

Emissions Reduction Fund Eligibility Requirements

Environmental planting projects must satisfy a number of eligibility requirements to be registered, and maintain their registration, as an eligible offsets project under the Emissions Reduction Fund (ERF). There are three relevant types of eligibility requirements:

- (a) the scheme-wide additionality tests;
- (b) other scheme-wide eligibility requirements; and
- (c) Environmental Plantings Method requirements.

An overview of these three eligibility requirements is provided in Table 1 below, along with references to where these requirements are found. There are five relevant statutory and incorporated instruments for these purposes:

- [Carbon Credits \(Carbon Farming Initiative\) Act 2011](#) (Cth) (CFI Act)
- [Carbon Credits \(Carbon Farming Initiative\) Rule 2015](#) (CFI Rule)
- [Carbon Credits \(Carbon Farming Initiative\) Regulations 2011](#) (CFI Regs)
- [Carbon Credits \(Carbon Farming Initiative\) \(Reforestation by Environmental or Mallee Plantings—FullCAM\) Methodology Determination 2014](#) (Environmental Plantings Method)
- [Carbon Farming Initiative \(CFI\) Mapping Guidelines](#), version 5, 2018

The Clean Energy Regulator has resources available online to help applicants understand these legislative requirements:

- [Environmental plantings projects](#)
- [Reforestation by environmental or mallee plantings FullCAM method](#)
- [Eligible interest holder consent](#)
- [Eligibility and newness](#)
- [Interactive Emissions Reduction Fund Questionnaire](#)
- [Feasibility and project planning](#)
- [Legal right](#)
- [Choosing a project proponent for landholders](#)
- [Land based projects – return on investment considerations](#)

People considering participating in the Carbon + Biodiversity Pilot should note that there are additional eligibility requirements under the Pilot Program. Details of these are available in the [Pilot Documentation](#).

Table 1. Overview of eligibility requirements for ERF environmental planting projects

Reference	Requirement
Scheme-wide additionality tests	
CFI Act, ss 27(4)(d), 27(4A)(a) & 27(4C), (4D)	The project must satisfy the ‘newness requirement’, being that the project must not have begun to be implemented. Projects are taken to have begun to be implemented if: <ul style="list-style-type: none"> • a final investment decision has been made to undertake the project (excluding a decision to initiate a project on the condition it is registered under the ERF); • planting or seeding has commenced; or • pre-planting soil preparation works have commenced.
CFI Act, ss 27(4)(d) & 27(4A)(b)	The project must satisfy the ‘regulatory additionality requirement’, being that the project must not be required to be carried out by or under a law of the Commonwealth, a State or a Territory.
CFI Act, ss 27(4)(d) & 27(4A)(c), & CFI Rule, s 21	The project must satisfy the ‘government program requirement’, being that the project must not receive financial or other support under a government program listed under s 21 of the CFI Rule. The Carbon + Biodiversity Pilot Program is not listed under s 21 of the CFI Rule.
Other scheme-wide eligibility requirements	
CFI Act, s 27(4)(l) & CFI Rule, s 20A	The project area, or any part of it, must not be used to meet an obligation under a Commonwealth, State or Territory law to offset or compensate for the adverse impact of an action on vegetation.
CFI Act, s 27(4)(g) & (5)	The project area must be Torrens system land or Crown land.
CFI Act, s 27(4)(m) & CFI Regs, r 3.36, 3.37	The project must not be an ‘excluded offsets project’, being an activity that: <ul style="list-style-type: none"> • was previously required to be carried out by or under a law of the Commonwealth, a State or a Territory but the law has been amended to remove the requirement since 24 March 2011; • involves the planting of a ‘known weed species’ (species on the Weeds of National Significance list and species declared under state or territory biosecurity or weed control legislation); • involves the establishment of vegetation on land that has been subject to illegal clearing of a native forest, or illegal draining of a wetland; or • involves the establishment of vegetation on land that has been subject to clearing of a native forest or draining of a wetland (that was not an illegal clearing or draining) within 7 years of the date of the lodgement of the project application (or 5 years if there has been a change of ownership).
CFI Act, ss 27(10) & (11)	The project area has previously been used for another ERF project and the area is subject to a compliance notice or carbon maintenance obligation under the CFI Act relating to the previous project.
Environmental Plantings Method requirements	
s 1.4	The project must involve a permanent planting (i.e. not for harvest planting) that could reasonably be expected to result in abatement that can be counted towards Australia’s international climate targets. Environmental planting

