

Select Legislative Instrument No. 268, 2011

made under the

Carbon Credits (Carbon Farming Initiative) Act 2011

Compilation No. 8

Compilation date: 13 December 2014

Includes amendments up to: SLI No. 190, 2014

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About this compilation

This compilation

This is a compilation of the *Carbon Credits (Carbon Farming Initiative)*Regulations 2011 that shows the text of the law as amended and in force on 13
December 2014 (the *compilation date*).

This compilation was prepared on 15 December 2014.

The notes at the end of this compilation (the *endnotes*) include information about amending laws and the amendment history of provisions of the compiled law.

Uncommenced amendments

The effect of uncommenced amendments is not shown in the text of the compiled law. Any uncommenced amendments affecting the law are accessible on ComLaw (www.comlaw.gov.au). The details of amendments made up to, but not commenced at, the compilation date are underlined in the endnotes. For more information on any uncommenced amendments, see the series page on ComLaw for the compiled law.

Application, saving and transitional provisions for provisions and amendments

If the operation of a provision or amendment of the compiled law is affected by an application, saving or transitional provision that is not included in this compilation, details are included in the endnotes.

Modifications

If the compiled law is modified by another law, the compiled law operates as modified but the modification does not amend the text of the law. Accordingly, this compilation does not show the text of the compiled law as modified. For more information on any modifications, see the series page on ComLaw for the compiled law.

Self-repealing provisions

If a provision of the compiled law has been repealed in accordance with a provision of the law, details are included in the endnotes.

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Part 1—Preliminary

1.1 Name of Regulations

These Regulations are the Carbon Credits (Carbon Farming Initiative) Regulations 2011.

1.2 Commencement

These Regulations commence on the commencement of section 3 of the *Carbon Credits (Carbon Farming Initiative) Act 2011*.

1.3 Definitions

(1) In these Regulations:

2006 IPCC Guidelines for National Greenhouse Gas Inventories means the report titled IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, prepared by the National Greenhouse Gas Inventories Programme, as in force from time to time.

Note: The report is accessible at www.ipcc.ch/.

Aboriginal person means a person of the Aboriginal race of Australia.

accounted for, in relation to greenhouse gas abatement under a prescribed non-CFI offsets scheme or a non-CFI scheme: see subregulations (2) and (3).

Act means the Carbon Credits (Carbon Farming Initiative) Act 2011.

approved form means a form approved, in writing, by the Regulator for a provision of these Regulations.

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associated provisions, of the Clean Energy Act 2011, has the meaning it has in section 5 of that Act.

authorised representative has the same meaning as in the Registry Regulations.

Bureau of Meteorology means the Commonwealth Bureau of Meteorology.

certified copy:

- (a) for Division 4.1—has the meaning given by subregulation 4.1(1); and
- (b) in all other cases, means:
 - (i) a copy of a document that has been certified as a true copy by a person mentioned in Schedule 2 to the *Statutory Declarations Regulations 1993*; or
 - (ii) if a person who is required to provide a document under these Regulations is not in Australia at the time the document must be provided—a copy of a document that has been certified as a true copy by:
 - (A) an Australian embassy, Australian High Commission or Australian consulate (other than a consulate headed by an honorary consul); or
 - (B) a competent authority under the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents done at The Hague on 5 October 1961.
- Note 1: Information about competent authorities under the convention can be found on the Hague Conference on Private International Law's website at www.hcch.net.
- Note 2: In 2012, the text of the Convention was accessible through the Australian Treaties Library on the AustLII website (www.austlii.edu.au).

CFI rainfall map means the map:

- (a) that shows long-term average annual rainfall; and
- (b) that uses data that is:

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- (i) collected by the Bureau of Meteorology for the period from at least 1921 to 2010; and
- (ii) processed by the Department; and
- (c) published on the Department's website; and
- (d) as in force from time to time.

