

Reforestation Guide

Australian Carbon Credit Units (ACCU) Scheme
Reforestation by Environmental & Mallee Plantings
FullCAM Method 2024

Prepared By

The Carbon Farming Foundation Ltd.

43b Town View Terrace, Margaret River, Western Australia, 6285

The Carbon Farming Foundation is a Corporate Authorised Representative (AFS Representative No.001298535) of True Oak Investments Ltd (ABN 81 002 558 956, AFSL 238184).

Commercial in Confidence

This document is commercial-in-confidence. The recipient of this document agrees to hold all information presented within as confidential and agree not to use, disclose, or allow the use or disclosure of the said information to unauthorised parties, directly or indirectly, irrespective of the acceptance or rejection of the service proposal or at any time before, during or after an agreement has been reached, without prior written consent.

Abbreviations

ACCU – Australian Carbon Credit Unit

ANREU – Australian National Registry of Emissions Units

CER – Clean Energy Regulator

CEA – Carbon Estimation Area

FullCAM – Full Carbon Accounting Model

GIS – Geographic Information System

tCO₂e – tonnes of carbon dioxide or equivalent greenhouse gas

Disclaimer

1. Introduction: This disclaimer governs the use of this document or product. By using this document or product, you accept this disclaimer in full.
2. General Financial Advice: The information in this document is general financial product advice only. It does not take your personal financial objectives, situation or needs into consideration. We recommend that you read our Financial Services Guide and consider seeking independent advice before making a financial decision.
3. No advice: The document or product may contain information about carbon offset markets and specific environmental details based on the information provided by you. The information does not purport to recommend or induce a decision to make (or not make) any decision or financial commitment or otherwise in relation to a carbon offsets project. The document or product does not purport to provide, nor should it be construed as legal or financial advice and should not be treated as such. You must not rely on the information in the document or product as an alternative to legal, financial, taxation, accountancy, or any other advice from an appropriately qualified professional. If you have any specific questions about any matter, you should consult an appropriately qualified professional. You should never delay seeking legal advice, disregard legal advice, or commence or discontinue any legal action because of information in the document or product.
4. No representations or warranties: All conclusions guidance and recommendations made in this document or product are the professional opinion of the Carbon Farming Foundation personnel involved. Whilst normal checking of data accuracy was undertaken, except to the extent set out in this document or product, the Carbon Farming Foundation assumes no responsibility or liability for errors in data obtained from the Client, any third party, or external sources.
5. To the maximum extent permitted by applicable law and except as specifically stated in this document or product, we exclude all representations, warranties, undertakings, and guarantees relating to the accuracy, completeness, currency, or usefulness of any information contained or referenced in this document or product; the suitability of the site for any particular purpose or permissibility of any use; that the use of guidance in the document or product will lead to any particular approval, registration, outcome or result; or in particular, that by using the guidance in the document or product you will enter into a carbon project.
6. In using this document or product, you agree that The Carbon Farming Foundation is not nor will not be liable or otherwise responsible for any decision made or any action taken, or any action not taken due to your use of any information presented in the document or product. You must not use the document or product in isolation. We strongly recommend for the user to undertake additional research and seek further consultancy before starting a project.
7. Severability: If a section of this disclaimer is determined by any court or other competent authority to be unlawful and/or unenforceable, the other sections of this disclaimer continue in effect. If any unlawful and/or unenforceable section would be lawful or enforceable if part of it were deleted, that part will be deemed to be deleted, and the rest of the section will continue in effect.
8. Law and jurisdiction: This disclaimer will be governed by and construed in accordance with Western Australian law, and any disputes relating to this disclaimer will be subject to the exclusive jurisdiction of the courts of Western Australia.
9. Our details: In this disclaimer, "we" means (and "us" and "our" refer to) The Carbon Farming Foundation Ltd, which has its principal place of business at 43B Townview Tce, Margaret River. For more information, please refer to our website at www.carbonfarming.org.au.

Contents

1. Introduction to Reforestation	6
1.1. What is a Reforestation Carbon Project?	6
1.2. The Methodology	6
1.3. Earning Carbon Credits	7
1.3.1 Carbon Yield Curve	7
1.4. Permanence Period	8
1.5. Landscape Benefits	9
1.6. Steps to a Reforestation project	9
2. Project Eligibility Checklist	10
2.1 Land Eligibility Requirements	10
2.2 Legal Eligibility Requirements	11
2.3 Practical Obligations	12
3. Project Implementation	13
3.1. Project Timeline	13
3.2. Feasibility	14
3.3. Design and Planning	14
3.3.1. Project Design Considerations	14
3.3.2. Planting Layouts	17
3.3.3. Species Selection	17
3.3.4. Site Preparation	17
3.3.5. Reforestation Management Plan	18
3.4. Project Registration	18
3.5. Establishment	19
3.5.1. Multi-Stage Plantings	19
3.6. Ongoing Management	20
3.6.1. Measurement	20
3.6.2. Reporting	20
3.6.3. Audits	21
3.7. Management Activities	21
3.7.1. Harvesting	21
3.7.2. Grazing	21
3.7.3. Thinning	21
3.7.4. Applying Lime or Fertiliser	21

4. Key Risk and Success Factors	22
4.1. Bushfire Scenario	24
5. Co-benefit Opportunities	26
5.1 What are Co-benefits?	26
5.1.1. Biodiversity & Conservation	26
5.1.2. Ecosystem Regulating	26
5.1.3. Indigenous Economic & Cultural	26
5.2. Co-benefit Programs	26
5.2.1. Nature Repair Market	27
5.2.2. Accounting for Nature	27
6. CFF Project Support	28

1. Introduction to a Reforestation Carbon Project

We're here to simplify the process of understanding and managing a carbon project. This guide will introduce you to the basics of a Reforestation by Environmental or Mallee Plantings carbon project ('reforestation project').

