



Department of
Primary Industries and
Regional Development



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Western Australian Carbon Farming and Land Restoration Program ACCU Plus Program Guidelines



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This publication is available at www.agric.wa.gov.au/CF-LRP

Use of the electronic version of this document will allow the embedded links to be accessed.

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Glossary of terms

Abatement - stopping the increase of greenhouse gas emissions in the atmosphere. It includes mitigation and sequestration. Net abatement is the change in carbon stored minus emissions.

ACCU Plus (Project) - (Australian carbon credit units plus co-benefits) a set of activities consistent with an approved carbon method and eligibility requirements for registration with the Clean Energy Regulator, as well as meeting the requirements of ACCU Plus projects.

ACCU Scheme - a voluntary scheme managed by the Australian Government. It aims to provide incentives for a range of organisations and individuals to adopt new practices and technologies to reduce their emissions. Formerly the Emissions Reduction Fund.

Aggregated project - as defined by the CER it is *“where activities that use the same method to bring about carbon abatement are grouped into a single registered project. Aggregation can be undertaken by individuals or organisations.”*

Agreement for Financial Assistance (Agreement) - a legal document that outlines the terms, conditions and obligations of funding, project delivery, accountability for both the RBDC and the funded entity. An Agreement includes any recitals, schedules and annexures, and any amendment to it agreed in writing by the Parties.

Applicant - the person or party responsible for carrying out the project and receiving the ACCUs from the CER. The applicant has the legal right to carry out and control the project. The project applicant can be a single person, multiple people, or an organisation. See full explanation of rights and responsibilities as defined by the [Clean Energy Regulator](#).

Application - the form used by applicants to provide information and outline the activities and co-benefits of their project to the Carbon Farming and Land Restoration Program. Applications are submitted through the online SmartyGrants portal.

Australian Carbon Credit Units (ACCUs) - a tradeable financial product that represents one tonne of carbon dioxide equivalent abated. The Clean Energy Regulator issues and regulates ACCUs. ACCUs generated by your project are issued into an ANREU account. ACCUs can be held, or sold to generate income, either to the government through a carbon abatement contract (ACCU Scheme), or in the secondary market.

Australian National Register of Emissions Units (ANREU) - secure electronic system designed to track the location and ownership of ACCUs issued under the ACCU Scheme.

AWST - Australian Western Standard Time.

Carbon sequestration - the removal of carbon from atmosphere by storing (sequestering) it into water, land and vegetation.

Carbon Service Provider - private businesses, independent of government, who can assist farmers and land managers to participate in the ACCU Scheme.

Clean Energy Regulator (CER) - the Australian Government body responsible for administering legislation that will reduce carbon emissions and increase the use of clean energy.

Co-benefits - the additional, positive outcomes of carbon sequestration. The Carbon Farming and Land Restoration Program prioritises environmental, social, and economic co-benefits.

DPIRD - Department of Primary Industries and Regional Development.

Financial Assistance – funding provided by the RBDC in exchange for ACCUs.

Not for Profit - organisations that provide services to the community and do not operate to make a profit, personal gain, or other benefit to particular people.

Permanence obligation - means the carbon stored by a project (credit have been issued) must be maintained for the chosen period, either 25 or 100 years.

Rural Business Development Corporation (RBDC) - the corporation established under the *Rural Business Development Corporation Act 2000 (WA)* that administers approved assistance schemes on behalf of the WA Government. The RBDC administers ACCU Plus.

Recipient – an Applicant who has entered an Agreement for Financial Assistance.

SmartyGrants - the grant management software tool used for applications to ACCU Plus and for ongoing project administration and reporting for executed agreements.

1. Purpose of the Program Guidelines

These Program Guidelines define:

- the purpose and principles of the Carbon Farming and Land Restoration Program
- eligibility
- how applications are considered and the assessment criteria
- the responsibilities and expectations of Recipients

2. Overview of the CF-LRP

Carbon farming projects enhance the long-term productivity and climate resilience of farming businesses. These projects support landowners diversify their income by generating ACCUs and deliver a range of environmental, social, and economic co-benefits.

The Western Australian (WA) Carbon Farming and Land Restoration Program (CF-LRP) is a key initiative of the [Western Australian Climate Policy](#). The CF-LRP's ACCU Plus stream supports the growth of the WA carbon market by providing financial assistance to incentivise the take up of carbon farming projects in the South-West Land Division.

For more information about the CF-LRP, visit www.agric.wa.gov.au/CF-LRP.

Objectives

- Create jobs and regional economic stimulus.
- Enhance and conserve biodiversity and agricultural productivity.
- Create Aboriginal economic development and cultural opportunities.
- Encourage the supply of carbon credits sourced from WA.

Principles

ACCU Plus projects are selected based on the following principles:

- Maintain the integrity of farming communities and the agriculture industry.
- Improve participant knowledge and capability, particularly small to medium farm enterprises and larger businesses to engage with carbon markets.
- Deliver project diversity, including geographic location, enterprise, project methodologies, co-benefits, and participants.

Priorities

The RBDC is committed to achieving a diversity of projects and strongly encourages the involvement of the following in Round 3:

- Aboriginal landowners as project proponents.
- Aboriginal groups providing advice and services for projects.
- Agroforestry projects that provide timber and biomass.
- Projects which involve NRMs, land care, community, and grower groups as providers of advice and services.

3. Priority co-benefits

ACCU Plus projects deliver one or more of the CF-LRP's five priority co-benefits.

These additional positive outcomes increase the value of the carbon sequestered and support the RBDC's decision to invest in the projects.



The delivery of co-benefits is considered during the assessment process.

Projects can deliver any combination of co-benefit categories using suitable criteria as outlined in the CF-LRP's [Co-benefits Standard](#), which can help identify the relevant co-benefits.

The [Co-benefits Portal](#) can assist the development of a plan to monitor the delivery of the co-benefits which are reported on at agreed milestones.

These resources should be used in conjunction with on-ground evidence to validate the co-benefits of the project in the short, medium, and long-term.

Independent verification of co-benefits is not required; however, appropriate planning for the delivery of co-benefits forms part of the selection process.

Note: Soil carbon projects are not eligible for biodiversity and conservation or salinity mitigation co-benefits as these relate to vegetation projects.

