

Growing Carbon Farming Demonstration Pilot Guidelines

Overview

The Growing Carbon Farming Demonstration Pilot (the Pilot) is a \$1 million initiative to encourage carbon farming adoption and build the carbon market in South Australia.

The Pilot will support the establishment of a minimum of six commercial carbon demonstration projects that will be used to demonstrate and quantify carbon abatement, alongside measurable environmental and socio-economic co-benefits best suited to South Australia. Projects may involve one or more project partner and co-funding. This means other entities, apart from the primary applicant can participate, and help deliver the funded project. Up to \$100,000 GST exclusive will be available per project.

Areas of focus

The Pilot will accept applications for projects that demonstrate and quantify carbon abatement through carbon farming.

The Pilot projects must:

- Demonstrate a carbon farming method and or practice that has application for the South Australian primary industry sector.
- Demonstrate how carbon farming activities contribute to revenue and jobs in South Australia.
- Demonstrate and quantify the co-benefits of carbon farming.
- Improve knowledge and capability, particularly for small to medium farm enterprises or larger businesses and other organisations yet to engage with carbon markets.

Applications open

The Pilot is now open for applications from applicants who are interested in or already undertaking carbon farming projects and who want to participate in the Pilot.

The applications will be open from 25 August 2022 to 9pm ACST 22 September 2022.

Grants will be provided to a minimum of six commercial carbon projects to help cover early establishment costs, including technical advice and carbon measurement costs. The Pilot will run for 12

months and funding can also be used to cover participation in Department of Primary Industries and Regions (PIRSA) led demonstration activities aimed at improving knowledge and capability.

Applicant eligibility criteria

To be eligible to apply for a grant under the Pilot all the following conditions must be met:

- The applicant must be a legal entity capable of entering into a grant agreement.
- The applicant must be a Landholder or company operating a primary industries business, or an organisation representing a Landholder or group of Landholders operating a primary industries business. Where a Landholder is a lessee, the application must include a copy of the current lease agreement and evidence of landowner approval to undertake Pilot activities on the land.
- The applicant must hold an active Australian Business Number (ABN) and be registered for GST.
- On-ground Pilot activities must be undertaken within South Australia and the majority of total project activities completed within South Australia.
- Funded carbon farming activities must be able to be completed within 12 months of the applicant executing a grant agreement with the Minister.
- Applicants will need to provide a Certificate of Currency evidencing public liability insurance covering proposed Pilot activity for at least ten million dollars (\$10,000,000) for each occurrence.
- Proposed Pilot activity must not have received funding from another South Australian/Australian Government program.
- Applicant group members must have met all the terms and conditions placed on any previous South Australian Government funding, grant or concessional loan provided to them.
- The applicant must agree to provide data and information to PIRSA, on carbon methods, practices and estimated carbon abatement and potential co-benefit outcomes, for broader publication.
- The applicant must agree to participate in PIRSA-led extension activities, including development of case studies, workshops and potential site visits/field days.

Ineligible applicant type

Organisations whose primary business is providing professional or technical services relating to Carbon Farming are not eligible as a primary applicant, however can provide technical services and/or be listed as a project partner.

Eligible activities

The Pilot will open on 25 August 2022. All grant funded activities must be completed with all grant funding expended within twelve months of commencement of the funded project.

The applicant must:

- Conduct a Carbon Farming project/s on land within South Australia.

- Demonstrate carbon sequestration and/or emission reduction method/s or management practices suitable to South Australian primary industries:
 - [Reforestation by Environmental or Mallee Plantings](#) (ERF method).
 - [Measurement based methods for new farm forestry plantations](#) (ERF method).
 - [Human-Induced regeneration of a permanent even-aged native forest](#) (ERF method).
 - [Soil carbon sequestration in agricultural systems](#) (ERF method).
 - [Animal effluent management method](#) (ERF method).
 - Non-ERF projects or activities that sequester carbon, support adoption of sustainable agriculture practices and deliver co-benefits.
- Demonstrate activities that deliver one or more Carbon Farming co-benefits:

Environmental	Social	Economic
Improved air quality	Increased social capital	Increased farm profitability
		Improved animal productivity
Improved water quality	Improved animal welfare	Reduced management/input costs (in some cases)
	Increased human capital	Diversified revenue streams for landholders
Improved soil quality	Indigenous community empowerment and Reconciliation opportunities	New skills and career development opportunities
Biodiversity conservation		
Sustainable pest and weed management	Better livelihoods and community cohesion	Generating jobs on the land and in coastal management
Sustainable land-use management	Improved physical and mental health	Generating jobs in other sectors research, technology, financial and project management
Shelter for livestock	Knowledge sharing and education	Investment in regions and rural communities
Improved coastal ecosystems		Increased viability of rural communities

Note: If projects plan to seek conditional consent with Emission Reduction Fund (ERF) or other eligible carbon offset schemes, applicants will need to ensure they are aware of and able to meet terms and

conditions of the Commonwealth Government and the ERF. This includes no on-ground activities until ERF Registration is granted.

Ineligible activities

- Projects that have already received assistance from another South Australian or Australian Government funding program to conduct the same project activities.
- Activities undertaken prior to a project's approval by the Minister or delegate.
- Costs associated with the development of an application for funding under the Pilot.
- Development of an internal case for investment or cost benefit analysis for the project.

Application process

Applicants must use the iApply form for the Growing Carbon Farming Pilot on the PIRSA website to complete their applications. Applications not completed on the iApply online form will not be accepted.

How to apply

Applicants must submit their completed application together with all supporting documentation to PIRSA using the electronic application form available at PIRSA's website: [Growing Carbon Farming Demonstration Pilot](#)

Below are important dates for the grant applications:

- Applications open 25 August 2022.
- Applications close 9pm ACST 22 September 2022.

Late applications will be considered on a case-by-case basis.

It is anticipated that application outcomes will be communicated approximately 12 weeks from the date of applications closing.

PIRSA may request that applicants present their proposal to the Assessment Panel as a component of the assessment process.

Evaluation criteria guidelines

Below are the evaluation criteria that must be fully addressed in the proposal by the applicant:

- 1. Alignment with industry needs:** Describe how the project will identify and demonstrate a Carbon Farming method suitable to South Australian conditions. Explain how the proposed method is applicable to South Australian primary industries, what the impact of the project will be for South Australian producers, and the impact of the project on the uptake of carbon farming initiatives in South Australia.

This component will be scored out of 5, with an overall weighting of 10% given to this score.

2. Project design: Describe in detail how the project will be executed to reach its objectives.

Include the following:

- Detailed description of work required and deliverables.
- Cost breakdown and justification for the amount requested from the Pilot.
- Project timeline.
- Key project milestones and evaluation steps.
- Further activities planned after the Pilot investment period to establish carbon farming outcomes, and long-term commitment to carbon farming.

This component will be scored out of 10, with an overall weighting of 30% given to this score.

3. Financial leverage and eligible co-contributions: Applicants can apply for up to \$100,000 GST exclusive funding from the program. Applicants are required to provide a detailed breakdown of the project's funding sources:

- Amount requested from the Pilot.
- Co-contribution(s) provided by the applicant and partners.
- Other sources of funding (i.e., universities, research institutes, etc).
- Percentage of each source of funding (including the Pilot).

Applicants will be required to demonstrate a financial co-contribution over the lifetime of the funded project (12 months). Co-contributions can be cash or in-kind or a combination thereof and may be made by the applicant and/or other project partners.

The level of co-contribution will be assessed in the evaluation process including co-contributions from other project partners.

Eligible co-contribution amounts include the GST exclusive value of:

- a) Expenses to be incurred in the delivery of the carbon farming project, during the 12 months of the Pilot.
- b) In-kind contributions, which may include but not be limited to goods, own or voluntary labour associated with project delivery.
- c) In-kind contributions in the form of external expertise, advice or professional services.

Applicants must provide evidence of support for co-contributions at the time of the application (for example, a letter from the co-contributor detailing the value and nature of the commitment and any conditions relating to the co-contribution commitment).