Think of reading through this guide as step one on your project scoping journey. It provides all the necessary information to ensure your reforestation project is compliant, and equips you to interpret our feasibility reports.

1.1. What is a Reforestation Carbon Project?

Participating in a reforestation project involves planting, growing, and maintaining a permanent forest of native trees on land that has been clear of forest for at least seven years. By building carbon stocks in your trees, shrubs, and debris across a 25-year crediting period, you are removing carbon dioxide and other greenhouse gases from the atmosphere. This removal, and resulting increase in your tree's carbon stocks, earns you carbon credits.

1.2. The Methodology

A reforestation project needs to comply with a 'methodology', which in simple terms is a rulebook that you must follow to

receive credits from the ACCU Scheme administrator, the Clean Energy Regulator (CER). The methodology outlines project requirements and the steps that must be taken to measure the increase in carbon through planting trees on your property.

Under the [Reforestation by Environmental or Mallee Plantings FullCAM Methodology](#) (the 'method'), there is no real-time carbon measurement. Instead, the projected carbon stock stored in your project's trees, shrubs, and debris across a 25-year crediting period is calculated in advance using the government's Full Carbon Accounting Model (FullCAM) tool.

FullCAM uses a range of datasets to produce a modelled carbon yield for any given coordinate within Australia. Provided your project complies with the requirements of the method, this is the carbon yield you will be credited for during your project.

1.3. Earning Carbon Credits

The amount of carbon you're able to store within your trees is calculated in 'tonnes of carbon dioxide equivalent' (tCO₂-e). This is a standardised unit for counting greenhouse gas emissions regardless of whether they're from carbon dioxide or another gas, such as methane. Importantly, this unit is what you receive payment for.

1 tonne CO₂e = 1 ACCU

Your tree growth is quantified in reporting cycles that take place at least every five years, and verified through regular audits. This ensures you're managing your project properly, and you are paid for credits correctly. Submitting an Offset Report triggers the generation and issuance of [Australian Carbon Credit Units \(ACCU\)](#).

ACCU are registered financial products and will be issued into the project proponent's account (i.e. the account under your name

or business) within the Australian National Registry of Emissions Units (ANREU or the "Registry"). Holding ACCUs in your ANREU account is similar to having shares held in your name on a share trading account.

1.3.1 Carbon Yield Curve

The number of credits you earn each reporting cycle will mirror the growth in your carbon stocks as your trees grow. The carbon yield curve in Figure 1-A shows that the first few years of growth are modest, but by year 4 and 5 you can expect peak annual yields, trailing off over for the remainder of the crediting period.

This means that 60% of your carbon credits will be issued within the first 10-year period. We recommend a discounted cashflow model is used to determine the net benefit of this cashflow distribution.

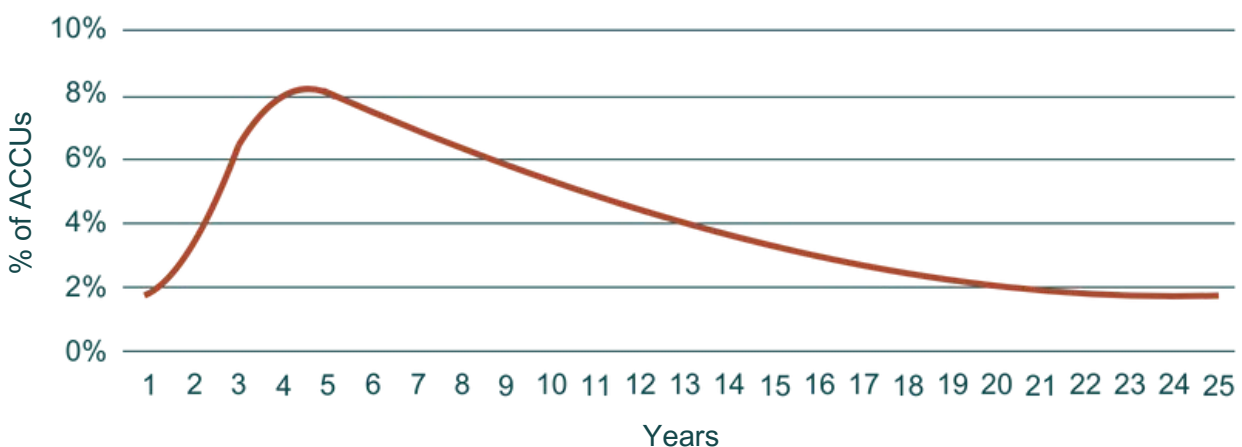


Figure 1-A Annual carbon yield curve

1.4. Permanence Period

To ensure the carbon you've stored remains in your trees and doesn't re-enter the atmosphere, committing to a reforestation project means you will need to maintain your carbon stocks and keep your trees in the ground for a period of 25 or 100 years following your first Offset Report. This is called your 'permanence obligation'. For either option, you will only be credited for the first 25 years of the project. This is known as your 'crediting period'.

Carbon projects are a long-term commitment. It is important that you can confidently establish and maintain a reforestation project which aligns with both your long-term commercial and land management objectives.

For a **100-year permanence obligation**, the Regulator subtracts 5% of your credits as a risk of reversal deduction, with the remaining 95% issued to the proponent.