4. Core elements of an ACCU Plus project

1. Integrate with an ongoing farming business

The on-ground carbon farming activities need to be integrated, aligned with, and enhance the farm practices of an ongoing agricultural business. The property must remain predominantly used for agricultural purposes i.e., under the applicable state planning laws, most of the land is zoned for agricultural uses and used to operate a commercial agricultural enterprise.

2. Are ACCU Scheme projects

The project must use at least one eligible carbon farming method to generate ACCUs. Obtaining and maintaining CER registration for the life of the Agreement is a requirement of the Agreement.

3. Deliver ACCUs in exchange for financial assistance

Recipients receive financial assistance for project costs that focus on carbon sequestration. This funding is repaid with an agreed number of ACCUs from the project.

Cash repayment will not be accepted.

ACCUs generated above the amount agreed to be transferred to the RBDC remain the property of the Recipient.

4. Deliver priority co-benefits.

An ACCU Plus project will be chosen, in part, on the delivery of one or more of the five CF-LRP priority co-benefits which are additional, positive outcomes to the community.

5. Monitoring and reporting data and information

ACCU Plus projects complete monitoring and reporting to the:

- RBDC on the project's progress, and delivery of data and co-benefits. Requirements vary according to project complexity and the amount of funding.
- CER for issuance of ACCUs and ACCU Scheme compliance.

6. Project timeframe and permanence requirements

Recipients enter a 10-year Agreement with the RBDC which can be acquitted earlier once the Agreement's obligations are discharged. The project proponent will also need to maintain the project's carbon stocks for the agreed permanence period (25 or 100 years).

5. Participating in the CF-LRP

Understand the Agreement

By participating in the CF-LRP, you agree to deliver a portion of your carbon farming project's ACCUs and deliver priority co-benefits in return for financial assistance from the RBDC.

Read the Program Guidelines and seek advice

These guidelines and the supporting documents will help you get ready to apply.

Develop your project ideas by seeking independent professional advice from experts e.g., carbon project development, finance, legal, agronomic, environmental consultants, tree nurseries.

Apply

A How to Apply Guide can assist you collect the information needed for the application. You will need to develop a project plan to help determine the amount of financial assistance needed, your co-contribution, the estimate of how many ACCUs could be generated over 10 and 25 years, and how to monitor and report on the project's co-benefits.

Assessment process

Due diligence is completed by DPIRD. Assessment of the proposed project activities is undertaken by Technical Assessors and the Investment Advisory Panel (IAP). Additional information about the project activities, scope and deliverables and the proponent's financial position may be requested.

Recommendations

The IAP makes recommendations to the RBDC which reviews the recommendations, funding and contractual terms before selecting the successful applicants.

Consider the Agreement

Successful Applicants are offered an Agreement with the RBDC Milestone payments, reporting requirements, delivery of ACCUs to the RBDC (when, how many), and knowledge sharing are outlined in the Agreement's Schedules. Once signed, you are legally obligated to complete the project and fulfil its requirements over a 10-year period.

Undertake the Project

Establish the project as outlined in the accepted submission/proposal using a combination of RBDC funds and your co-contribution.

Provide ACCUs to the RBDC

An agreed number of ACCUs from the project are transferred to the RBDC, usually in two tranches, in exchange for the financial assistance. All other ACCUs from the project remain the property of the proponent.

Meet ongoing obligations

Manage the project according to the requirements of the Agreement, which includes ensuring the project and its activities remain compliant with the CER's requirements which includes protecting the carbon stocks for the permanence period (25 or 100 years). Progress and milestone reports are required by the RBDC to monitor the project and the program.

6. Project types

Projects selected for ACCU Plus can use one or more of the following four ACCU Scheme methods. See Appendix A for more information on each method.

ACCU Scheme Method	CER Method Guides
Vegetation	
<u>Reforestation by environmental or mallee plantings - FullCAM</u>	<u>A guide to the reforestation by environmental or mallee plantings - FullCAM method</u>
<u>Measurement based methods for new farm forestry plantations</u>	<u>A guide to the farm forestry method</u>
<u>Plantation Forestry – Schedule 1</u>	<u>Understanding your plantation forestry project – simple method guide</u>
Soil	
<u>Estimating soil organic carbon sequestration using measurement and models method</u>	<u>Understanding your soil carbon project - Simple method guide</u> <u>Guidance for meeting the requirements of soil carbon land management strategies for soil carbon projects</u>

Agroforestry

Agroforestry projects offer a range of benefits to farmers and other landholders, generating an income from the sale of timber and other forest products, and can supply sustainable biomass for advanced biofuels. Refer to the [Agroforestry factsheet](#) for more information.

To be considered for the CF-LRP, agroforestry projects must integrate with on-going farming activities, which aligns with its core principles, and deliver co-benefits (refer to [Section 5](#)).

The Department of Agriculture, Fisheries and Forestry (DAFF) has released the four-year **Support Plantation Establishment grant scheme** which will run from 2023–24 to 2026–27. More information can be found on the DAFF [website](#). Applicants to the CF-LRP are encouraged to apply for funding under this scheme to assist with project development costs.

Aggregated Projects

Groups of landowners may be interested in creating a single project for mutual benefit. It is important to remember that the RBDC will only contract with the project proponent to whom

the ACCUs from the project will be issued. This party takes responsibility for executing the project and delivering the contracted number of ACCUs to the RBDC.

For other parties involved in an aggregated project, commercial arrangements are needed to define how the financial costs and benefits, including risk, are allocated.

Independent legal advice should be sought by each party, so they understand their obligations and responsibilities.

All parties involved in an aggregated project must read the Program Guidelines and understand the requirements of the Agreement and how it affects them.

If you are interested in submitting an aggregated project, please contact the Carbon Farming team at carbonfarming@dpiird.wa.gov.au.

Aboriginal economic and cultural opportunities

The State Government is committed to increasing the direct involvement of Aboriginal people in carbon farming projects and those that integrate indigenous knowledge to enhance land management.

Inclusion of Aboriginal economic and cultural co-benefits in a proposal should be guided by the following principles:

- Encourage proponents to engage with Aboriginal people through potential partnerships and joint business models.
- Provide employment and training opportunities to build capacity.
- Acknowledge and promote the connection of Aboriginal people to the land.
- Free, prior and informed consent should be obtained for land-based projects.
- Promote recognition of Aboriginal cultural values.
- Respect intellectual property rights.

