

Expression of Interest for The Kangaroo Island Biodiverse Carbon Pilot Project

The Department for Environment and Water and Natural Resources Kangaroo Island invites you to submit an Expression of Interest to participate in the Kangaroo Island Biodiverse Carbon Pilot Project.

The Kangaroo Island Biodiverse Carbon Pilot Project aims to trial carbon farming projects through the establishment of native vegetation that can capture and store carbon as it grows. Projects can undertake revegetation by planting (environmental planting) or natural regeneration. More information on the Pilot Project can be found in the Carbon Farming and KI Biodiverse Carbon Pilot Guidelines (attached) and the FAQs on the NRM KI web site.

Kangaroo Island landholders will understand the benefits that revegetation can bring to a property including improving biodiversity, providing shelter for stock and beneficial insects for crops, protection of watercourses and improving water quality. Carbon farming offers opportunities to also derive a direct income from planting or regenerating native vegetation.

The Kangaroo Island Biodiverse Carbon Pilot will provide funding and assistance to a small group of landholders to establish biodiverse carbon farming projects.

What is carbon farming?

Carbon farming involves land managers capturing and storing carbon in vegetation. An Australian Carbon Credit Unit (ACCU) is issued for every tonne of carbon stored in plants as they grow. The credits are then sold through carbon markets. The income from a project depends on the growth rate of the trees and the price of carbon which fluctuates depending on supply of and demand for ACCU's.

Carbon farming projects must follow specified carbon farming planting "methodologies" and other requirements under the Commonwealth Government's Emissions Reduction Fund. More information about Carbon Farming and the Emissions Reduction Fund can be found in the Carbon Farming and KI Biodiverse Carbon Pilot Guidelines (attached).

What will the Pilot Project funding provide?

Funding will be provided to landholders on a cost sharing basis for the following activities:

- Environmental Plantings methodology: **seed collection, propagation and planting native vegetation**, for block or windbreak plantings **and fencing** to protect revegetation from grazing pressure.
- Human-Induced Regeneration methodology: **fencing for native vegetation** in blocks to allow natural regeneration.



Further guidance on the type of project that can be undertaken through the Pilot Project and funding arrangements can be found in the Guidelines for establishing Biodiverse Carbon Plantings and Human-Induced Regeneration Areas (attached).

If you would like your property to be considered for the Kangaroo Island Biodiverse Carbon Pilot Project, **please fill out and return the Expression of Interest Form** to the Natural Resources Kangaroo Island Biodiverse Carbon Pilot Project Officer, Grant Flanagan.

More information on the pilot project is available on the NRKI website at:

https://www.naturalresources.sa.gov.au/kangarooisland/land-and-water/KI_Biodiverse_Carbon_Credit_Pilot_Project

Expressions of Interest must be returned by **COB Thursday 22 November, 2018**.

The return of a completed Expression of Interest form does not carry a firm commitment by the landholder to participating in the KI Carbon Farming Pilot Project. After submitting an Expression of Interest, officers from Natural Resources Kangaroo Island will conduct a site assessment and further discuss the project with you before any commitment is made by either party.

Carbon Farming Information Session

More details on the Kangaroo Island Biodiverse Carbon Pilot and on how to undertake a carbon farming project under the Emissions Reduction Fund will be presented at a public carbon farming information session.

The public session details are as follows:

Time: Tuesday 13 November, at 7:00 pm

Venue: Parndana Sports Club

For further information contact:

Grant Flanagan

Biodiverse Carbon Pilot Project Officer
Natural Resources Kangaroo Island

Ph: (08) 8553 5340

Mb: 0421 871 256

Email: grant.flanagan@sa.gov.au



Kangaroo Island Biodiverse Carbon Pilot Project

Expression of interest Form

This expression of interest form will be treated as a formal application for funding.