In-kind contributions can include employee time (salary) allocated to the project at a rate that can be demonstrated as consistent with the worker's hourly rate (note that allowances, supervision and project management costs are ineligible in-kind co-contributions). Appropriate records to confirm in-kind co-contributions must be maintained throughout delivery of the project and made available to PIRSA for auditing purposes, if requested. All employee time allocated to the project as a co-contribution must be recorded appropriately and the employee's project role and the

contribution clearly documented, with supporting documentation provided to demonstrate a worker's standard hourly rate.

A score out of 10 will be given to this component, with an overall weighting of 25%.

- 4. Project team capacity and capability:** Demonstrate the project team's capacity and capability to carry out the project from start to finish. Identify the expertise and capabilities that each partner brings to the consortium. Provide a list of personnel that will be involved in the project and brief biographies.

A score out of 5 will be given to this component, with an overall weighting of 10%.

- 5. Risks:** Identify and discuss potential risks in developing and implementing the proposed project. Specify if there are any regulatory risks or hurdles associated with the project. Include a table that identifies the risks, rates their likelihood and severity, and outlines mitigation strategies.

A score out of 5 will be given for this component of the evaluation, with an overall weighting of 10% given to this score.

- 6. Economic impact:** Quantify the potential carbon sequestration and the potential revenue that could be generated through the sale of carbon offsets or other mechanisms over the entire length of the project (not the grant period).

A score out of 5 will be given for this component of the evaluation, with an overall weighting of 5% given to this score.

- 7. Environmental impact:** Describe the potential environmental co-benefits associated with the project and how these could be quantified and managed for future market pathways.

A score out of 5 will be given for this component of the evaluation, with an overall weighting of 5% given to this score.

- 8. Social impact:** Describe the potential social co-benefits associated with the project and how these could be quantified and managed for future market pathways.

A score out of 5 will be given for this component of the evaluation, with an overall weighting of 5% given to this score.

Evaluation process for assessing applications

The Pilot evaluation process is rigorous to ensure public funds are invested in strategically aligned projects with the highest potential return on investment. It will take approximately two months from the submission deadline before funding decisions are made. This process is outlined below:

Preliminary Evaluation

Once the project proposal is received, a preliminary evaluation will be conducted to ensure the application meets the eligibility criteria, has adequately addressed all the evaluation criteria and supplied the appropriate supporting documentation.

Technical evaluation

Each application that passes the Preliminary Evaluation will undergo a comprehensive Technical Evaluation to determine the project team's technical capacity to deliver the project and to determine the project proposal's technical merit.

Reviewers will evaluate:

- Technical claims.
- Accuracy of cost projections.
- Feasibility of anticipated results.
- Applicant's technical capacity to carry out the project.
- Business case/feasibility.

Final assessment and recommendation

Eligible applications that pass the Preliminary and are endorsed in the Technical Evaluation will undergo a Final Assessment by the Steering and Assessment Committee. The Evaluation Criteria will be used to assess applications according to likelihood of contributing to the objectives of the Pilot.

At the conclusion of the Final Assessment, the Steering and Assessment Committee will make recommendations for funding to the Minister's Delegate based on the highest-ranking projects.

Funding decisions made by the Minister's Delegate are final.

Feedback to applicants

All applicants will be contacted and advised of the outcome of their application. Successful applicants will be sent a formal approval letter.

PIRSA may negotiate with applicants on the specific details of a project under the grant agreement to meet the specific requirements the Minister may impose as a condition of funding and specific milestones that the applicant will be required to meet.

A letter to successful applicants will not constitute a contract and should not create any legal expectation on the part of the applicant that funding will be paid unless a grant agreement is executed by both parties.

Contracting

Successful applicants will be required to enter into a grant agreement with the Government of South Australia which will outline the terms and conditions upon which funding will be provided.

Successful applicants will be expected to meet all terms and conditions of the grant agreement, including governance and reporting requirements. Applicants must comply with all Australian and State legislation, regulations and codes in the delivery of the Pilot.

The grant agreement will be subject to the Government's Contract Disclosure policy:

- <http://dpc.sa.gov.au/documents/rendition/B17980>

Payment of the grant will be made in instalments on a reimbursement basis on achievement of the milestones agreed in the grant agreement and upon presentation of appropriate evidence by the applicant of this achievement. Verification of milestone completion may also be undertaken via physical inspections by PIRSA Officers. Payments will be made after a milestone is accepted as completed by PIRSA.