Aboriginal landowners and anyone planning a project on Aboriginal owned land or that will claim Aboriginal economic and cultural co-benefits should contact DPIRD's Aboriginal Economic Development team via aed@dpiird.wa.gov.au to discuss the proposal and receive guidance.

7. How to apply

The application process is open and competitive.

All applications are submitted online through SmartyGrants: other forms of submission will not be accepted (e.g., email or post).

The link to the application form is <https://dpird.smartygrants.com.au/ACCUPlusRound3>

Submissions must be received by **12 noon (AWST) Monday 20 May 2024**.

Late submissions will not be accepted.

7.1. Documents to help with the application

A range of documents and links are found on the CF-LRP [Resources page](#) including:

- [How to Apply](#) guide
- [Co-benefits Standard](#) and [Co-benefits portal](#)
- [Work plan template](#)

For more information email carbonfarming@dpird.wa.gov.au.

7.2. Support materials

Information submitted in the application should assist the assessment and demonstrate you have considered the requirements of the project over the long term. Items can include:

- Carbon Farming Plan or feasibility report
- Land Management Strategy (soil carbon projects only)
- Forest Management Plan (plantation forestry projects only)
- Details about the project's on-ground activities that will sequester carbon.
- Estimation of the project's ACCU delivery over 10 years (agreement period) and 25 years (project crediting period – required by the CER)
- Site plans, maps and workplans
- Quotes for materials, contracted services, and consultants
- Information about third party contributions e.g., letters of commitment which includes value, reasons for contribution, timeframe, any conditions.

7.3. Applicant financials

The RBDC will assess the suitability of the Applicant and the project for financial assistance, balancing the benefits and risks of having the project and the Applicant in the CF-LRP.

During the application stage applicants must provide:

- Provide letters of commitment from any independent third-party which provides cash or significant resource co-contributions deemed essential for the project. These letters must validate the information in the application and provide details of what will be contributed. Resources or effort provided by any associated entities will be considered in-kind only.

- Provide the Trust structure (family tree) that indicates the source of funds for the co-contribution and the relationships between sub entities.

During the due diligence stage Applicants must:

- Be willing to undergo financial checks by an independent third-party engaged and paid for by DPIRD.
- Provide the latest profit and loss statement, last full financial year's audited statements, and/or a statement of viability from a Certified Practising Accountant (CPA),
- Provide relevant statements from previous entities if the entity was recently established.
- Further financial information as required.

Throughout the term of the Agreement the Recipient may be asked to:

- Demonstrate their ability to honour the agreed cash co-contribution, this includes an annual accountant prepared financial statement or annual report (if this is inclusive of the accountant prepared financial statements).
- Provide an annual statement of revenue and expenditure for the project, including RBDC funding and their co-contributions.
- Provide a Letter of Guarantee for funds provided to the project.
- Other documentation as deemed appropriate by the RBDC.

ANREU Account

The proponent of an ACCU Plus project must have an Australian National Register of Emissions Units (ANREU) account to receive, transfer and hold ACCUs.

The Recipient must appoint an RBDC representative as an approver on the project's ANREU account until the contracted number of ACCUs has been transferred to the RBDC ANREU account. This is used as security for the financial assistance provided by the RBDC and a milestone payment requirement.

The initiation of the project's ANREU account is a conditions precedent for the Agreement.

7.4. Personal information and freedom of information

Applicants are informed that DPIRD is subject to the *Freedom of Information Act 1992 (WA)* which provides a general right of access to records held by the State Government agencies.

Information in the application will be used solely for the purpose of the assessing the application.

Information about the successful applicants and their projects may be used for the promotion of the CF-LRP.

8. Eligibility

8.1. General eligibility

Carbon farming projects in the ACCU Plus Scheme must be in the [South-West Land Division](#), on land predominantly used for agricultural purposes, and whose activities integrate with ongoing farming practices. Land under Aboriginal ownership is also eligible.

The project must be eligible for registration with the CER, be in the process of being registered, or be registered but not commenced before the Agreement is offered.

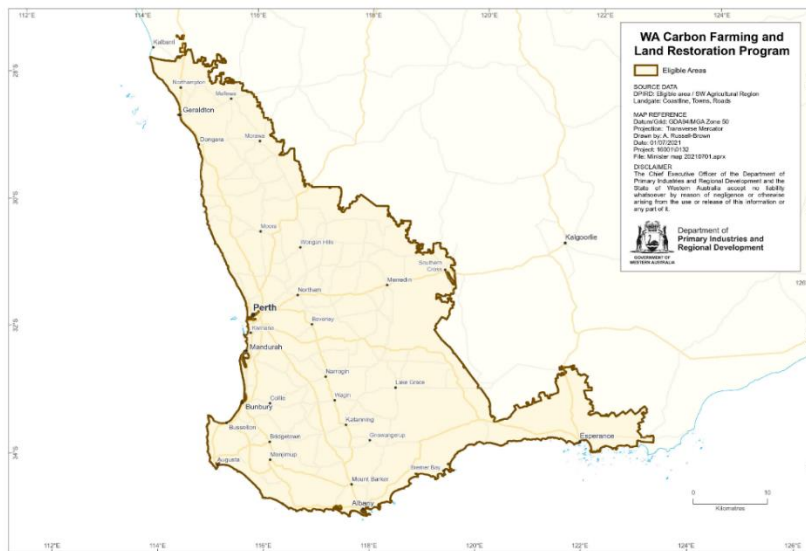


Figure 1 South West Land Division (agriculture zone)

8.2. Eligible applicants

Applications will only be accepted from entities that:

- are commercial farm property owners that operate as a primary producer, or on Aboriginal land, or who act on behalf of the property owner/s
- have an Australian Business Number (ABN)
- are registered for GST
- use one or more of the ACCU Scheme methods outlined in [Section 6](#).

The Applicant is the person or entity that:

- is the proponent, as defined by the CER, who can be issued with ACCUs through the project's ANREU account
- will enter the Agreement with the RBDC.