The Regulator keeps this deduction as an insurance buffer in case of project failures across the Scheme. If you opt for the 100-year permanence obligations, you need to continue to maintain your trees and carbon stocks throughout the entire 100 years. You will need to consider the costs and risks associated with managing trees for 100 years.

For a 25-year permanence obligation, you will have the same 5% risk of reversal buffer deduction, along with an additional 20% permanence deduction.

A 25-year permanence obligation is considered less permanent (because you aren't required to keep your trees in the ground beyond 25 years). Ultimately, you keep 75% of the credits you generate during the crediting period.



1.5. Landscape Benefits

Beyond simply earning carbon credits, when done well, tree carbon projects can contribute to the development of a healthier and more resilient landscape. Not only is this beneficial to the broader ecosystem but it can also boost productivity and function.

Examples of these include:

- Mitigate salinity prone soils
- Reduce wind erosion
- Improve biodiversity
- Reduce pressure from climate change
- Create shade for livestock



1.6. Steps to an Reforestation Project

The figure below illustrates a generic flow for undertaking a reforestation carbon project.

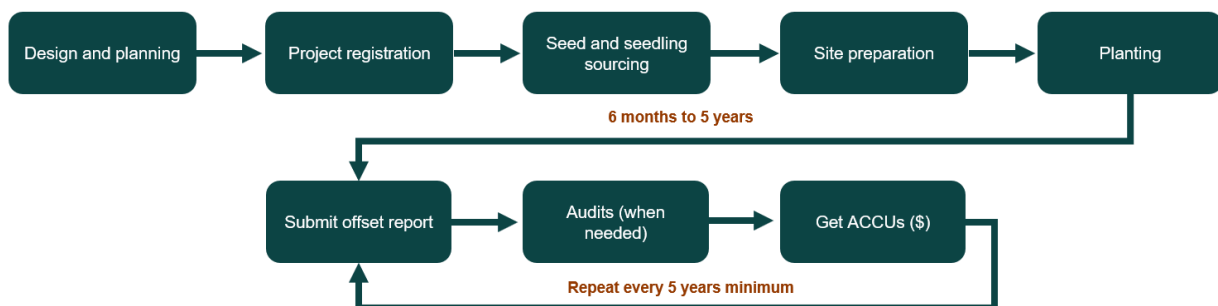


Figure 1-B Indicative project stages and timeline

2. Project Eligibility

To participate in a project activity using the Reforestation by Environmental or Mallee Plantings FullCAM method, applicants must demonstrate eligibility under the method’s requirements. We have split the eligibility into land and legal-based categories to assist you in understanding these requirements.

2.1 Land Eligibility Requirements

Requirement	Explanation
Forest Cover	Trees must be planted with native species at a density that will achieve “forest cover”. That means, your trees must grow to a height of at least 2 metres with a canopy area that covers at least 20% of the land.
Clearing	The area selected for the reforestation project must not have been cleared of forest cover within the last 7 years, nor contain remnant vegetation such as woody biomass (woody stems). You may require a buffer around areas of existing vegetation.
Newness	You must not commence any project activities (including seedling ordering and site prep) prior to submission of your project application with the CER.
Rainfall	All plantings in regions of more than 600mm avg annual rainfall must plant a mix of native species. Where rainfall is less than 600mm annually, you have the option to pursue planting a mallee-only selection of trees.
Indigenous Heritage Sites	Indigenous heritage or cultural sites may be present at your property. Should you identify any Aboriginal sites or objects on your property you will need to follow any due diligence guidelines provided by your state government.
Unexploded Ordnance (UXO) Potential	If your project area contains UXOs, all proposed activities at site must adhere to advice provided by the federal Department of Defence.

Table 2-A Reforestation Project Land Eligibility Requirements

2.2 Legal Eligibility Requirements

Requirements	Explanation
Ownership	You can demonstrate the legal right to run a reforestation project and claim carbon credits (either as a landowner, leaseholder, or with authority from landowners or leaseholders). This will need to be provided prior to us lodging project registration.
Eligible Interest Holder Consent	You can obtain consent to proceed with the activity from any persons or organisations who have a legal interest in the land (i.e. banks & lenders, any property easements & caveats, native title etc). If this is not obtained before registration, the approval will be considered 'conditional'. Credit issuance cannot occur until all consents are received.
Native Title	The land is not subject to a Native Title determination or claim. If it is subject to a determination or claim, the proponent is prepared to ensure native title holder interests can be satisfied before proceeding.
Legislative additionality	The activity isn't currently (or in future) required to be carried out under a Commonwealth or state law. Projects receiving funding or incentives through another government program (i.e. Million Trees Program) may be ineligible for the ACCU Scheme.
Permanence	You are able (and have relevant permission) to establish and maintain your plantings for either 25 or 100 years from the date that your first ACCUs are issued. This should be considered in the context of your farm planning strategy, including leasing arrangements.
Regulatory Approvals	You need to ensure you have all relevant approvals, licenses or permits that are required to carry out your new activities. Consult your local shire to determine whether the project requires any planning approvals.
Fit and Proper Person test	The fit and proper person test involves declaring any previous convictions or insolvencies and demonstrating sufficient capability to participate in the scheme.

Table 2-B Reforestation Project Legal Eligibility Requirements

2.3 Practical Obligations

In addition, it is also important that the ‘on-ground’ practical obligations of a reforestation project are considered. These obligations will be addressed in various documents associated with your project registration, to ensure you mitigate the risks appropriately.