Reference	Requirement
	projects established under the Carbon + Biodiversity Pilot Program will satisfy this requirement.
ss 2.2, 3.12 & 1.3	<p>The project must involve a ‘mixed-species environmental planting’, being a planting that consists of a mixture of tree and shrub species that:</p> <ul style="list-style-type: none"> • are native to the local area of the planting; • are sourced from seeds from within the natural distribution of the species and are appropriate to the biophysical characteristics of the area of the planting; • may be a mix of trees, shrubs, and understorey species where the mix reflects the structure and composition of the local native vegetation community; and • are established through ‘planting’ (setting plants in the ground using propagated seedling stock) or direct seeding.
s 2.3(2)	<p>The land on which trees are planted must be within Australia (excluding external territories) and be an area for which FullCAM data exists. Environmental planting projects established under the Carbon + Biodiversity Pilot Program will satisfy this requirement.</p>
s 2.3(3)	<p>The land must not contain woody biomass or an invasive native scrub species that need to be cleared in order for the planting to occur, other than a known weed species required or authorised by law to be cleared.</p>
s 2.3(4)	<p>The project area must have been clear of forest cover for at least 5 years before the date of the application for registration under the ERF.</p>
s 2.3(5)	<p>The trees that are planted must have the capacity to attain a height of 2m or more and a crown cover of at least 20% over the total area of the stratum in which the project trees are located.</p>
ss 3.10-3.13, 3.44 and CFI Mapping Guidelines	<p>Mixed-species environmental plantings must be either ‘belt plantings’ or ‘block plantings’.</p> <p>Belt plantings are plantings established in a belt configuration that are either ‘narrow linear plantings’ or ‘wide linear plantings’.</p> <ul style="list-style-type: none"> • Narrow linear plantings are plantings established in rows or randomly that are no more than 20 m wide, are at least 40 m from the nearest other planting (stem-to-stem) and are not affected by ‘material competition’ from ‘adjacent trees’. Adjacent trees are trees that lie within 20 m of the stems of the closet project tree. Material competition from individual adjacent trees is taken to occur for a narrow linear planting if, on average, there is more than one individual adjacent tree for every 150 m in length of the boundaries parallel to the long axis of the planting. Material competition from grouped adjacent trees is taken to occur for a narrow linear planting if the ‘net length of impact’ of adjacent trees is more than 20% of the length of the long axis of the planting. The net length of impact is calculated as the length of the group of trees (stem-to-stem along the long axis of the planting) plus 40 m, plus 40 m for each individual adjacent tree. • Wide linear plantings are plantings established in rows or randomly that are between 20-40 m wide, are at least 40 m from the nearest other planting (stem-to-stem), and are not affected by ‘material

Reference	Requirement
	<p>competition from adjacent trees'. The tests for whether there is a material competition are the same as those applied for narrow linear plantings, only:</p> <ul style="list-style-type: none"> ○ for material competition from individual adjacent trees, there can be one individual tree for every 75 m (rather than 150 m); and ○ for material competition from grouped adjacent trees, the 'net length of impact' of adjacent trees must not be more than 20% of <i>twice</i> the length of the long axis of the planting. <p>Block plantings are plantings that do not meet the requirements of narrow or wide linear plantings, do not consist of a single row and that meet the spacing requirements in the CFI Mapping Guidelines. The requirements in the CFI Mapping Guidelines include that individual plantings must not be more than 5 m from each other (stem-to-stem).</p>