Eligible applicants must be one of the following:

- company incorporated under the *Corporations Act 2001* or by guarantee
- partnership
- trustee
- sole trader
- joint (consortia) application with a lead organisation (an aggregated project)

- entity undertaking a project under commercial arrangements with the owner/s of the property, including:
 - Carbon Service Provider
 - Natural Resource Management group, Landcare group, Land Conservation District Committee
 - industry sector and Grower Group
 - Local Government Authority
- Aboriginal Corporation registered under the *Corporations (Aboriginal and/or Torres Strait Islander) Act 2006*
- Aboriginal community organisations including Registered Native Title Bodies Corporate (RNTBCs)

Trusts are not legal entities. To be eligible, only the Trustee for the Trust can apply. If applying as a Trustee on behalf of a Trust, you must have an eligible entity type as stated in [Section 8.2](#). DPIRD will ask for the signed Trust Deed and any subsequent variations and may seek additional information from trustees to support the application.

Change of the entity (e.g., from sole trader or partnership to a Trust) after the application is submitted must be formally communicated to DPIRD for the RBDC's consideration. The RBDC reserves the right to alter the conditions of the Agreement or decide not to enter into an agreement with the new entity.

8.3. Project requirements

The Applicant must have the legal right to carry out and control the project. This includes being able to gain consent from all eligible interest holders, including those with caveats, memorials or other instruments listed on the Certificate of Title, to complete unconditional CER registration.

To meet the CER's [newness requirement](#), funding cannot be provided until the project is registered. The CER take 90 days to approve registration and changes to the project may increase this timeframe. It is strongly recommended Applicants register their project as soon as possible to prevent delays in starting the project e.g. site preparation and planting, soil sampling, funding.

The project must also meet the CER's [additionality](#) requirements.

Projects registering under the '*Estimating soil organic carbon sequestration using measurement and models 2021*' method must submit a [Land Management Strategy](#) to the CER outlining the current and proposed land management activities, risks, baseline soil carbon, predicted improvements over time and monitoring approach (measurement, model).

Projects under the '*Plantation forestry method 2022, Schedule 1*' must submit a [Forest Management Plan](#) (FMP) to the CER with each credit report, outlining the management actions and activities, as well as disturbance events and other relevant information for a project under this method. The FMP's intention is to set out how the project will be run and how it will be managed, including identifying risks.

The Recipient must appoint an RBDC representative to their [ANREU account](#) until the contracted number of ACCUs is transferred to the RBDC. This provides security for the RBDC.

8.4. Service providers

Any advisor should have suitable qualifications and experience. DPIRD maintains a [Service Provider Directory](#) to assist identify in WA consultants with a range of expertise.

If a Carbon Service Provider has a commercial agreement with the Recipient, the entity or person must be a signatory to the Carbon Market Institute's [Australian Carbon Industry Code of Conduct](#). This is an industry-led, voluntary Code which aims to promote market integrity, consumer protection and appropriate interaction with carbon project stakeholders. The WA Government is a code partner with the CMI.

9. Project funding

Budget items should focus on the delivery of carbon sequestration. Other activities, services, or items essential to the success of the project may be considered at the RBDC's discretion.

9.1. Eligible activities

Soil carbon

- Soil testing (sample extraction and analysis)
- Soil preparation and/or amelioration
- Purchase of pasture and/or legume seed
- Carbon estimation (e.g., the assessment of potential to increase soil organic carbon or development of the model to predict change)
- Stratification of Carbon Estimation Areas
- Production valuation (verify improvement in pasture, fodder, etc.)
- Assessment of soil health indicators
- Regular soil carbon monitoring

Vegetation (reforestation and agroforestry)

Vegetation projects must adhere to all federal, state, and local government policies and restrictions including the percentage of land able to be planted for a carbon farming project.

General guidelines:

- Site preparation e.g., scalping, weed management
- Purchase of seed and/or seedlings. Allowable species for vary according to the ACCU Scheme method. (Refer to Appendix A)
- Planting by machine or hand
- Machinery hire (specialised planting equipment only)
- Vegetation protection e.g., tree guards, feral animal and weed management, fencing
- Fire risk mitigation

Reforestation projects:

- Purchase of endemic seed and/or seedlings (no exotic species or orchards) as required by the ACCU Scheme method.
- Ecological assessments (including resource condition assessment, fauna or vegetation surveys and mapping, water quality surveys, plant survival surveys)

Fencing

- Reasonable fencing costs will be considered
- Fencing should be directly related to protection of the plantings
- Funds can be used to employ a fencing contractor and for purchase of materials

Advice and project planning

Funding can be used to engage the services of advisers or consultants who can help interpret or better understand technical information. Services could include financial, agricultural advice, support from an agronomist or ecologist for project design (e.g., site survey or planting plan), or details about carbon farming including the regulatory framework.

Projects that include the development of a plan (e.g., site plan or project management plan) should clearly indicate how the plan will be used in future management of the area and how it will contribute to decision making. It is expected that any plans funded through ACCU Plus would be cited through the Program's reporting process.

CER reporting

The costs associated with reporting to the CER are eligible for funding. See the [CER webpage](#) for information on scheduling and requirements. This includes soil sampling (baseline) and for the issuance of ACCUs, the data for which is provided to the RBDC as part of the progress reporting.

Monitoring co-benefit delivery

The level of monitoring should be consistent with the size and scope of the project. Things to consider when preparing your application are:

- If your project is designed to improve the conservation values for fauna or flora species (habitat), use monitoring methods that can practically measure these values.
- Basic monitoring activities (such as fixed-point photo monitoring and drone photography) are generally considered an in-kind contribution
- Purchase of equipment for monitoring (remote sensing cameras) may be considered.
- CF-LRP's [Co-benefits Standard](#) has suggestions for monitoring and reporting.

Knowledge sharing

- Events such as field walks, workshops
- Peer-to-peer learning
- Aboriginal Ranger training and skills development
- Citizen science

9.2. Ineligible activities

- Expenses incurred before the application is submitted
- Activities funded by a third party or by an entity owned by or that employs or provides payment to the Applicant
- Land Management Strategies for soil carbon projects and Forest Management Plans for plantation forestry projects (a project must be registered with the CER before ACCU Plus funding is dispersed)
- Purchase or hire purchase of equipment
- Site preparation, earthmoving, fencing, planting, or management activities that are part of normal business
- Statutory or regulatory responsibilities
- Boundary fencing
- Purchase, lease, or acquisition of land
- Legal fees
- Carbon account assessment

Some of these activities may be considered as in-kind contributions (refer to [Section 9.3](#)).