Note: The map is accessible at www.climatechange.gov.au.

clearing means the conversion, caused by people, of native forest to cropland, grassland or settlements (within the meaning of "cropland", "grassland" and "settlements" in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories).

consent, for Divisions 3.6 and 3.12, means approval to commence clearing or conversion to a plantation, required by Commonwealth, State or Territory law, issued by the relevant Commonwealth, State, Territory or local regulatory authority responsible for giving the approval.

deforestation means:

- (a) for abatement generated before 1 January 2013—the direct human-induced conversion of forest to a non-forest land use if:
 - (i) the conversion occurred on or after 1 January 1990; and
 - (ii) the land on which the conversion occurred was forest on 31 December 1989; or
- (b) for abatement generated on or after 1 January 2013—the direct human-induced conversion of forest, on or after 1 January 1990, to a non-forest land use.

entity means a person who is not an individual.

forest means land of a minimum area of 0.2 of a hectare on which trees:

- (a) have attained, or have the potential to attain, a crown cover of at least 20% across the area of land; and
- (b) have reached, or have the potential to reach, a height of at least 2 metres.

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Regulation 1.3

Greenhouse Friendly Initiative means the program known by that name and administered by the Commonwealth Government.

harvest plan means a plan prepared in accordance with Commonwealth, State or Territory law, that identifies:

- (a) geographic areas of native timber forest scheduled for harvesting; and
- (b) when the harvest will occur; and
- (c) the estimated volume of native timber forest to be harvested.

landscape planting means a planting in an urban centre or locality as follows:

- (a) in a residential place (for example, in a backyard, park or on a nature strip);
- (b) on the grounds of a sporting facility, factory or other commercial facility;
- (c) on the grounds of a hospital, school or other institution;
- (d) in a car park or cemetery.

locality means a population cluster of at least 200 people.

multiple project proponents has the meaning given by subsection 136(1) of the Act.

nominee, in relation to multiple project proponents, has the meaning given by subsection 136(2) of the Act.

non-CFI scheme means a carbon offsets scheme that:

- (a) is not carried out under the Act or these Regulations; and
- (b) is not a prescribed non-CFI offsets scheme.

permanent planting means a planting:

- (a) that is not harvested other than:
 - (i) for thinning for ecological purposes; or
 - (ii) to remove debris for fire management; or

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- (iii) to remove firewood, fruits, nuts, seeds, or material used for fencing or as craft materials, if those things are not removed for sale; or
- (iv) in accordance with traditional indigenous practices or native title rights; and
- (b) that is not a landscape planting.

plantation means a forest established for harvest.

prescribed non-CFI offsets scheme—see regulation 1.7.

reforestation means the direct human-induced conversion of non-forested land to forest by any of the following:

- (a) planting;
- (b) seeding;

if the land on which the conversion occurs was not forest on 31 December 1989.

Registry Act means the Australian National Registry of Emissions Units Act 2011.

Registry Regulations means the Australian National Registry of Emissions Units Regulations 2011.

relevant area has the meaning given by subsection 57(1) of the Act.

section 27 declaration means a declaration under subsection 27(2) of the Act that an offsets project is an eligible offsets project of a kind specified in paragraph 27(2)(a) or (b) of the Act.

specified tree planting—see regulation 3.34.

Torres Strait Islander means a descendant of an indigenous inhabitant of the Torres Strait Islands.

transferee offsets project has the meaning given by subsection 57(1) of the Act.

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Regulation 1.3

transferor offsets project has the meaning given by subsection 57(1) of the Act.

tree means a perennial plant that has primary supporting structures consisting of secondary xylem.

wetlands are areas of marsh, fen, peatland or water:

- (a) that are either temporary or permanent; and
- (b) which have water that can be static or flowing, fresh, brackish or salty;

and includes areas of marine water the depth of which at low tide is not more than 6 metres.

Note: Other words and expressions used in these Regulations are defined in section 5 of the Act. For example:

- applicable methodology determination
- Australian carbon credit unit
- baseline
- carbon maintenance obligation
- certificate of entitlement
- · crediting period
- eligible Kyoto project
- eligible non-Kyoto project
- eligible offsets project
- Kyoto abatement deadline
- Kyoto Australian carbon credit units
- methodology determination
- native forest
- net total number
- non-Kyoto Australian carbon credit units
- offsets report
- project area
- project proponent
- recognised offsets entity
- regional natural resource management plan
- Registry account
- Regulator
- relevant land registration official
- reporting period
- sequestration offsets project