Property trading name:

Hundred and Section

Numbers: _____

Landholder's name:

Applicant's name (if not the landholder):

Postal address:

Postcode: _____

Phone: _____ Fax: _____

Mobile: _____

Email: _____

ABN: _____

Are you registered for GST?

YES

NO

Signature: _____

Date: _____

Office use only	EOI/WP No	Approved
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Government of South Australia
Department for Environment
and Water



Natural Resources
Kangaroo Island



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Kangaroo Island Natural
Resources Management Board

Proposed biodiverse carbon planting projects

Fencing for Natural Regeneration of native vegetation	Approximate m / km required	Approximate hectares to regenerate
Remnant vegetation in creek lines and watercourses		
Block vegetation		
Establishing native vegetation (environmental planting)		
	Area of site to be planted (ha)	
Direct seeding		
Tubestock		
If you are planning a revegetation project, please tell us if you require seed or tubestock (circle one)		
I will require seed/seedlings to be ordered through the KI Native Plant Nursery	Yes/No	
I will be purchasing seedlings from an alternative supplier on Kangaroo Island	Yes/No	
I will be collecting my own seed and growing my own seedlings on Kangaroo Island	Yes/No	
Please tell us how much fencing will be required to protect the seedlings in your revegetation project (circle one)		
Approximate length of fencing required (in metres or kilometres)	m / km	

Map of property, showing projects planned

Please attach a section map of your property using the following key to mark your projects.

<http://spatialwebapps.environment.sa.gov.au/naturemaps/?locale=en-us&viewer=naturemaps>

If you do not have a section map, please contact Grant Flanagan (see below) to arrange to have one copied.



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Map Symbols

- Property boundary -----
- Native vegetation and revegetation fencing ----0-----0----
- Revegetation 0 0 0
- Existing fence lines ----/-----/-----

For further information contact:

Grant Flanagan

Biodiverse Carbon Pilot Project Officer
Natural Resources Kangaroo Island
Ph: (08) 8553 5340
Mb: 0421 871 256
Email: grant.flanagan@sa.gov.au

To apply:

1. Fill in, sign and date the expression of interest form
2. Attach a map showing the location of your project
3. Send form and map to:
Natural Resources Kangaroo Island
Regional Landcare Facilitator
PO Box 39
Kingscote SA 5223.

Please return by COB **Thursday 22 November, 2018**



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Natural Resources
Kangaroo Island



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Kangaroo Island Biodiverse Carbon Pilot Project

Coastal, riverine and areas of high rainfall in South Australia have potential for successful carbon farming projects and are considered priority areas for further investigation.

The Department for Environment and Water (DEW) has identified Kangaroo Island as a primary location to launch the first biodiverse carbon offset pilot project due to attributes such as climate, location, and potential brand marketing opportunities for local farms and businesses.

Why biodiverse carbon plantings and regeneration?

Carbon plantings will provide greater biodiversity benefits over time if they are a mixture of local indigenous species strategically located to improve connectivity, reduce fragmentation, complement existing habitat, and restore ecosystem functionality. Areas of natural regeneration will, over time, develop a biodiverse mix of species that are well adapted to the local area. In the farming landscape trees provide shelter for stock, provide windbreaks to reduce erosion and evapotranspiration, filter nutrients and sediments from water flowing into rivers and dams and harbour beneficial pollinating and predatory insects. These co-benefits are in addition to carbon storage and may attract a premium price for carbon offsets from some purchasers.

Who can be a carbon farmer?

As a minimum you need to own or have legal right to the land the project will be on.

The site also needs to be located where it will generate a certain minimum amount of carbon per year. For the Kangaroo Island Pilot Project, a feasibility assessment will be done on each expression of interest to determine this, but modelling indicates much of Kangaroo Island should meet this criteria.

You will also need permission of others who have an "eligible interest" in the site e.g. a Bank. More details on this will be available at the information session or by contacting the Biodiverse Carbon Pilot Project Officer.

So how do I earn money from carbon farming?