Obligation	Explanation
Grazing Management	Ensuring that any grazing does not affect the achievement or maintenance of forest cover.
Fire Management	Removing debris from the project area solely for the purposes of fire management, as well as maintaining firebreaks in accordance with a fire management plan.
Pest and Weed Management	Ensuring that you have a consistent strategy to minimise the impacts of any pests or weeds across your project.
Drought Management	Establishing strategies for dealing with periods of drought. This may include planting within suitable climatic windows, selecting drought tolerant species, or developing a watering plan.

Table 2-C Practical obligations of a reforestation project

3. Project Implementation

3.1. Project Timeline

Below are the key project stages which influence the project start date. The stages highlighted have a clear critical path to enable planting in any given year. It is best to work backwards from your region's planting window, which will give your plants the best chance of survival. There are some important milestones which must be achieved before you can move to the next step:

- You'll need a forester inspection to understand the local conditions of your site and inform your Reforestation Management Plan (required for project application submission).
- You must submit a project registration application to the CER for approval. The CER has 90 days to assess the project. You must have submitted your project application prior to commencing any activities associated with your project (e.g., site preparation, ordering seedlings or seed, etc.). Submission of your application is a critical milestone and should be done as early as possible to ensure you can prepare and plant at the optimal time.
- Demand for seed and seedlings could impact your ability to secure enough in time for your planting window. We recommend ordering these as soon as possible after you've submitted your project application.



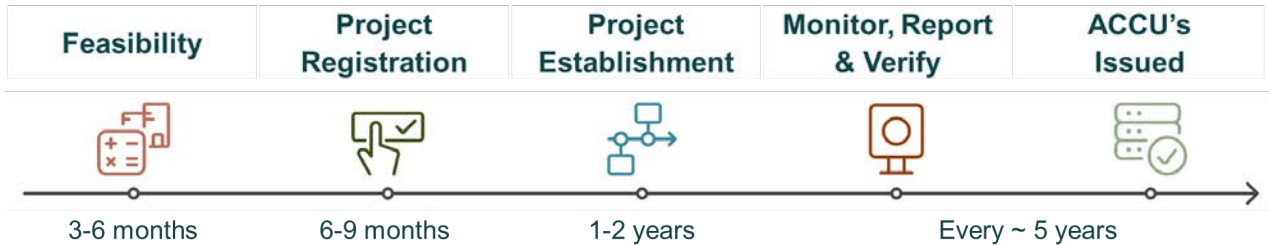


Figure 3-A Indicative carbon project timeline

3.2. Feasibility

Undertaking thorough due diligence is a highly important step in ensuring you can deliver a successful and viable project.

A thorough feasibility approach will consider:

- Eligibility and suitability assessment of the proposed area.
- Yield modelling to estimate ACCU generation over the project lifetime.
- Mapping of the site.
- Financial and risk analysis.
- Scenario comparisons - comparing alternate yield and cost scenarios.
- Advice to enhance returns and support business case.

Following initial feasibility, we suggest engaging a forester or ecological expert to help identify the best areas for planting trees and provide a greater understanding of the factors that will have an impact on your project.

You may also seek advice from lawyers, accountants, and other stakeholders.

3.3. Design and Planning

Once you are ready to proceed with your project, the next step is to design and plan the project in preparation for project registration submission with the CER.

3.3.1. Project Design Considerations

Deciding where you will plant your trees and mapping out your project is an important step in optimising the integration of the project into your existing operations. There are three key areas to define across your property:

3.3.1.1. Project Area, Carbon Estimation Area and Exclusion Areas

The project area is the total area of your reforestation project. It may cover your whole property, or a specific area within your property.

Your Carbon Estimation Areas (CEAs) are where you will plant your trees and measure the sequestration of carbon.

Exclusion areas are areas within your project that are not eligible or cannot have trees planted and will therefore not contribute towards your project. For example, small areas of remnant vegetation, roads or dams. An example of a project design map is provided below.

3.3.1.2. CEA Shortlisting

A detailed inspection by an experienced forester is recommended early in your design phase to clearly define and assess the practicality of the areas where you will plant your trees.

To get the most out of the inspection it is

worth shortlisting the possible planting areas beforehand, using your on-ground

knowledge of the land and the context of other farming operations and land uses. The next page. The next page outlines some of these practical considerations.

3.3.1.3. FullCAM Yield

Use FullCAM modelling to determine the high-yield carbon areas on your property.

It is important to consider this in the context of the on-ground site conditions. A high carbon yield may not guarantee an area is conducive to tree planting and survival.



Figure 3-A Example of project mapping

3.3.1.4. Site Characteristics

Assess the practical suitability of the land for tree planting, including:

- **Soil Conditions:** Assess the practical suitability of the land for tree planting, including:
 - Soil conditions where trees will find it hard to establish (e.g. salinity, water logged).
 - Rocky country which can't be deep ripped or machine planted.
 - Known compaction or hard pan issues which are likely to require deep ripping.
 - Gradients and slopes and their impact on machinery and water.
- **Remnant Vegetation:** Areas with remnant vegetation will be excluded from your CEA, so choose areas that don't need to be cleared of woody biomass prior to planting. If the vegetation is a known weed species, exclusions may apply.
- **Conservation significant species:** Undertake a search of the Department of Agriculture, Water and the Environment's Protected Matters Search Tool to identify any conservation species of significance (e.g. Threatened Ecological Communities), which may be present on or nearby your property.
- **Cultural heritage sites:** Undertake a search of the relevant government databases to ensure there are no cultural heritage sites on your property. If you come across a potential heritage site during your project, it is important to notify your state authority body.
- **Salinity:** Generally, avoid salty country unless you wish to consider experimenting with salt tolerant trees and shrubs.
- **Ecological benefits:** Identify potential opportunities such as:
 - Connecting to remnant vegetation.
 - Creation of wildlife corridors.
 - Proximity to threatened ecological communities (flora and fauna).
- **Strategic Integration:** How can the proposed planting provide value to the overall business? Incorporate design features such as:
 - Shade and shelter for livestock.
 - Wind breaks to reduce evapotranspiration.
 - Pollinator strips.
- **Pragmatism:** Are there opportunities to create cost efficiencies? These may include:
 - Rounding off the corners of cropped paddocks (eliminating headlands).
 - Planting against existing fencing to minimise new fencing requirements.
- **Belt and block plantings:** Depending on your project objectives and your property layout, you can choose to have belt and/or block plantings. These are modelled slightly differently in FullCAM, with belts attracting a 20-40% increase in yield. There are geometry and spacing requirements that must be met for a planting area to be defined as a 'belt' - we can help you explore this as you progress along the design of your planting plan.


3.3.2. Planting Layouts

Selecting the optimal layout for each area of your carbon project is essential to optimise tree survival and carbon revenue outcomes.

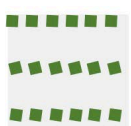
There are a range of variables you can adjust when designing your tree plantation. These should be influenced by your goals for biodiversity, budget and forest structure.

These different layouts can vary based on seedling density (stems per hectare), seedling spacing, species diversity and site conditions.

Example planting layouts:

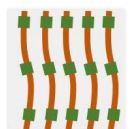


Green dots represent seedlings. Brown lines represent direct seeding rows.



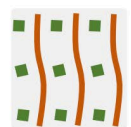
Seedlings only

This is a simple, low cost option that is suitable in most conditions.



Symmetric biodiverse

Seedlings are planted on top of directly seeded rows, increasing the biodiversity of your project.



Alternating biodiverse

Seedlings and direct seeded rows are alternated to increase biodiversity.



Enhanced biodiverse

Two rows of direct seed close together in between seedling rows. This increases the number of shrubs and trees increasing your biodiversity.

3.3.3. Species Selection

The seed or seedling species and combinations that you order will be informed by your forester and the site inspections completed to inform your design.

These selection must meet method requirements, that is, species must be sourced from seed found within a proximity of the area, and consist of native species.

The project application must be submitted with the CER before any seedling/seed orders can be undertaken, however we suggest ordering your seed and seedlings as soon as possible as propagation of the seedlings can have a lead time of 6-9 months.

3.3.4. Site Preparation

Once you have determined your planting areas and species selection, you will need to determine the site preparation required for each area.

Plantings will have a greater chance of success if the country has been prepared effectively to enhance soil moisture. Depending on prevailing site conditions, this may include removal of weeds and ground preparation such as ripping and scalping.

The plan for site preparation will need to be determined prior to registration, and outlined in your Reforestation Management Plan (refer next section), however cannot be implemented until after project registration submission.

3.3.5. Reforestation Management Plan (RMP)

For each reforestation project, the proponent must create and maintain a RMP to submit with project registration. This document will be produced in conjunction with advice provided from a trusted and local forester.

Development of this will be a key factor in preparation of your project registration. This is a detailed document, and you should factor in sufficient time to collate.

All aspects of the design and planning portion of this Reforestation Guide will be included in the RMP, along with other method specific details.

Key inclusions in the RMP:

- List of proposed species to be planted
- Description of their suitability and climate adaptability.
- Overview of their growth characteristics and impact on attaining forest cover.
- Technical details on planting layout and design.
- Details on alignment to the method and modelling calibration.

3.4. Project Registration

Your project must be registered with the ACCU Scheme to enable the project to claim carbon credits. This involves submission of key project detail and documentation. A carbon service provider such as the CFF can assist in making sure all information provided is compliant with the method, and will often reduce processing time and unnecessary liaison with the CER.

The key information that will be submitted with your application includes:

- The Reforestation Management Plan
- Geographic information of the project (including geospatial files).
- Evidence of your land's eligibility against method requirements.
- A forward abatement estimate (i.e. how much carbon you estimate your project will store).
- A Permanence Plan showing how you intend to mitigate risks of tree failure for your chosen permanence period.
- Evidence of legal right and eligible interest holder consent.
- Evidence of the project proponent's experience and fitness to run an ACCU Scheme project.



3.5. Establishment

This stage of the project is when you will establish your project and get your trees planted.



Preparing for and responding to climatic conditions when undertaking actions such as site preparation and planting will provide your project with the best chance of success. This predominantly involves identifying key rainfall periods for your region and planning your project around these. As an example, the best time to plant trees is generally the month after the first heavy rains of the year.

3.5.1. Multi-Stage Plantings

You may wish to stage your project and plant your project over multiple years to fit in with your current land management strategy.

Although this is permitted under the method, your crediting period is fixed to 25 years, and you will therefore receive slightly less credits for the areas planted later.

For example, if you were undertaking a 200Ha project and chose to plant 100Ha in the first year, you would receive the full 25 years' worth of credits for this area. If you were to then plant the remaining 100Ha in year 3 of the project, you would only receive 22 years' worth of credits for this area.

Given you receive most of your credits in the first 10 years, the financial benefit of planting all areas in year 1 may not outweigh the flexibility to add in planting areas at a later date. We can explore this with you and ensure your project is designed to meet your objectives and existing operations.