Final payments will be made on receipt of a final report evidencing project completion to the satisfaction of the Minister.

The following conditions will be expected of grant recipients:

- Complete the project as stated in the application.
- Meet all key milestones and obligations as defined in the grant agreement.
- Acknowledge the contribution of the State Government on any promotional material and provide opportunities for the Minister or a representative to take part in any formal project milestones and launches.

Note: Grants may be subject to GST and income tax. Applicants should consider seeking advice on these and other tax implications from their tax advisers before applying.

Applicants should understand their legal rights and obligations under this Program.

Intellectual property

PIRSA will not assume ownership of any product and/or solution that results from funded projects. An IP agreement must be in place between all members of the project team prior to funding being approved. IP disputes between members of the project team resulting in extended delays and/or deviations from the original project objectives may result in discontinuation of funding.

The project team is responsible for ensuring it has the freedom to operate. The State Government will not assume any costs or damages related to potential IP disputes with a third party. The Minister retains the right to terminate the grant agreement if a project becomes stalled due to IP issues.

Media releases

PIRSA will make public media releases on funding decisions and projects. Applicants will be notified and consulted prior to any releases being made. The applicants must not promote the project in the media without the prior consent of PIRSA.

How to apply

Applications must be completed using the online application form, you will need a myPIRSA account. If you don't have a myPIRSA account, register now.

Information on registering for a myPIRSA account is available on the PIRSA website: [myPIRSA](#)

You can look through the form before you fill it in to become familiar with it.

Once started, you may save and exit your partially completed application. You have 28 days to complete your application. After 28 days, partially completed applications will be deleted.

Applications must be lodged by 9 pm (ACST) 22 September 2022.

Supporting evidence

Evidence in support of applications includes where relevant:

- a) Details of the property/ properties where the carbon farming project will take place including type of entity and landowners.
- b) Land title information (e.g. the most recent copy of council rates) that confirms the property where the carbon project will take place, is located in South Australia.
- c) If applicant is a lessee, evidence of lease arrangements.
- d) If applicant is not the landowner, evidence of landowner permission to undertake carbon farming project.
- e) If applicant is applying on behalf of Landholders:
 - i. Evidence of landowner permission to undertake carbon farming project.
 - ii. Evidence of lease arrangements (if applicable).
- f) Evidence of in kind and cash co-contributions:
 - i. Project budget and projected costs to be incurred over length of project, including any in-kind and/or cash to be provided by the applicant.
 - ii. Letters of support from projects partners detailing cash and/or in-kind contributions.
 - iii. Verification that in-kind co-contributions are valued at an hourly rate consistent with the normal rate of pay.
- g) Evidence that demonstrates the applicant meets the eligibility criteria by:
 - i. Demonstrating that they meet at least one of the eligible activities.
 - ii. If relevant, evidence that they have received conditional registration with the Emission Reduction Fund (ERF) or another eligible offset scheme:
 - Written notification from ERF.
 - Project application to the ERF confirming the approved carbon farming method and activities.

As part of the application assessment process, PIRSA may seek further information or seek to clarify information provided in applications. Any requests for additional information or to clarify information provided in an application should be responded to in a timely manner – any delay may result in an extended timeframe in the assessment of applications.

Definitions

Carbon Farming	A management practice that results in the sequestration of carbon and/or the reduction of greenhouse gas emissions.
Carbon sequestration	The removal of atmospheric carbon dioxide, either through biological processes (e.g. photosynthesis in plants) or geological processes (e.g. storage of carbon dioxide in underground reservoirs).
Landholder	The registered proprietor or lessee of land on which the Growing Carbon Farming Pilot activities will take place
Minister	Minister for Primary Industries and Regional Development
Primary industries business	A business involved in the extraction and/or production of natural resources, for example agriculture, forestry, fisheries.

More information

For more information and to discuss your application contact:

Project Coordinator: Emma Winslow

Telephone: 0427 000 264 between 9am and 5pm, Monday to Thursday

Email to: PIRSA.CarbonFarming@sa.gov.au

Web: www.pir.sa.gov.au/funding_and_support/funding/growing_carbon_farming_pilot