Once your project is registered with the Clean Energy Regulator, there will be auditing and reporting requirements to be undertaken at certain times to enable carbon credits to be issued. You can decide how you want to sell the carbon credits: either contract with the Australian Government under the Emissions Reduction Fund auction process or contract with a voluntary buyer who is looking to purchase carbon credits.

You hold your carbon credits in your own account until you are ready to sell, or you can retire them if you wish to offset your own emissions.

Crediting periods, reporting and permanence; what do I need to know?

Each carbon offset project method has a **crediting period**. A crediting period is the timeframe over which you are granted carbon credits from your project activities. Typically there is a 25 year crediting period for vegetation projects.

The **reporting period** is a period of time within a project's crediting period where a report is submitted to the Clean Energy Regulator. The first reporting period begins at the start of a project's crediting period, and carbon credits can only be issued to a project once a report has been received and assessed.

Any project that stores carbon (like vegetation and soil projects) is subject to a **permanence obligation**. A permanence obligation means that the carbon stored by a project must be maintained for either 25 or

100 years. A project must be maintained for the period of time nominated, even though the project crediting period, reporting and delivery periods may have ended. If you choose the 25 year permanence option, there will be a 20 per cent reduction in the number of ACCUs issued for your project through the Emissions Reduction Fund.

What else do I need to consider?

First off, consider the strengths, weaknesses, opportunities and trade-offs that carbon farming may have alongside business as usual. In some situations there may be a financial or production value in the co-benefit from carbon farming, such as shelter for stock or improved land management. Assess what is important for your business, property and family.

For vegetation projects, be aware the project area will be unavailable for another land use for a period of time depending on the method chosen. For biodiverse plantings, time-managed grazing can be undertaken in the project area following a plant establishment period of about five years.

Check if you require a water affecting activity permit.¹

Who will register and manage my project?

After Natural Resources Kangaroo Island has assessed and selected successful project proposals, participating landholders will engage a carbon offset service provider to register the carbon farming projects under the Emissions Reduction Fund and to manage the projects. Carbon service providers are private businesses who assist farmers and land managers to participate in the Emissions Reduction Fund, including by managing aggregation of projects.

Project aggregation is where a number of projects that are using the same method (such as revegetation) are grouped together and registered under one name, usually the carbon offset service provider's. The aggregator can manage all reporting and auditing requirements under a commercial arrangement with landholders (not government). This is useful to achieve the scale required to make smaller projects profitable by sharing auditing and reporting costs.

Have a look here for some examples of aggregation by the [Clean Energy Regulator](#).²

Can I participate if I've already started works?

To be eligible to participate with a carbon farming project, you have to demonstrate that your project is both "new" and "additional".

To be "new" a project must not have commenced any of the project's activities, including purchasing materials, until the project is registered. Have a look here for some examples of what activities are [permitted prior to project registration](#)³.

To be "additional" the project must not be required to be carried out by or under a law of the Commonwealth, a State or Territory. Some [examples are provided here](#)⁴.

What are the steps involved in the Pilot Project?

¹ <https://www.naturalresources.sa.gov.au/home>

² The Clean Energy Regulator <http://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund/Planning-a-project/Aggregation-under-the-Emissions-Reduction-Fund>

³ The Clean Energy Regulator <http://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund/Planning-a-project/Eligibility-and-newness>

⁴ The Clean Energy Regulator <http://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund/Planning-a-project/regulatory-additionality-and-government-programs>



The table below outlines the key steps in the Pilot Project and who will be responsible for each task:

Steps in the Pilot Project	Responsibility
1. Call for Expression of Interest (November 2018).	Natural Resources Kangaroo Island
2. A Carbon Farming Information Session will be held for interested landholders to provide information on undertaking carbon farming projects and being involved in the Pilot Project (13 November 2018).	Natural Resources Kangaroo Island
3. Assessment of Expression of Interest submissions and assessment of carbon feasibility of any shortlisted properties (November 2018).	Natural Resources Kangaroo Island
4. Selection of properties to proceed with the Pilot	Natural Resources Kangaroo Island
5. Progress registration with the Clean Energy Regulator (November 2018 – March 2019).	Landholders (or carbon offset service provider/s) to register the pilot projects with the Clean Energy Regulator
6. Project site activities including propagation and procurement of plants, site preparation, fencing and planting. (From June 2019).	<p>Natural Resources Kangaroo Island can advise landholders on how to manage the projects to be consistent with the Natural Resources Management Plan.</p> <p>Natural Resources Kangaroo Island will:</p> <ul style="list-style-type: none"> • contribute funds for the purchasing of plants and the installation of fencing • contribute resources for the planting of native vegetation <p>Landholder will:</p> <ul style="list-style-type: none"> • source the plants • organise fencing • contribute funds for plants and fencing.
7. Management of the project requirements with the Clean Energy Regulator including auditing and project reporting costs (from June 2019).	Landholders / carbon offset service provider/s
8. Ongoing maintenance of the native vegetation to achieve the carbon credits and maintain records for auditing purposes. Landholders/aggregators will hold all carbon credits generated (2020 onwards).	Landholders / carbon offset service provider (aggregator)

For more information about Carbon Farming and the Emissions Reduction Fund go to:

https://www.naturalresources.sa.gov.au/kangarooisland/land-and-water/KI_Biodiverse_Carbon_Credit_Pilot_Project.

Guidelines for Establishing Biodiverse Carbon Plantings and Human-Induced Regeneration Areas

Guidelines for revegetation through biodiverse planting

The Kangaroo Island Biodiverse Carbon Pilot Project will consider carbon farming projects that meet the following criteria for establishing revegetation (environmental plantings) projects:

- the size of project area must be between 5 hectares and 30 hectares; and
- the area must be a minimum of 15 metres wide with any shape able to be considered (i.e. block planting areas, windbreak areas, riparian corridors).

Environmental plantings involve establishing and maintaining native vegetation on land that has been cleared of forest for at least 5 years. Revegetation can be undertaken using tubestock or direct seeding techniques. For example, you can collect your own seed and/or grow your own trees, or purchase your seed and/or trees from the Kangaroo Island Native Plant Nursery, or other local suppliers. For biosecurity reasons, all tubestock must be grown on Kangaroo Island. Contact the Natural Resources Kangaroo Island Habitat Restoration Officer, Veronica Bates on 8553 4412, for more information on seed collection. If you are considering a vegetation project, check with Natural Resources Kangaroo Island if you require a water affecting activity permit.

Revegetation guidelines

- As much as possible, use seed and plant material collected from within a 10 km radius of where you intend to plant. These plants will be better adapted to your area.
- Ensure that plant material is collected from a large number of plants to preserve genetic diversity.
- Plant a mixture of species and plant heights (trees, shrubs and groundcovers). Advice can be obtained from the Natural Resources Kangaroo Island Habitat Restoration Officer, Veronica Bates,
- Try to replicate what was originally on the site as much as possible.
- Weeds and pasture grasses must be sprayed out or otherwise suppressed at the planting site prior to planting to minimize competition.
- Protecting plants in areas with high grazing pressure (e.g. from possums, wallabies and kangaroos) with tree guards and/or native browser proof fencing is essential. Refer to minimum stock proof fencing standards below.
- Timely control of pests (e.g. hoppers and red-legged earth mites) may be necessary.
- Plant at least 1000 stems per hectare.
- Payment of funds will be proportionate to the cost of purchase of tubestock, seed and protection measures; and paid subject to the proof of purchase by the applicant of tubestock, seed and protection measures.

Funding details

The funding available for revegetation is as follows:

- up to \$1500.00/ha for tubestock revegetation (1000 stems/ha)
- up to \$300.00/ha for direct seeded revegetation
- up to \$1800.00/km for revegetation fencing.