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- voluntary automatic unit cancellation regime
- (2) A carbon dioxide equivalent amount of greenhouse gas abatement, generated by an offsets project under a prescribed non-CFI offsets scheme or a non-CFI scheme, is *accounted for* in the circumstances mentioned in subregulation (4).
- (3) However, the amount of abatement is not *accounted for* if:
 - (a) on or after 1 July 2012, a person is subject to a requirement under a law of the Commonwealth, a State or a Territory to offset greenhouse emissions; and
 - (b) the person incurs, or would incur, a liability under the *Clean Energy Act 2011* or any of its associated provisions, in relation to greenhouse gases the person offsets, or would offset, under the requirement; and
 - (c) the person uses or intends to use the amount of abatement to meet the requirement.
- (4) For subregulation (2), the circumstances are:
 - (a) the amount of abatement:
 - (i) has been sold or transferred; or
 - (ii) has otherwise been used to offset greenhouse gas emissions or discharge liabilities incurred because of greenhouse gas emissions; or
 - (b) an arrangement has been entered into (whether or not still in place):
 - (i) for the amount of abatement to be sold, transferred or otherwise used to offset greenhouse gas emissions or to discharge liabilities incurred because of greenhouse gas emissions; and
 - (ii) at the time the abatement was generated, the prescribed non-CFI offsets scheme or non-CFI scheme under which the arrangement was made was still in operation; or
 - (c) an arrangement has been entered into (whether or not still in place):

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- (i) for the sale or the transfer of carbon offsets credits associated with the abatement; and
- (ii) at the time the abatement was generated, the prescribed non-CFI offsets scheme or the non-CFI scheme under which the arrangement was made was still in operation.

1.4 Crown lands Minister

For paragraphs (a) to (d) of the definition of *Crown lands Minister* in section 5 of the Act, the following table sets out the Crown lands Minister in relation to each State and Territory.

Item	State or Territory	Crown lands Minister
1	New South Wales	Whichever of the following applies:
		(a) for an area to which the <i>Crown Lands</i> Act 1989 (NSW) applies—the Minister who administers that Act;
		(b) for an area to which the Western Lands Act 1901 (NSW) applies—the Minister who administers that Act
2	Victoria	The Minister who administers Part 5 of the <i>Climate Change Act 2010</i> (Vic)
3	Queensland	The Minister who administers the <i>Land Act</i> 1994 (Qld) (other than subsections 452A(2) and (3) of that Act)
4	Western Australia	The Minister who administers the <i>Land</i> Administration Act 1997 (WA)
5	South Australia	The Minister who administers the <i>Crown Land Management Act 2009</i> (SA)
6	Tasmania	The Minister who administers the <i>Forestry</i> Rights Registration Act 1990 (Tas)
7	Australian Capital Territory	The Minister who administers the <i>Land Titles Act 1925</i> (ACT)
8	Northern Territory	The Minister who administers the <i>Crown Lands Act</i> (NT)

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Item	State or Territory	Crown lands Minister
9	Jervis Bay Territory, and	The Commonwealth Minister responsible
	all external Territories	for territories

1.5 Kyoto abatement deadline

For paragraph (b) of the definition of *Kyoto abatement deadline* in section 5 of the Act:

- (a) 31 December 2012 is specified in relation to the kinds of project mentioned in regulation 3.35; and
- (aa) 31 December 2020 is specified in relation to the kinds of project mentioned in regulation 3.35A; and
- (b) 30 June 2020 is specified in relation to all other kinds of project.

1.6 Meaning of tree

For the definition of *native forest* in section 5 of the Act, tree has the meaning given in these Regulations.

1.7 Prescribed non-CFI offsets scheme

For the definition of *prescribed non-CFI offsets scheme* in section 5 of the Act, prescribed non-CFI offsets scheme means any of the following:

- (a) the Commonwealth Government's Greenhouse Friendly initiative;
- (b) the New South Wales Government's Greenhouse Gas Reduction Scheme;
- (c) the Australian Capital Territory Government's Greenhouse Gas Abatement Scheme;
- (d) the Verified Carbon Standard, a standard for voluntary carbon offsets projects, administered by the organisation known as the VCS Association.

Note: Information about the Verified Carbon Standard is accessible on the VCS Association's webpage at http://www.v-c-s.org/.

