

CARBON FARMING IN SOUTHERN TASMANIA

THE BASICS

The Carbon Farming Initiative (CFI) is a voluntary Australian Government carbon offsets scheme. It aims to help farmers and land managers earn income from reducing emissions like nitrous oxide and methane, and sequestering carbon in vegetation and soils through changes to agricultural and land management practices.

KEY CONCEPTS - METHODOLOGIES

Methodologies are the set of rules for the CFI project. They set out the specific monitoring and reporting requirements for different types of projects.

These methodologies are legal instruments explaining the procedure for each activity and can be developed by anyone. There are methodologies currently being developed for a range of abatement activities.

You can view approved methodologies or access more information about getting involved in developing new ones at <http://tinyurl.com/CFI-methodologies>.

Land managers who participate in the CFI can generate carbon credits, which can then be sold to other individuals and businesses wishing to “offset” their own emissions. Thirteen methodologies have been approved to date (April 2013) and another eleven are currently under assessment. Approved methodologies include;

- Destruction of methane generated from dairy manure in covered anaerobic ponds
- Destruction of methane from piggeries using engineered biodigesters
- Destruction of methane generated from manure in piggeries
- Environmental plantings
- Human-induced regeneration of a permanent even-aged forest
- Reforestation and Afforestation
- Savanna burning

As well as five methodologies for landfill and alternative waste management.

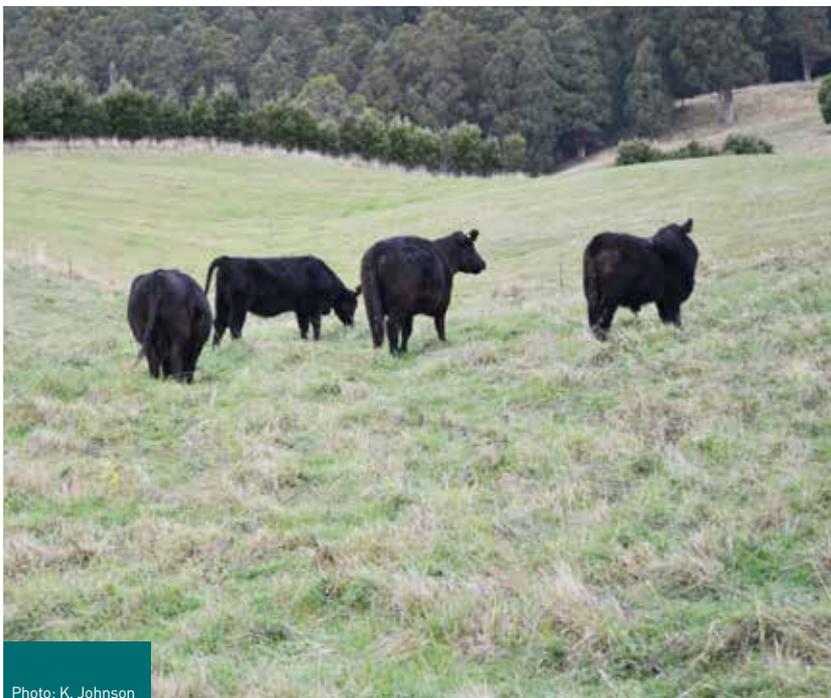


Photo: K. Johnson

This list provides examples of the types of methodologies possible under the CFI. However, there are a number of requirements a project must meet before it can be carried out.



Photo: K. Johnson

POSITIVE AND NEGATIVE LISTS

The positive list identifies activities that have been assessed to be additional and therefore eligible to participate in the CFI. It can be viewed at <http://tinyurl.com/CFI-positive>.

There are also guidelines available for how to propose activities to be included in the positive list. The Negative List, on the other hand, identifies activities that are excluded from the CFI because there is a risk that the activity will have a negative impact. The negative list can be found at <http://tinyurl.com/CFI-negative>.

ADDITIONALITY & COMMON PRACTICE

For activities to create a genuine offset, they need to be things that would not have occurred without the influence of the CFI. In other words, if the activity would have been undertaken regardless of the CFI then the abatement achieved is not additional. This is what is meant by additionality. Projects cannot be activities that are required by law. And they must not be common practice or already widely adopted.

More information about additionality and how common practice is determined is at <http://tinyurl.com/CFI-commonpractice>.

PERMANENCE

Carbon in vegetation or soils can only offset emissions if it is stored permanently. If the carbon was subsequently released back into the atmosphere, for example because vegetation was cleared, it could not offset emissions. For this reason sequestration projects are subject to permanence obligations. The internationally accepted timeframe for ensuring sequestration is equivalent to emissions is 100 years. This is based on the estimated life of one tonne of carbon pollution in the atmosphere. The permanence arrangements for the CFI have been designed to ensure that carbon stored by CFI projects is maintained for at least 100 years, while allowing flexibility to change land uses in the future. If the carbon is lost (through fire, drought or clearing) you have an obligation to restore the carbon.

Landholders can choose to cancel their project at any time, for example because they wish to sell the land without the project or use the land for something else, by relinquishing (handing back) credits to the Administrator. Credits could be purchased at the prevailing market price or the proponent could use credits from another of their projects.



more on methodologies

For a complete list of methodologies see

tinyurl.com/CFI-methodologies

Methodologies under consideration relate to: avoided emissions from diverting waste from landfill; native forest protection; diverting waste to an alternative treatment facilities and more.

LEGALITIES

To undertake activities under the CFI, you must have a legal right to carry out the project. That might involve ownership of the site or an agreement to use the site. You also must hold the exclusive legal right to obtain the benefit of sequestration of carbon in soil or vegetation in that area if the project is a sequestration project.