3.6. Ongoing management

3.6.1. Measurement

Under the Reforestation by environmental or mallee plantings FullCAM method, the FullCAM model estimates the carbon stocks being held within your planted trees. As discussed earlier in this guide, the model uses a number of datasets to give a conservative estimate of your carbon stocks. You are then issued credits based on this modelling.

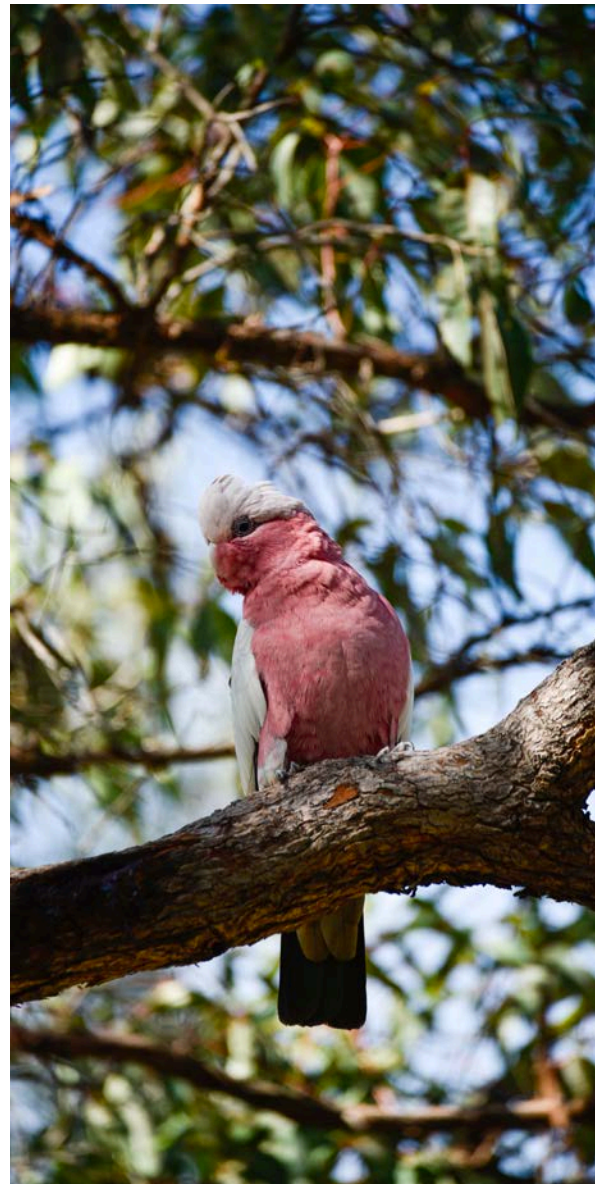
3.6.2. Reporting

To receive ACCUs, you must provide the CER with an 'offsets report'. This report should outline how your project has demonstrated adherence to the method, and identifies the volume of carbon sequestered by your project during the reporting period.

Your first offset report is due within the first 5 years of the project life (but no earlier than 6 months). The first offset report is a more substantial deliverable than the subsequent reports, as it requires the first submission of much of your project information.

The minimum number of offset reports you are required to submit throughout the 25-year period is 5 (once every 5 years). However, if you wish to receive credits more frequently (say, to generate more regular cashflow) you can report more often.

Although your modelling is unlikely to change throughout your crediting period (unless an event such as fire impacts the project area), you may choose to strategically time when you submit your reports. This may be because you would like an earlier delivery of credits, or because it suits the timing of your other operations.



3.6.3. Audits

An independent third-party audit of your offsets reporting is required by the CER. The number of reports varies depending on CER discretion (based on complexity and scale of the project). Usually, three to four audits are required over the project permanence period.

Your first audit should accompany the submission of your first offset report. Timing of subsequent audits are outlined in an Audit Schedule, provided to you by the CER upon project registration.

It is important to consider the future costs of reporting and auditing, as they will still be required during the latter years of your project where carbon storage rates (and therefore ACCU issuance) are lower.

3.7. Management activities

The method outlines restrictions and guidelines for the implementation of some activities on your project area. These include:

3.7.1. Harvesting

Harvesting or removal of biomass is a restricted activity under the method.

Restrictions include:

- Up to 10% of fallen timber may be removed from a CEA in one calendar year for personal use (i.e. not for sale or other commercial use).
- Up to 20% of seeds can be harvested from a CEA in a calendar year for commercial or personal use.

3.7.2. Grazing

You may choose to graze your project areas to reduce weeds or utilise the space effectively. This can only occur if the grazing doesn't affect the achievement or maintenance of forest cover. The Regulator may request evidence to demonstrate this, so it helps to keep a record of the timing and intensity of grazing if applicable. We recommend that grazing is restricted during the early stage of tree growth (3-5 years) to allow trees to establish.

3.7.3. Thinning

If you need to thin your native forest for management or ecological purposes (e.g., fire control), this may affect your carbon stocks. Again, you should keep a record of these for reporting.

3.7.4. Applying Lime or Fertiliser

Application of lime or fertiliser is not modelled in FullCAM, but may be useful in enhancing your plantings. Again, records should be kept when applying of these.