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1.8A Specified statutory authorities

For subparagraph (d)(ii) of the definition of *statutory authority* in section 5 of the Act, the following are specified:

- (a) an Aboriginal Land Council as defined in subsection 4(1) of the *Aboriginal Land Rights Act 1983* of New South Wales;
- (b) a Trust as defined in section 2 of the *Aboriginal Lands Act* 1970 of Victoria;
- (c) a land trust as defined in:
 - (i) Schedule 1 to the *Aboriginal Land Act 1991* of Queensland; and
 - (ii) Schedule 1 to the *Torres Strait Islander Land Act 1991* of Oueensland:
- (d) the Aboriginal Lands Trust established by subsection 20(1) of the *Aboriginal Affairs Planning Authority Act 1972* of Western Australia;
- (e) the Aboriginal Lands Trust constituted under subsection 5(1) of the *Aboriginal Lands Trust Act 1966* of South Australia;
- (f) the A<u>n</u>angu Pitjantjatjara Yankunytjatjara as defined in subsection 4(1) of the A<u>n</u>angu Pitjantjatjara Yankunytjatjara Land Rights Act 1981 of South Australia;
- (g) the Maralinga Tjarutja as defined in section 3 of the *Maralinga Tjarutja Land Rights Act 1984* of South Australia;
- (h) the Council as defined in section 3 of the *Aboriginal Lands Act 1995* of Tasmania.

1.9 Approved forms

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The Regulator may approve a form for a provision of these Regulations.

1.10 Electronic notices transmitted to Regulator

- (1) For subsection 7(2) of the Act, an electronic notice must be transmitted using the Regulator's website.
- (2) The electronic notice must be transmitted by:

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- (a) an individual who is a registered holder of the Registry account to which the notice relates; or
- (b) an authorised representative of the registered holder who has been given access to a Registry account under subregulation 31(2) of the Registry Regulations.

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Part 2—Issue of Australian carbon credit units in respect of offsets project

Division 2.1—Certificate of entitlement

2.1 Application for certificate of entitlement

For paragraph 13(1)(d) of the Act, the following information must accompany an application for a certificate of entitlement under section 12 of the Act:

- (a) the unique project identifier of the eligible offsets project to which the application relates;
- (b) the name and contact details of:
 - (i) the applicant; or
 - (ii) the nominee of multiple project proponents;
- (c) the end date of the relevant reporting period;
- (d) if the project is not a native forest protection project—the carbon dioxide equivalent net abatement amount for the project, achieved by the project for the relevant reporting period, worked out in accordance with the applicable methodology determination;
- (e) if the project is a native forest protection project—the carbon dioxide equivalent net sequestration amount for the crediting period of the project, worked out in accordance with the applicable methodology determination;
- (f) whether the application is in respect of the issue of:
 - (i) Kyoto Australian carbon credit units; or
 - (ii) non-Kyoto Australian carbon credit units; or
 - (iii) Kyoto and non-Kyoto Australian carbon credit units;
- (g) whether the project is subject to the voluntary automatic unit cancellation regime;
- (h) a signed statement by the applicant that the offsets report meets the requirements of subsection 76(4) of the Act;

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- (i) a signed statement by the applicant that the information contained in and accompanying the application:
 - (i) meets the requirements mentioned in paragraphs 15(2)(a) to (h) of the Act as relevant to the project; and
 - (ii) meets the requirements under this regulation; and
 - (iii) is accurate.

2.2 Issue of certificate of entitlement—eligibility requirements

- (1) This regulation sets out eligibility requirements for paragraph 15(2)(h) of the Act.
- (2) It is a requirement that the Regulator must be satisfied that the application is not for the issue of Australian carbon credit units for greenhouse gas abatement in the following circumstances:
 - (a) carbon offsets credits have been issued or registered for the abatement under a prescribed non-CFI offsets scheme; or
 - (b) the abatement has been accounted for under a prescribed non-CFI offsets scheme.

Note: The term *accounted for* is defined in subregulation 1.3(1).

- (3) For applications in relation to a project that is or was wholly or partly covered by a prescribed non-CFI offsets scheme, it is also a requirement that the Regulator must be satisfied that:
 - (a) greenhouse gas abatement generated under the scheme is documented in the offsets report as required under regulation 6.3; and
 - (b) the information that is documented is accurate.
- (4) In order to be satisfied of the requirements in subregulations (2) and (3), the Regulator may verify the matters in subregulation (5) with:
 - (a) the administrator of the prescribed non-CFI offsets scheme; or
 - (b) if the scheme is no longer in operation—the Commonwealth, State or Territory government agency that had responsibility for overseeing the scheme.