Guidelines for revegetation through regeneration of native vegetation

The Kangaroo Island Biodiverse Carbon Pilot Project will consider carbon farming projects that meet the following criteria for **natural regeneration projects**:

- The size of project area must be 5 hectares minimum with no upper limit.
- Block planting is preferred.

Natural regeneration projects involve changing activities where native vegetation is currently suppressed and has been suppressed for at least 10 years. There are a number of project activities that may apply to this method, including:

- Excluding livestock and taking reasonable steps to keep livestock excluded. Short term grazing to manage weeds and fuel loads is compatible with this method
- Managing the timing and extent of grazing
- Implementing a decision to permanently cease mechanical or chemical destruction, or suppression, of native regrowth.

Fencing requirements for regeneration of native vegetation (Human-Induced Regeneration)

- Place fences at least 5 metres or more from the edge of vegetation to reduce maintenance needs and potential damage to fences (i.e. tree branches falling).
- Canopy width of vegetation to be fenced must average at least 30 metres.
- Creek line vegetation must average at least 15 m either side of the creek.
- If fencing a creek line, you must have an existing fence on the other side of the creek or fence both sides in your Expression of Interest
- Use a fence design (e.g. cyclone) that is stock proof (see above for Minimum Fencing Standards).
- Fences must be maintained in a stock proof condition for a minimum of 10 years.
- It is your responsibility to insure these fences.

Funding details

At any one time, to any one applicant, a **maximum of 7 km fencing** can be approved.

Funding of **up to \$1800.00/km** is available for fencing for existing native vegetation in blocks and on watercourses.

Once approved for funding, your works will need to be completed and inspected by the Biodiverse Carbon Pilot Project Officer:



Minimum stock proof fencing standards – for both native vegetation regeneration and revegetation

Standards for non-electric fences

- minimum height of 90 cm
- minimum of 6 plain wires
- maximum of 20 metre spaces between posts
- minimum of 3 wire spacers in 20 metre spaces.

Standards for electric fences

- minimum height of 90 cm
- minimum of 4 wires – 2 'hot' and 2 earth
- maximum of 30 metre spaces between posts
- minimum of 3 wire spacers in 30 metre spaces.

Where native browsing is likely to be high, the standard of fencing will need to exclude possums, wallabies and kangaroos as much as possible.

Onsite Assessment Criteria

Revegetation and regeneration projects are subject to an on-site assessment and prioritisation process, including:

- size and location
- adjacency to other protected remnant vegetation or revegetation
- compatibility and adding value to primary production
- minimal loss of good quality agricultural land
- potential for reintroduction of threatened plant species/communities
- their potential to create habitat that is important to threatened animals (such as glossy black cockatoos)
- potential to address salinization
- compliance with the Kangaroo Island Council Development Plan.

Conditions of cost sharing grants

Funding is allocated under a cost sharing arrangement because the proposed works have private benefits to the applicant as well as to the wider community. With revegetation and regeneration projects the benefit ratio is assessed as 50% to the applicant and 50% to the community.

All funds will be distributed at the discretion of the Kangaroo Island Natural Resources Management Board. Grants may vary from those set out.

If funds are approved, payment is conditional on:

- completion of works by the date specified
- submission of a complying tax invoice
- maintaining fences in stock proof condition for minimum of 10 years
- maintaining the revegetated area for the permanence period (i.e. 25 or 100 years).



For further information contact:

Grant Flanagan
Biodiverse Carbon Project Officer
Natural Resources Kangaroo Island
Ph: (08) 8553 5340
Mb: 0421 871 256
Email: grant.flanagan@sa.gov.au

For tubestock and planting advice contact:

Veronica Bates
Habitat Restoration Officer
Natural Resources Kangaroo Island
Ph: (08) 85534412
Mb: 0437 322 692
Email: veronica.bates@sa.gov.au



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