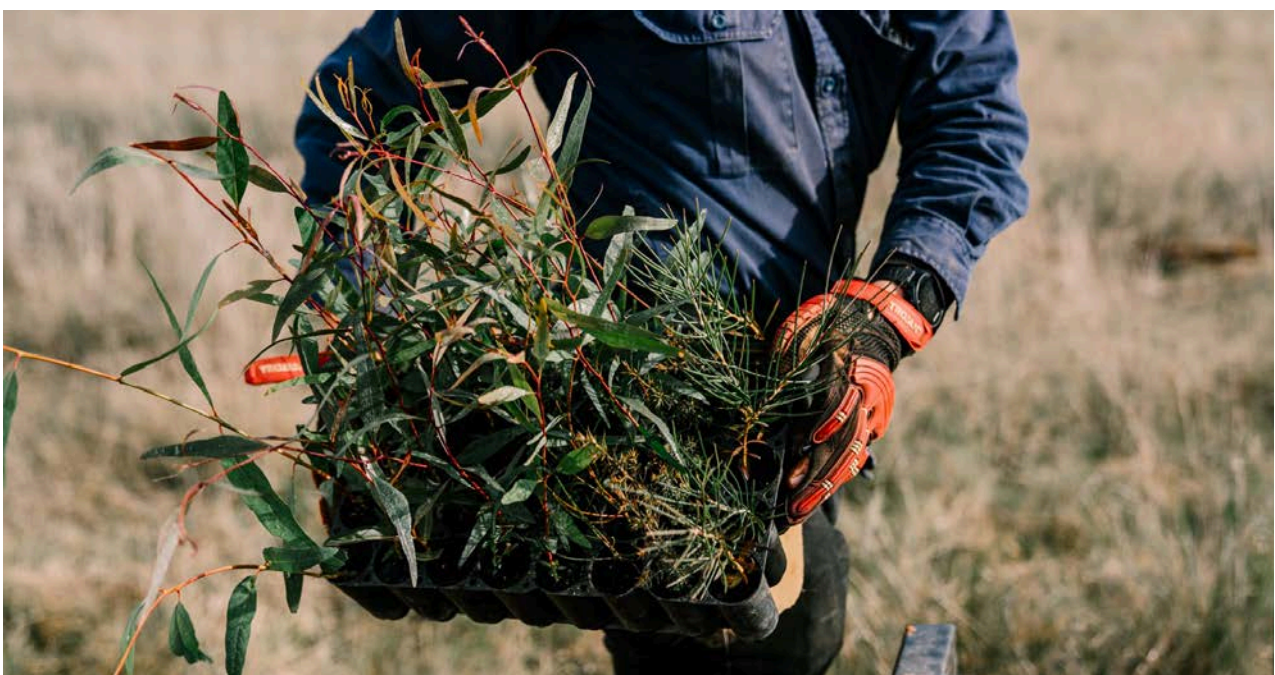
4. Key Risk and Success Factors

Risk and success factors which could impact the planting establishment and survival are described in the tables below.

Risk Factors	Explanation	Possible Solutions
Rainfall	Variability of rainfall can impact the planting program and so it is vital to plant in wetter months.	Planting will need to be adaptable and respond to unpredictability – for example, planting early if rain arrives earlier than usual, or delaying planting if it is too dry/ wet.
Disease	Risk of disease, e.g. Dieback, can impact establishment and long term health of trees.	Seek local advice (e.g. foresters/Landcare groups) for awareness of known, common, local diseases and preventative measures/solutions.
Pests	Rabbits, kangaroos, deer etc. can graze on establishing plants.	Utilise tree guards, browsing deterrents, nets, fencing, or pest control where necessary.
Overgrazing	Potential ringbarking and damage to tree establishment.	Do not allow stock to graze plantation in first few years of establishment. Ensure fences are all secure. If you do wish to graze stock on grasses in a plantation, be sure to regularly monitor and remove stock before they begin to damage trees.

<p>Extreme weather conditions or events</p>	<p>Drought, flood, frost, or fire could destroy trees and impact your returns.</p>	<p>Work with a forester or local expert to design your forest in a manner that fosters resilience to these events. A strong fire management plan, planting outside frost, and using drought tolerant native species will help to reduce risk to your forest.</p>
<p>Weeds</p>	<p>Can compete with and choke out an establishing forest.</p>	<p>Consider chemical, biological, or machinery management.</p>
<p>Seedling and seed quality</p>	<p>Risk of failed seedling propagation or poor seed quality.</p>	<p>Consider diversifying seedling propagation across multiple nurseries. Ensure seed suppliers have adequate quality control measures in place and that seed is stored correctly. Consider failure contingencies with contractors.</p>

Table 4-A Key risk factors to consider in a reforestation project



Success Factors	Explanation
Inputs	Fertiliser, biochar, inoculants, bio-fertiliser / bio stimulants, wetting agents can improve establishment success rate when used correctly and compliantly.
Irrigation	Opportunities to irrigate or hand water to ensure success of establishment, particularly on gravelly/sandy soils with lower water holding capacity.
Planting Design	Selecting the optimal layout and machinery set ups that are suitable to the landscape and site conditions to ensure the best chance of establishment and survival.
Data Management	The collection, storage, transparency, and quality of all data is crucial when it comes to carbon farming as it's ultimately what offers value to offsetting businesses.

Table 4-B Success factors to consider in a reforestation project

4.1. Bushfire Scenario

A disturbance event that affects greater than 5% of your project area must be reported to the Regulator within 60 days of the event occurring. Depending on the extent and cause of damage and the measures you had in place to prevent this, the Regulator will determine a suitable approach for addressing loss. This may include regeneration or replanting to return the affected area's carbon stocks to its pre-disturbance state. Note that the crediting period for your project is fixed to 25-years and isn't extended due to this loss, so overall you will receive less credits for that area. We allow for a 90% survival rate in our modelling to factor in these potential losses.