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Regulation 2.2

- (5) For subregulation (4), the matters are:
 - (a) the carbon dioxide equivalent net abatement amount generated by the project under the prescribed non-CFI scheme; and
 - (b) if carbon offsets credits have been issued or registered for abatement under the scheme—details of the circumstances in which the credits were issued or registered; and
 - (c) if abatement was accounted for under the scheme—details of the circumstances in which the abatement was accounted for.
- (6) The Regulator must be satisfied that the evidence that has been provided for the prescribed audit report accompanying the application is sufficiently certain to enable the total number of tonnes of carbon dioxide equivalent net abatement for the project to be worked out for the reporting period.

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Division 2.2—Unit entitlement for projects affected by a prescribed non-CFI offsets scheme

2.3 Sequestration offsets projects other than native forest protection projects

(1) For subsection 16(2A) of the Act, the number is worked out using the formula:

$$\begin{pmatrix} credits\ under \\ the\ CFI \end{pmatrix} + \begin{pmatrix} abatement\ under \\ prescribed\ non-CFI \end{pmatrix} - \begin{pmatrix} notional \\ CFI\ credits \end{pmatrix}$$

where:

credits under the CFI means the total number of Australian carbon credit units issued for the project under section 11 of the Act.

abatement under prescribed non-CFI means the total number of tonnes of carbon dioxide equivalent net abatement generated by the project for which either or both of the following apply:

- (a) carbon offsets credits have been issued or registered for the abatement under a prescribed non-CFI offsets scheme;
- (b) the abatement has been accounted for under a prescribed non-CFI offsets scheme.

notional CFI credits means the number of Australian carbon credit units that would have been issued for the project under section 11 of the Act, from the beginning of the project until the beginning of the reporting period, if the project had been, from its beginning, an eligible offsets project wholly covered by a methodology determination under the Act.

- (2) If the number worked out using the formula is less than zero, the number is zero.
- (3) If a number worked out under the formula is not a whole number, the number is to be rounded to the nearest whole number (with a number ending in .5 being rounded down).

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Part 2 Issue of Australian carbon credit units in respect of offsets projectDivision 2.2 Unit entitlement for projects affected by a prescribed non-CFI offsets scheme

Regulation 2.4

(4) For the purposes of subregulation (3), zero is taken to be a whole number.

Note:

The unit entitlement calculation for sequestration offsets projects requires a project proponent, in the offsets report for the project, to include information about matters arising before the reporting period (see subregulations 6.3(4) and (5)).

2.4 Native forest protection projects

(1) For subsection 17(3A) of the Act, the number is worked out using the formula:

$$\left(\frac{\text{reporting period number}}{\text{crediting period number}}\right) \times \left(\frac{\text{abatement under prescribed non-CFI}}{\text{crediting period number}}\right)$$

where:

reporting period number means the number of years in the reporting period.

crediting period number means the number of years in the crediting period in which the reporting period is included.

abatement under prescribed non-CFI means the total number of tonnes of carbon dioxide equivalent net abatement generated by the project for which either or both of the following apply:

- (a) carbon offsets credits have been issued or registered for the abatement under a prescribed non-CFI offsets scheme;
- (b) the abatement has been accounted for under a prescribed non-CFI offsets scheme.
- (2) If a number worked out under the formula is not a whole number, the number is to be rounded to the nearest whole number (with a number ending in .5 being rounded down).
- (3) For the purposes of subregulation (2), zero is taken to be a whole number.

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2.5 Emissions avoidance offsets project

- (1) For subsection 18(3) of the Act, the number is the total number of tonnes of carbon dioxide equivalent net abatement, generated by the project during the reporting period, for which either or both of the following apply:
 - (a) carbon offset credits have been issued or registered for the abatement under a prescribed non-CFI offsets scheme;
 - (b) the abatement has been accounted for under a prescribed non-CFI offsets scheme.
- (2) If the number mentioned in subregulation (1) is not a whole number, the number is to be rounded to the nearest whole number (with a number ending in .5 being rounded down).
- (3) For the purposes of subregulation (2), zero is taken to be a whole number.