9.3. Co-contributions

Cash contributions

Applicants must demonstrate the expenditure of a minimum 30 per cent cash co-contribution over the life of the Agreement (i.e., for every \$100,000 of CF-LRP funding, the applicant must commit a minimum of \$30,000, which brings the total project cash resource to \$130,000).

The cash co-contribution is considered by the IAP and RBDC when assessing the application.

Cash co-contributions from all sources must be identified. Third party contributions will need to be verified and letters of guarantee provided for the finalisation of the Agreement.

The cash contribution of Not-for-Profit organisations and Aboriginal Landowner Groups will be considered on a case-by-case basis; however, the entity must demonstrate the financial capacity to manage the project over the long term (at the time of the application and on an ongoing basis).

Expenditure used to plan the project may be added to the 30 per cent minimum cash co-contribution i.e., advice on site assessment, practice change, Carbon for Farmers Voucher Program cash co-contribution (not the voucher amount paid by DPIRD). Evidence must be provided in the application (e.g., itemised paid invoices). Applicants need to ensure these activities do not render the project ineligible for CER registration i.e., start the project before it is registered. This type of expenditure also cannot be used as part of the 30 per cent minimum amount.

Applicants must declare any interest they have in an entity controlled by the Applicant, or an entity in which the Applicant has an interest (directly or indirectly), which receives a cash co-contribution payment for goods or services used for the project.

In-kind contributions

In-kind co-contributions do not count towards the applicant's cash co-contribution and are identified separately in the project budget. These include:

- Funds from WA or Australian Government or non-government programs or schemes
- Unpaid expertise, advice, or professional services
- Donated equipment and/or the services of its operator by either the Applicant or a third party e.g., fencing, firebreaks, site management, earthworks, weed/pest control.
- Time spent by volunteers or paid staff where the salary costs are resourced by the normal business operation.

10. ACCUs to be offered

Recipients receive financial assistance which is repaid with an agreed number of ACCUs from the project, usually delivered in two tranches. The amount of financial assistance and the number of ACCUs offered is proposed by the Applicant.

A forward estimate of the project's ACCU potential is a requirement for CER registration and an application for funding through the CF-LRP.

There are a range of carbon estimation tools that can give an estimate, however, for a robust business case and this application, professional advice should be sought.

The co-benefits delivered by the project activities add to the value of the ACCUs, with the difference between current market price and the value of the ACCUs offered to the RBDC acting as a proxy price for the ACCUs.

11. Assessment of applications

Additional information may be requested about the Applicant, application, third parties and project activities throughout the due diligence and assessment process.

The Investment Advisory Panel (IAP) will judge the merits of the application on the information provided. This includes whether the proposed on-ground activities will deliver the carbon sequestration (ACCUs) and co-benefits claimed.

The RBDC will assess IAP recommendations and the Applicant's financial capacity.

11.1. Merit criteria

- Feasibility – likelihood of project success, including applicant capability to deliver on-ground activities and comply with the regulatory requirements
- Co-benefits - delivery of co-benefits with appropriate monitoring and reporting
- Value for money – balance between the funding, value of the ACCUs and delivery of CF-LRP objectives

- Impact – potential to have a positive impact on farming practices
- Risk mitigation – appropriate risk mitigation actions identified
- Demonstrated engagement experience or connections with the farming community

11.2. Assessment process

- Due Diligence is undertaken by DPIRD regarding all elements of the application
- Subject Matter Experts and Technical Assessors review each application
- The independent Investment Advisory Panel convenes to determine which projects will be recommended to the RBDC. The Panel may request further information about the scope, funding, deliverables, and other aspect of the application to make decisions.
- The RBDC reviews the recommendations to ensure alignment with the objectives and principles of the CF-LRP, selects the projects and approves the Agreement conditions

Successful and unsuccessful Applicants will be formally notified via email.

As this is a state-funded financial assistance scheme, information about successful Applicants and the projects will be used to support the CF-LRP's aim to increase carbon farming through:

- the CF-LRP website
- media statements
- DPIRD events and workshops, case studies

Unsuccessful Applicants can apply to future rounds of the CF-LRP if available.

12. Agreement for Financial Assistance

A formal offer to enter an Agreement will be made by the RBDC to the successful Applicants, who can choose to accept or decline the offer.

The ACCU volume and funding is fixed upon the RBDC's acceptance of the proposal recommended by the Assessment Panel.

All Agreements are for 10 years to allow time for the project to generate sufficient ACCUs to provide to the RBDC; however, the obligations can be discharged earlier.

Material changes to project scope and timing requires a formal written request from the Recipient to DPIRD seeking approval. The RBDC may accept or decline the request.

12.1. Finalising the Agreement

DPIRD acts on delegated authority of the RBDC to finalise the Agreement in collaboration with the successful Applicants.

Steps involved:

1. Successful Applicant receives an email outlining the Agreement and instructions
2. Meeting with DPIRD contract manager to discuss the Agreement and answer questions

3. Ongoing discussion to clarify the Schedules (as required)
4. Agreement is signed and submitted to DPIRD
5. Agreement is executed by the Chief Executive Officer of the RBDC
6. Conditions Precedent are met (See Schedule 1 below)
7. Invoice submitted for Milestone 1 payment.

12.2. Operative section of the Agreement

The Operative section of the Agreement sets out the legal terms and conditions and the obligations of each party. This is consistent across all Agreements and is not negotiable.

12.3. Agreement schedules

The Schedules are project specific and based on the application and any agreed changes or conditions noted by the RBDC. These are developed in collaboration with the Recipient and DPIRD at the discretion of the RBDC.

Schedule 1 – Commercial Terms

Identifies the amount of funding agreed, the carbon farming methodology, project land details and the volume of ACCUs and co-benefits to be delivered. The Conditions Precedent in this schedule may include, but are not limited to:

- Evidence the carbon service provider involved in the project is a signatory to the Australian Carbon Industry Code of Conduct
- Written confirmation from the CER that the project has been registered
- Proof of appropriate approvals from all Local Government Authorities (if relevant)
- A Letter of Guarantee for the nominated cash co-contribution
- Evidence that an application for the ANREU account has been submitted.

Schedule 2 – Contact Officers

This identifies the parties to the Agreement and their contact details.

