each 25mx25m pixel in the mapped areas and averaging the estimates across the modelled pixels. The estimates should be regarded as indicative only. Actual sequestration rates will vary with management of the regeneration or environmental plantings and climate variability. Users should note that, in calculating the Australian carbon credit units (ACCUs) generated by ERF projects, deductions are made for fuel use and fire, and discounts are applied to account for the risk of reversals and permanence.

15. How does the Pilot take into consideration on farm soil stewardship approaches?

The C+B Pilot focuses on planting trees for carbon and biodiversity outcomes, it does not address soil stewardship. If you are interested in learning more about Australian Government's Soil Strategy please visit www.awe.gov.au/agriculture-land/farm-food-drought/natural-resources/soils.

16. What were the outcomes of Round 1 of the Pilot and will there be future rounds?

C+B Pilot Round 1 offered \$4 million to 65 successful applicants. Applications were open to six pilot NRM regions:

- Burnett-Mary in Queensland
- Central West in New South Wales
- North Central in Victoria
- NRM North in Tasmania
- Eyre Peninsula in South Australia
- South West in Western Australia

Other round may be conducted in the future but have not been determined at this point in time.

17. Can I still participate in this Pilot if I am involved in other state or local programs?

As per the Carbon + Biodiversity Pilot guidelines, to be considered eligible projects must not receive financial or other support for the establishment of the plantings under another federal, state/territory or local government environment program, other than the ERF.

18. What is the process for obtaining unconditional registration under the Emissions Reduction Fund? And who are my eligible interest holders?

When applying to register your project under the ERF, you will need to demonstrate that you have the [legal right](#) to carry out project activities on the land nominated as the project area as well as received ACCUs for these activities that no other person can lawfully claim.

If another person or entity has an [eligible interest](#) in any or all of the land nominated as the project area, you must get their consent to undertake your project.

Eligible interest holders may include but are not limited to:

- any financial institutions that hold a mortgage over the land.
- anyone with a caveat or encumbrance registered on the land title for the property such as easements

- other people or parties that share or have ownership or leases of the land
- Native title — rights that Aboriginal and Torres Strait Islander people can hold under traditional laws and customs.
- leased Crown land – the Crown Lands Minister needs to provide consent, usually through a relevant state or territory lands department.

The number and type of eligible interest-holders will vary depending on the nature of the land title(s) and nominated project area.

When registering under the ERF you must provide proof of consent by submitting signed eligible interest-holder consent form(s) with your ERF project registration application via the Client Portal. This consent form demonstrates that eligible interest-holders understand the details of the proposed project, including any risks and benefits to them resulting from the project. Once you have provided all required signed eligible interest-holder consent forms to the CER your project is unconditionally registered.

If all the required consents and approvals are not obtained at the time of ERF registration, the Clean Energy Regulator will register a project conditional to obtaining those consents and approvals ie. conditionally registered.

Conditionally registered projects cannot earn ACCUs. You will not be eligible to receive your first C+B payment from the Department unless your project is successfully registered without any conditions.

19. What tools are available to help me pull together a competitive application?

The C+B Pilot is a competitive program, meaning not all applicants will receive biodiversity payment offers. Under the C+B Pilot, projects will be assessed on the basis of their costs and projected biodiversity benefits. Generally, projects that generate the highest biodiversity benefits per dollar invested are more likely to be selected and receive biodiversity payment offers. Applicants should be mindful of the competitive nature of the C+B Pilot when designing their projects and submitting an application. There are four main ways of improving the competitiveness of your application.

- Designing projects that involve restoring vegetation communities that are of high regional conservation priority (e.g. vegetation types that have been extensively cleared).
- Designing environmental plantings in a way that generates the greatest improvements in the condition of regional biodiversity at the lowest possible cost.
- Providing in-kind contributions to the project – this can be done by submitting lower cost estimates for nominated activities in your application.
- Putting in a competitive bid when submitting your application – you are given the option of doing this in the application form (see: www.agsteward.com.au).

The Carbon + Biodiversity application guide and Pre-application checklist will help you to pull together your Carbon + Biodiversity Pilot application.

20. How much will I make under this Pilot?

We cannot advise on returns from your C+B project and returns will vary from project to project. However the biodiversity payment offer is calculated on the basis that the project will overall be profitable, and takes into account likely ACCU earnings.

You will receive two forms of income from completing a C+B project: your Biodiversity Payment and income generated if you choose to sell your ACCUS

21. What are the options/requirements for auditing of my Carbon + Biodiversity Project?

Environmental plantings pilot projects are eligible for reduced audit obligations as an alternative assurance project. The Clean Energy Regulator will use geo-spatial tools to confirm that the planting activity has happened, verify that abatement is being achieved, and monitor for disturbances.

Your C+B Project will be monitored as outlined in Section 12.3 of the [Carbon + Biodiversity Pilot Guidelines](#). Monitoring visits will occur in accordance with a rotational scheme-wide monitoring schedule that ensures a proportion of projects are inspected each year and all projects are visited once every 3 years (or some other frequency we determine). If there is evidence of non-compliance with C+B Pilot requirements, projects may also be subject to additional spot visits.

22. Why is there a difference in stocking density between the ERF and Pilot (e.g. ERF = 200 stems per hectare vs C+B = 400 stems per hectare)?

The C+B Pilot Planting Protocols specify a higher stem density per hectare than the ERF Environmental Plantings method to ensure that C+B projects produce biodiversity improvements as well as carbon outcomes. Participants must meet the requirements set out in the ERF Environmental Plantings method and the C+B Plantings Protocols to establish a C+B project.

23. If vineyard owners were to participate, would native grasses planted in the vineyard mid-rows count as area (Ha) eligible to be counted for carbon credits?

No, native grasses are not eligible under the C+B pilot. To participate in the C+B Pilot you must be willing to undertake a new environmental plantings method project under the Emissions Reduction Fund. This requires that you plant either a mix of trees, shrubs and understory species native to the local area or species of mallee eucalypts.