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Part 3—Eligible offsets project

Division 3.1—Application for declaration of eligible offsets project

3.1 Application for declaration of eligible offsets project—information and documents

General

- (1) For paragraphs 23(1)(c) and 23(1)(h) of the Act, the following information and documentation must accompany an application for a section 27 declaration:
 - (a) the name and contact details of the applicant, and whether the applicant is:
 - (i) the project proponent; or
 - (ii) the nominee of multiple project proponents;

Note: Subsection 136(4) of the Act provides that a notice nominating one of multiple project proponents as nominee may accompany an application under the Act or the regulations and that, if so, the nomination is taken to have been given immediately before the

application was made.

- (b) a description of the offsets project to which the application relates:
- (c) if the project is an area-based offsets project—the project area, identified in accordance with regulation 3.3;
- (ca) if the project is not an area-based offsets project and the project will be undertaken at one or more physical locations—information identifying each of the locations;
- (cb) if the project is not an area-based offsets project and the boundary of the project cannot be defined by reference to the project's location—details of how the boundary of the project will be defined and a description of that boundary;
- (d) the name of the applicable methodology determination;

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Note: In relation to the applicable methodology determination, see sections 124 to 130 of the Act.

- (e) whether the applicant:
 - (i) is a recognised offsets entity; or
 - (ii) has applied to become a recognised offsets entity;
- (f) if subparagraph (e)(ii) applies—the reference number of that application;
- (g) if the project is an area-based offsets project—the name and date of any regional natural resource management plan that covers the project area;
- (h) if regulatory approvals must be obtained for the project:
 - (i) the name of each regulatory authority responsible for issuing an approval; and
 - (ii) a description of the nature of any approval that has been, or must be, obtained; and
 - (iii) if requested by the Regulator, a certified copy of the approval; and
 - (iv) the applicant's authorisation that the Regulator may contact all relevant regulatory bodies to discuss whether approvals have been obtained;
- (i) if regulatory approval has yet to be obtained for the project—
 a statement about what the applicant has done or will do to
 obtain the approval;
- (m) a statement that each of the requirements mentioned in subsection 27(4) of the Act for the project has been met;
- (o) a signed declaration by the applicant that the information contained in and accompanying the application meets the requirements under this regulation and is accurate.
- (2) If an applicant consents to the specification of an earlier day under paragraph 27(15)(b) of the Act as the day on which the section 27 declaration takes effect, the applicant must confirm that the project conformed to the applicable methodology determination from the specified day to the day the declaration is made.

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Regulation 3.1

Prescribed non-CFI offsets schemes and non-CFI schemes—additional information and documents

- (3) If the project had been issued with carbon offsets credits under a prescribed non-CFI offsets scheme or a non-CFI scheme, the application must also include the following:
 - (a) the name of the scheme;
 - (b) whether the project continues to be eligible to be credited under that scheme;
 - (c) documentary evidence of the number of carbon offsets credits that had, before an application was made under section 22 of the Act for the project, been issued under that scheme for the project;
 - (d) documentary evidence of the periods of time for which credits mentioned in paragraph (c) were issued;
 - (e) the documentary evidence mentioned in subregulation (5).
- (4) If the project has not been issued with carbon offsets credits but the project has generated greenhouse gas abatement that has been accounted for under a prescribed non-CFI offsets scheme or a non-CFI scheme, the application must also include the following:
 - (a) the name of the scheme;
 - (b) whether the abatement that has been generated under the project continues to be eligible to be sold, or accounted for in another way, under that scheme;
 - (c) documentary evidence of the amount of abatement that, before an application was made under section 22 of the Act for the project, had been:
 - (i) sold; or
 - (ii) accounted for under that scheme;
 - (d) documentary evidence of the periods of time during which the abatement mentioned in paragraph (c) occurred;
 - (e) the documentary evidence mentioned in subregulation (5).
- (5) For paragraphs (3)(e) and (4)(e), the applicant must give written authorisation that personal and other information about the

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applicant, in relation to the applicant's participation in the scheme, may be sought from:

- (a) the administrator of the scheme, if an administrator is still available; or
- (b) if the scheme is no longer in operation and it was a scheme which had Commonwealth, State or Territory government agency oversight—that agency.