Schedule 3 – Reporting

Sharing the experience and learnings from the project is an important aspect of the CF-LRP's education and outreach component.

DPIRD monitors the project's progress through:

- Progress reports
- Site visits
- Email and phone check ins
- In-person meetings.

Reporting expectations vary according to project complexity, funding, and phase.

Progress reports

Progress reports detail the project's performance, successes, challenges, and lessons learnt. They inform the RBDC about the project's progress and provides information to assist DPIRD support the uptake of carbon farming in WA.

Reports include information such as project expenditure (RBDC funding and cash co-contribution), number of people employed, and the businesses engaged to demonstrate regional impact.

Final report

Financial acquittal and report requirements are defined in the Agreement. The final report is against the project milestones as defined in the Schedule and describes the outcomes delivered, the lessons learnt and achievements.

The final report will be submitted on or before 10 years after the commencement date once the obligations (delivery of ACCUs) are discharged. This includes a project that may be terminated early. A project will be deemed complete upon acceptance of the final report by the RBDC and finalisation of any outstanding acquittals.

Schedule 4 – Project Details

Schedule 4 is based on the application and the scope agreed by the RBDC. It describes the project and details when the ACCUs will be delivered, milestone payments and dates, the co-benefits, and any special conditions.

Schedule 5 – Knowledge Sharing and IP Register (if relevant)

The provision of data and information about the project and its carbon sequestration, co-benefit delivery, or other matters are specified in the Agreement. This may include:

- information gathered from running the project (e.g., CER reports, soil sampling data and analysis, auditing, and other costs)
- generating and collating co-benefits data e.g., changes in soil biome, increase in cover
- extension activities (e.g., field walks and site visits)
- participation in DPIRD or other events or workshops that promote the CF-LRP directly or indirectly (as appropriate and in consultation with the proponent).

Any pre-existing intellectual property rights will remain the property of the applicant or the rightful owner of those intellectual property rights.

This is developed in collaboration with the Recipient and expectations reflect experience and the level of financial assistance provided.

12.4. Milestone payments

Payments are made on invoice against agreed milestones (refer to [Section 12](#)).

Milestone payments are subject to the Recipient providing sufficient information (including co-benefit reporting where applicable) to demonstrate the project is progressing to the

satisfaction of the RBDC. Milestone 1 is based on satisfying the Conditions Precedent and provision of insurance certificates of currency.

12.5. GST and Tax

Applicants are encouraged to seek advice based on their individual circumstances to understand any implications of obtaining financial assistance and the holding and disposing of ACCUs.

- Funding provided to Recipients is regarded as payment for a 'supply'. GST-registered Recipients will therefore be liable for GST in connection with the funding received.
- The funding will be increased by the amount of GST payable. Recipients must provide a tax invoice for the GST inclusive value of the funding amount for each milestone.

Refer to the Australian Tax Office website for information on the [taxation of ACCUs](#) and the [concessional tax treatment for eligible primary producers](#). The CER webpage also has information about the [tax treatment of ACCUs](#).

12.6. Dealing with milestone issues or project delays

Upon entering an Agreement, the Recipient agrees to deliver an agreed number of ACCUs and co-benefits over a defined period in return for the project financial assistance provided by the RBDC.

Recipients may experience delays or fail to deliver on aspects of the Agreement for a range of reasons. In these circumstances, early and open communication with DPIRD as soon as the potential risk or issue becomes evident will help to determine appropriate strategies.

Appendix - ACCU Scheme method requirements

Reforestation by environmental or mallee plantings - FullCAM method

Crediting period	25 years – the crediting period is the amount of time the proponent has to claim a project’s Australian carbon credit units (ACCUs). This is separate to the permanence period for the carbon stocks which may be 25 or 100 years after the first ACCUs are issued.
Eligibility requirements	<p>There are general eligibility requirements in the Act, which include:</p> <ul style="list-style-type: none"> • <u>newness</u> • <u>Regulatory additionality and funding from other government programs</u> • <u>legal right.</u> <p>Projects can be run in any area of Australia with FullCAM modelling data, and plantings must be established on land that has been clear of forest cover for at least 5 years.</p>
Project activities	<p>A project involves establishing and maintaining vegetation such as trees or shrubs on land that has been clear of forest for at least the last 5 years. This can be either a mallee eucalypt planting or a mixture of native species, termed a mixed-species environmental planting.</p> <p>Trees can be planted as either seeds or tubestock, in rows or randomly, and in areas that are either linear belts or blocks. They must be planted at a density that will allow them to achieve forest cover, which means they must have the potential to reach a height of at least 2 metres and provide crown cover over at least 20% of the land.</p>
Exclusions	<ul style="list-style-type: none"> • The land used for a project must not contain woody biomass or an invasive native scrub species that needs clearing before planting can occur, except for known weed species that are required or authorised by law to be cleared. • Certain types of activities, such as harvesting and grazing, are restricted. • Mallee eucalypt plantings are excluded from areas that receive more than 600 millimeters of long-term average rainfall unless the planting meets the exemption requirements under Section 4.9 of the method.
How is abatement calculated	<p>Abatement is calculated using a computer modelling tool called the Full Carbon Accounting Model (FullCAM).</p> <p>FullCAM uses a variety of settings, called calibrations, to model the amount of carbon stored in different types of plantings.</p> <p>The data used as inputs to FullCAM includes the project’s location, planting dates, planting type, planting geometry (i.e., belts or blocks), plant spacing (distance between rows within a planting, distance between adjacent plantings), stocking density and tree proportion, where relevant.</p>
Reporting requirements	<p>The method sets out method-specific requirements for the first and subsequent reports. The information you are required to provide includes:</p> <ul style="list-style-type: none"> • net abatement amount and related carbon stock data • data on emissions from biomass burning and fuel use. • project area, forest management and forest cover information • FullCAM files and output data.
Monitoring requirements	<p>The method describes specific monitoring requirements, including using on-ground observation and/or remote-sensing imagery to:</p> <ul style="list-style-type: none"> • monitor management and disturbance events. • demonstrate that the requirements for any specific calibrations have been met.
Record-keeping requirements	<p>The method describes record-keeping requirements related to:</p> <ul style="list-style-type: none"> • forest cover and plantings • stratification into carbon estimation areas • fires • fuel use • FullCAM modelling • forest management • any specific calibrations used. • the project area.