If you are unable to return to your pre-disturbance carbon stock levels, you may need to pay back any accrued credits to the Regulator. The Carbon Credits (Carbon Farming Initiative) Act 2011 (the legislation underpinning the ACCU Scheme) sets out exemptions under which a Proponent may or may not be liable to relinquish due to certain causes.

Exceptions include:

- the reversal event is a 'natural disturbance', and reasonable action has been taken to reduce the impact of 'natural disturbances', or
- conduct was engaged by another person that was not within the reasonable control of the project proponent.

These criteria will be assessed by the Regulator on a case-by-case basis. As the use of language such as 'reasonable' is not prescriptive, we recommend that landowners conduct best practice risk management by undertaking suitable/precautionary measures to protect their carbon stock (i.e. follow the guidance of your fire management and permanence plans, maintain firebreaks, etc.). These actions will put you in good stead and may exempt or limit the amount of carbon credits you're asked to relinquish.

We've outlined steps you can take to reduce the risk of these loss events in the Key Risk and Success Factors tables above. For more information on reducing the risk of fires, refer to this resource produced by the [Clean Energy Regulator](#).



5. Co-benefit Opportunities

5.1. What are Co-benefits?

A co-benefit is a positive environmental, economic, social, or cultural benefit derived from undertaking a carbon project, which is additional to the sequestration of carbon.

Co-benefits can provide the project with an additional income stream if attached to a carbon credit under an approved co-benefit program. They also deliver other far-reaching benefits and enhancements for the environment, farming operation and wider community.

Landowners seeking to add value to their carbon project will need to evaluate their land and the country surrounding it to determine what natural assets or ecosystem services are present. These may include any of the following:

5.1.1. Biodiversity & Conservation

- Proximity to high biodiversity areas or threatened habitats.
- Addressing fragmentation of remnant vegetation corridors.
- Improving biodiversity through enhanced species diversity, richness, and complexity, or use of rare or significant species native to the area.
- Proximity to important waterways.

The methodology outlines project requirements and the approaches that can be taken to measure the increase in carbon through planting trees on your property.

5.1.2. Ecosystem Regulating

- Improving resilience of agricultural practices.
- Enhancing productivity of high-risk or marginal agricultural land.
- Improving soil health and reducing soil erosion.
- Responding or building resilience to salinity.

5.1.3. Indigenous Economic & Cultural

- Providing opportunity for Indigenous employment or investment.
- Aligning management with Indigenous land management practices.
- Protecting, identifying, or restoring sites of heritage significance.

5.2. Co-benefit Programs

Carbon farming projects often produce environmental and social benefits beyond the removal of carbon from the atmosphere. Examples include enhancing biodiversity, improving soil health and creating jobs for Indigenous Rangers.

Co-benefits can provide the project with an additional income stream through quantified co-benefit accreditation programs. These co-benefit 'credits' can be sold separately to the project ACCUs or 'stapled' to the ACCU, allowing you to acquire a price premium.

The CFF team would encourage you to consider the requirements of co-benefit programs before you undertake your carbon farming project, to ensure compliant measurement of your project's 'baseline' (against which improvements will be measured).

5.2.1. Nature Repair Market

The Federal Government has passed the Nature Repair Bill 2023. The Bill establishes a framework for a world-first national, voluntary, legislated [Nature Repair Market](#), to run in parallel with the Carbon Market. The Nature Repair Market will recognise landholders who restore or manage local habitats and grant them 'biodiversity certificates' which can then be sold to other parties.

5.2.2. Accounting for Nature

The Accounting for Nature framework allows you to measure the environmental condition of your project before and after your carbon farming activity to quantify improvements you've made to the environment.

Like the ACCU Scheme, a range of methods are available under the broad environmental assets of:

- Vegetation
- Soil and sediment
- Fauna
- Water
- Ecosystem
- Microorganism

The baseline environmental condition ('ECond') of your project area is assessed, and an 'environmental account' produced to give you an ECond score of between 0 (completely degraded) and 100 (completely intact).

You'll then re-assess the condition of your assets in several years, as prescribed by your chosen method. Ideally, you will see an improvement in your ECond score, which proves the benefit your actions are having on your project area.

CFF offers scoping assessments to help you decide whether the Accounting for Nature process is suitable for your project.

6. CFF Project Support



The Carbon Farming Foundation has supported many landholders through the process of running a reforestation project, ensuring that all steps are undertaken in compliance with the method.

The first stage is to undertake a feasibility assessment, which will help you to determine whether your project is viable, including FullCAM carbon yield modelling, eligibility assessment, project cost/benefit analysis and cashflow modelling.

We will assist with project registration and put you in contact with the experts you need to design a compliant planting project.

We're here to help throughout the project establishment phase and beyond - including the development of Offset Reports, coordination of audits and credit issuance.

To find out more about our services, please contact us for a bespoke quote.

Contact Us

(08) 6835 1140

hello@carbonfarming.org.au

Book a free non-obligation call with our team

43B Town View Terrace
Margaret River
WA Australia, 6285



The Carbon Farming Foundation (ABN 67 645 498 004) is a Corporate Authorised Representative (AFS Representative No.001298535) of True Oak Investments Pty Ltd (ABN 81 002 558 956, AFSL 238184). The information in this document is general financial product advice only. It does not take your personal financial objectives, situation or needs into consideration. We recommend that you read our Financial Services Guide and consider seeking independent advice before making a financial decision.