METHODOLOGIES IN FOCUS - PERMANENT ENVIRONMENTAL PLANNING

This information has been simplified to provide an overview of opportunities through the CFI for Southern Tasmania. You are advised to read the full methodology details and seek expert advice to determine if you are eligible to participate.

SCOPE

Establishment of permanent environmental plantings that can be expected to reach a crown cover of at least 20% and a height of at least 2 metres. The Reforestation Modelling Tool is a crucial component of this methodology.

CONDITIONS UNDER WHICH ACTIVITIES CAN BE UNDERTAKEN

- The permanent planting is established through direct seeding or planting.
- Establishment of environmental plantings must consist of species that are native to the local area. This can include a mix of tree and understory species or a single species if monocultures occur naturally in the area.
- You must prevent grazing by livestock in the first three years. Grazing after this time must not prevent regeneration.
- The planting must be established on land that has been used for cropping, pasture management, conservation, settlement, or was degraded land, and: has been clear or partially clear of forest for five years prior to establishment; and
- You must not use ripping and mounding for site preparation over more than 10% of the area on land receiving greater than 800mm annual rainfall.
- You may only remove up to a maximum of 10% of fallen timber per year for personal firewood.
- There are requirements for identifying your Carbon Estimation Area's (CEA's) using actual site characteristics, which will affect growth rates. You must collect area and latitude and longitude data for your Project Area and each CEA in accordance with the CFI Mapping Guidelines.
- You can map your Project Area & CEA's using the CFI Mapping Tool (CMT).
- To calculate sequestration you must undertake a series of steps, using the Reforestation Modelling Tool. The tool also generates output data for emissions and removals.
- You can monitor your project through on-ground observation and /or satellite imagery.
- In addition to standard CFI reporting, you must also report on forest management, changes to Carbon Estimation Areas and sequestration estimates.

WHAT IS THE REFORESTATION MODELLING TOOL?

The RMT is a computer program that estimates greenhouse gas emissions and removals within the tree and debris carbon pools based on inputs. Proponents must use the 'mixed species environmental plantings' setting in the RMT. Ongoing research findings will be incorporated into the Tool to improve accuracy of estimates.

STEP BY STEP - UNDERTAKING A CFI PROJECT

STEP 1: WHO OWNS AND MANAGES THE LAND?

There are many ways to participate in the CFI, each with a different arrangement for sharing the costs, benefits and responsibility for projects on your land. You can undertake a project independently or as a cooperative. You may use service providers to help with undertaking the project or to assist with approvals or you may sell the carbon rights to your land to another person (eg. a project aggregator). You need to decide which model suits you because they have different requirements for who becomes a registered offsets entity.

STEP 2: BECOME A RECOGNISED OFFSETS ENTITY & OPEN A REGISTRATION REGISTRY ACCOUNT

To be recognised as an offsets entity you must pass a 'fit and proper' person test. You can be an individual, body corporate, a trustee, a corporation, a body politic or a local governing body. To receive carbon credits, you must have a registry account and you can apply for this account when you apply to be a registered offsets entity. This process is administered by the Clean Energy Regulator.

STEP 3: HAVE YOUR PROJECT APPROVED

Carbon credits can only be issued for eligible projects and you can submit a project application before you find out whether you have been recognised as an offsets entity. There are specific criteria for the sorts of projects which are eligible under the CFI. When your project is approved you'll be issued with a Declaration of Eligible Offsets Project and, in the case of a sequestration project, a note will be included on the relevant land title register alerting future buyers that carbon farming obligations might apply.

STEP 4: UNDERTAKE YOUR PROJECT

You can start working on your project once it has been declared eligible. The particular methodology used may include certain requirements for monitoring and there are legal obligations for record keeping. Your project declaration will set out the date from which the crediting period begins – this is the period during which you can apply for carbon credits. If your circumstances change (for example, if carbon is lost from your project or you are no longer the project proponent) you have to notify the Clean Energy Regulator

STEP 5: REPORTING ON PROGRESS

You will need to submit an offsets report on your project. The report needs to contain information on the activity and the circumstances under which the project was implemented; the greenhouse gas assessment baseline; all calculations for how you estimated abatement; and other information required by the particular methodology you are using. In most cases, your report needs to be reviewed by a registered greenhouse and energy auditor. Your first offsets report must be submitted between 12 months and 5 years from the date it was declared eligible.

STEP BY STEP - UNDERTAKING A CFI PROJECT (CONT.)

STEP 6: RECEIVING CREDITS

You won't automatically be issued with carbon credits when you submit a report. If you want to receive carbon credits for any reporting period, you have to apply for a certificate of your account in the Australian National Registry of Emissions Units. You have to apply for and receive carbon credits before transferring them to someone else.

STEP 7: PROJECT TRANSFER & CLOSURE

You can withdraw from the CFI at any time by notifying the Clean Energy Regulator. If your project is a sequestration one, all carbon credits need to be handed back. Alternatively, your project can be transferred to another person provided they are a registered offsets entity and, where applicable, they also hold the relevant carbon sequestration right.

FURTHER INFORMATION



Remember, it is your responsibility to ensure you are aware of all of your obligations under the CFI.

Department of Agriculture Fisheries and Forestry
www.daff.gov.au/cfi

The Australian Government
www.climatechange.gov.au/cfi

Clean Energy Future
www.cleanenergyfuture.com.au

The CFI Handbook
<http://tinyurl.com/CFI-handbook>