Audits	<p>All projects receive an audit schedule when the project is declared and must provide audit reports according to this schedule. In most cases, a minimum of 3 audits will be scheduled and additional audits may be triggered.</p> <p>An initial audit report must be submitted with the first report for your project</p>
Specialist skills	<p>To ensure the required level of accuracy of the inputs to FullCAM for calculating carbon stock, it may be necessary to seek assistance from a technical expert. You should consider the cost of this service before deciding to run a project.</p>

Measurement based methods for new farm forestry plantations method

Crediting period	<p>25 years – the crediting period is the amount of time the proponent has to claim a project's Australian carbon credit units (ACCUs). This is separate to the permanence period for the carbon stocks which may be 25 or 100 years after the first ACCUs are issued.</p>
Eligibility requirements	<p>There are general eligibility requirements in the Act, which include:</p> <ul style="list-style-type: none"> • <u>newness</u> • <u>Regulatory additionality and funding from other government programs</u> • <u>legal right.</u> <p>For at least five years before the project begins, the project area must have included land used for grazing or cropping, or land that was fallow between grazing or cropping.</p> <p>A project can be either a harvest plantation or a permanent planting. To be eligible:</p> <ul style="list-style-type: none"> • both types of project must have been established within a certain range of dates, and • harvest plantations must also satisfy certain rainfall criteria.
Project activities	<p>A project involves establishing and maintaining trees as either permanent plantings or in harvest plantations. Trees can be planted as seedlings or seeds in belt or block plantings, at a density that will allow them to achieve 'forest cover'. This means that trees must have the potential to grow to at least two metres tall and reach a crown cover of at least 20 per cent of the area.</p> <p>For permanent plantings, once the planting is established, it must be maintained in such a way that the trees can reach and maintain crown cover. For harvest projects, you must propose a specific management regime, which may include:</p> <ul style="list-style-type: none"> • planting • weed control • harvesting • debris removal, and rotation length (i.e., the length of time between planting and harvesting). <p>In general, project trees must not be removed once established, with the main exception being for harvest if you choose to run a harvest project. Removal of project trees is only permitted in those circumstances listed in Sections 4.4 and 4.7 of the method, including:</p> <ul style="list-style-type: none"> • taking samples to calculate the amount of carbon stored, or • managing natural disturbances, such as flood, fire, drought, or disease. <p>In certain circumstances, a permanent planting project may be changed to a harvest project, but harvest projects cannot be changed to permanent planting projects.</p>
Exclusions	<ul style="list-style-type: none"> • Any non-project trees, such as native forest, must not be removed from the project area, except in certain circumstances. For example, removal of non-project trees as required or authorised by law may be carried out in accordance with the relevant law. • Trees that can be removed include prescribed weeds, and non-native forest trees that are less than 2 metres tall when the project begins.
How is abatement calculated	<p>Abatement is calculated in each reporting period by subtracting emissions from fuel use and fires from the amount of carbon stored in the project trees (called the 'carbon stock').</p> <p>The carbon stock is estimated by combining FullCAM modelling with physical measurements of project trees (e.g., stem diameter, tree height or crown dimensions), taken during a 'carbon inventory'. Project trees can be either living or dead, and can also be fire-affected, but must be standing. You can also count the carbon stored in forest litter and fallen dead wood, but this is optional.</p>

	For harvest plantations only, FullCAM is also used to predict the project's average carbon stocks in each stratum and the project as a whole for the reporting period. Refer to A guide to the 2020 FullCAM – transition arrangements for information on which version of FullCAM must be used for your project.
Reporting requirements	<p>The method sets out method-specific requirements for offsets subsequent reports. All reports must contain information relating to:</p> <ul style="list-style-type: none"> • project type and management regime • strata locations and descriptions • sampling plans • emissions, carbon stocks and abatement calculations • FullCAM modelling and allometric functions • growth disturbances • fuel use, and • quality assurance and control measures. <p>In addition, your first report must contain information relating to:</p> <ul style="list-style-type: none"> • the history of land use and forest cover, and • descriptions of the project area and strata.
Monitoring requirements	<p>The method sets out the following specific monitoring requirements.</p> <p>Project areas can be monitored using:</p> <ul style="list-style-type: none"> • on-ground inspections and surveys, and • remote monitoring, such as interpretation of aerial or satellite imagery. <p>Any changes or disturbances should also be monitored, to ensure that project trees have reached or have the potential to reach the height and crown cover requirements.</p>
Record-keeping requirements	<p>The method describes record-keeping requirements related to:</p> <ul style="list-style-type: none"> • strata descriptions, locations, and area • sampling plans • project tree measures and allometric functions • carbon stock calculations • fuel use, and • quality assurance and control measures.
Audits	<p>All projects receive an audit schedule when the project is declared and must provide audit reports according to this schedule. A minimum of three audits will be scheduled and additional audits may be triggered.</p> <p>An initial audit report must be submitted with the first report for your project.</p>
Specialist skills	Specialist skills will be required to carry out the project with the method. You will require access to forestry expertise – either your own or from external sources – to run the measurements and calculations.

Plantation forestry method

Crediting period	25 years – the crediting period is the amount of time the proponent has to claim a project’s Australian carbon credit units (ACCU). This is separate to the permanence period for the carbon stocks which may be 25 or 100 years after the first ACCUs are issued.
Eligibility requirements	<p>There are general eligibility requirements in the Act, which include:</p> <ul style="list-style-type: none"> • <u>newness</u> • <u>Regulatory additionality and funding from other government programs</u> • <u>legal right.</u>
Project activities	<p>There are 4 schedules to deliver a plantation forestry project. Only schedule 1 is eligible for funding under Cf-LRP.</p> <ul style="list-style-type: none"> • Schedule 1: Establishing a new plantation. Further detail in the method guide. <p>A Forest Management Plan (FMP) is a document which sets out the management actions and activities, as well as disturbance events and other relevant information for a project under the 2022 plantation forestry method. The FMP sets out:</p> <ul style="list-style-type: none"> • how the project has been and will be run for modelling in FullCAM, and • where relevant, other information about how the project has been and will be managed, including the management activities that have been or will be implemented to address identified adverse impacts and permanence risks. <p>All projects are required to submit an FMP under the 2022 method. The requirements for an FMP will vary according to the project activity being undertaken. The circumstances under which an FMP is required to be submitted to the agency and be signed off by a qualified independent person will also vary according to the project activity being undertaken.</p> <p>Exclusions, abatement, reporting and abatement calculation, reporting, monitoring and record keeping requirements differ depending on the chosen method schedule. Therefore, you must consult the method guide for specific requirements.</p>
Exclusions	<p>Under the Carbon Credits (Carbon Farming Initiative Regulations 2011 (‘the CFI Regulations’) and the Carbon Credits (Carbon Farming Initiative) Rule 2015 (‘the CFI Rule’), projects are ineligible to participate in the ERF if:</p> <ul style="list-style-type: none"> • For new plantation projects: The Minister for Agriculture determines that the project may lead to an undesirable impact on agricultural production in the region in which the project is to be located. • The plantation is currently being managed under a forestry managed investment scheme (MIS). This does not restrict ex-MIS plantations from participating if they are no longer managed under that scheme, or • The land has been cleared of a native forest or drained of a wetland within the 7-year period prior to applying to register your project (CFI Regulations).
Audits	<p>All projects receive an audit schedule when the project is declared and must provide audit reports according to this schedule. A minimum of three audits will be scheduled and additional audits may be triggered.</p> <p>An initial audit report must be submitted with the first report for your project.</p>
Specialist skills	<p>Specialist skills will be required to carry out the project with the method. You will require access to forestry expertise – either your own or from external sources – to run the measurements and calculations.</p>

Estimating soil organic carbon sequestration using measurement and models method

Crediting period	25 years – the crediting period is the amount of time the proponent has to claim a project’s Australian carbon credit units (ACCUs). This is separate to the permanence period for the carbon stocks which may be 25 or 100 years after the first ACCUs are issued.
Eligibility requirements	<p>There are general eligibility requirements in the Act, which include:</p> <ul style="list-style-type: none"> • <u>newness</u> • <u>Regulatory additionality and funding from other government programs</u> • <u>legal right.</u> <p>Projects must include ‘eligible land’ that has been used for pasture, cropping (including perennial woody horticulture), bare fallow, or any combination of these for the previous 5 years.</p> <p>A land management strategy must be prepared or reviewed by an independent person—advising on what management activities are best suited to the site, including information on risks, monitoring, and improvements.</p>
Project activities	<p>A project involves introducing one or more new or materially different management activities in grazing, bare fallow or cropping land that store carbon in that land.</p> <p>Soil carbon stocks must be estimated using specified soil sampling methods (<i>measurement only approach</i>) or using the specified <i>hybrid approach</i> that combines soil carbon model estimates with soil sampling.</p> <p>Projects must introduce one or more of the following activities:</p> <ul style="list-style-type: none"> • apply nutrients to the land • apply lime to remediate acid soils • apply gypsum to remediate sodic or magnesian soils • undertake new irrigation • re-establish or rejuvenate a pasture by seeding establishing or pasture cropping • establishing, and permanently maintaining, a pasture where there was previously no or limited pasture, such as on cropland or bare fallow • alter the stocking rate, duration, or intensity of grazing • retain stubble after a crop is harvested • convert from intensive tillage practices to reduced or no tillage practices • modify landscape or landform features to remediate land • use mechanical methods to add or redistribute soil • use legume species in cropping or pasture system, or • use a cover crop to promote soil vegetation cover or improve soil health or both.
Exclusions	<ul style="list-style-type: none"> • Any land within the project area that is not used for agricultural purposes will need to be excluded • Land is ineligible if it was forest land which was cleared at any point during the baseline period (5 years) • Prohibited activities include destocking of land (except in particular circumstances) and application of pyrolysed material that is not biochar. • Thinning and clearing of woody vegetation are restricted activities.
Soil sampling	<p>Soil sampling is used in both the <i>measurement only approach</i> to measure soil carbon stocks and in the <i>hybrid approach</i> to validate the model used to estimate soil carbon stocks.</p> <p>Under the <i>measurement only approach</i> baseline sampling round must be undertaken in the first reporting period for new projects, or within 18 months of land being added to an existing project area.</p> <p>Baseline sampling can calculate a model-assisted estimate under the <i>hybrid approach</i>.</p> <p>The <i>measurement-only approaches</i> require that a sampling round be conducted in every reporting period.</p> <p>The <i>hybrid approach</i> requires that sampling rounds occur every 10 years and estimation events occur every 5 years.</p> <p>Each carbon estimation area must be divided into at least three strata (subdivisions), and at least three soil cores must be taken from each stratum.</p>

How is abatement calculated	<p>Abatement is calculated by subtracting emissions caused by additional activities used to build soil carbon (for example extra fertiliser applications beyond the baseline) from the increase in soil carbon.</p> <p>To reduce the risk of overestimation and over-crediting, a temporary discount to increases in soil carbon stocks is applied after the second sampling round. Withheld credits are refunded if soil carbon stock increases are maintained after the third sampling round.</p>
Reporting requirements	<p>Proponents can generally nominate the intervals of their reporting periods from one year to a maximum of five years.</p> <p>Statements must be provided from the proponent and the independent person responsible for sampling verifying, respectively, that the abatement is genuine, and the soil carbon estimate is accurate.</p>
Monitoring and record-keeping requirements	<p>In addition to the general requirements for all ACCU Scheme projects, proponents participating under this method must:</p> <ul style="list-style-type: none"> • notify the Clean Energy Regulator of events that change the management activities, sampling locations or land management strategy prior to each sampling round. • keep records relating to land management activities, the independent person involved in a sampling, and the project's land management strategy and other compliance requirements, and • monitor livestock details in the project, tillage, harvested product, removed crop residues as well as inputs of fertiliser, biochar, lime, electricity, and fuel.
Audits	<p>All projects receive an audit schedule when the project is declared and must provide audit reports according to this schedule. At least 3 audits are required over the 25-year crediting period. The first audit is due with your first project report.</p> <p>An initial audit report must be submitted with the first report for your project.</p>
Specialist skills	<p>Specialist skills will be required to carry out the project with the method. You will require access to soil sampling technicians and laboratory analysis to run the measurements and calculations.</p> <p>For the <i>hybrid</i> approach, to ensure the required level of accuracy of soil carbon model estimates it may be necessary to seek assistance from a technical expert.</p>

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