Requirement to provide geospatial map

- (6) If the project is:
 - (a) a sequestration offsets project; or
 - (b) an emissions avoidance offsets project in relation to which it is necessary to determine the size of the project area in order to estimate the abatement;

the application must also be accompanied by a geospatial map of the project area that meets the requirements of the CFI Mapping Guidelines.

(7) In this regulation:

CFI Mapping Guidelines means the guidelines used for mapping projects, published by the Department on the commencement of these Regulations and as in force from time to time.

Note: The guidelines are accessible at http://www.climatechange.gov.au.

3.2 Prescribed non-CFI offsets schemes that are specified

For subparagraph 23(1)(e)(ia) of the Act, the following prescribed non-CFI offsets schemes are specified:

- (a) the Commonwealth Government's Greenhouse Friendly initiative;
- (b) the New South Wales Government's Greenhouse Gas Reduction Scheme;
- (c) the Australian Capital Territory Government's Greenhouse Gas Abatement Scheme.

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3.3 Declaration of eligible offsets project—project area

- (1) For paragraph 27(3)(b) of the Act, a section 27 declaration must provide the following information about the project area:
 - (a) a brief physical description of its geographical location;
 - (b) its street address;
 - (c) its lot numbers and land title;
 - (d) its local government area;
 - (e) its natural resource management region.
- (2) If the project is:
 - (a) a sequestration offsets project; or
 - (b) an emissions avoidance offsets project in relation to which it is necessary to determine the size of the project area in order to estimate the abatement;

the declaration must be accompanied by a scale map identifying the project area.

(3) In this regulation:

natural resource management region, for a project area, means the region to which a regional natural resource management plan that covers the project area applies.

3.4 Declaration of eligible offsets project—project attributes

For paragraph 27(3)(d) of the Act, a section 27 declaration must specify the following:

- (a) whether the project has operated or continues to operate under a prescribed non-CFI offsets scheme, and if so:
 - (i) the name of the scheme; and
 - (ii) whether the project has received credits under the scheme:
- (b) the crediting period for the project;
- (c) the applicable methodology determination for the project.

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3.5 Eligibility requirement for declaration of eligible offsets project

For paragraph 27(4)(1) of the Act, a specified eligibility requirement is that the project area, or any part of it, is not 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.

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Division 3.2—Voluntary variation of declaration of eligible offsets project

3.6 General

The regulations in this Division are made for subsections 29(1), 30(1), and 31(2) of the Act.

3.7 Definitions

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In this Division:

amended project area means the project area following a successful application to vary a section 27 declaration in relation to the project area.

new project proponent means the project proponent following a successful application to vary a section 27 declaration in relation to the project proponent.

original project area means the project area specified in the section 27 declaration for the project.

original project proponent means the project proponent specified in the section 27 declaration for the project.

variation applicant means a project proponent or a nominee of multiple project proponents who applies for a variation under this Division.

variation application means an application for variation under this Division.

3.8 Application required for voluntary variation

(1) The Regulator may vary a section 27 declaration.

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- (2) However, the Regulator may vary the section 27 declaration only if:
 - (a) a variation applicant makes a variation application in accordance with this Division; and
 - (b) the Regulator is satisfied of any matter mentioned in subregulation 3.16(1), 3.17(1) or 3.18(1), as applicable.

3.9 Voluntary variation of declaration—application requirements

- (1) A variation application must be in the approved form.
- (2) The approved form may provide for verification by statutory declaration of statements in the application.
- (3) The following information must accompany the application:
 - (a) the name and contact details of the variation applicant;
 - (b) the unique project identifier;
 - (c) a signed statement by the applicant that the information contained in and accompanying the application meets the requirements for the application and is accurate.

3.10 Further information

- (1) The Regulator may, by written notice, require a variation applicant to give the Regulator further information relating to the variation application by the date specified in the notice.
- (2) If the applicant breaches the requirement, the Regulator may, by written notice, inform the applicant that the Regulator:
 - (a) refuses to consider the application; or
 - (b) refuses to take any action, or any further action, in relation to the application.

3.11 Withdrawal of application

(1) A variation applicant may withdraw the variation application at any time before the Regulator makes a decision on the application.

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(2) The withdrawal does not prevent the applicant from making a fresh application.

3.12 Timing

The Regulator must take all reasonable steps to ensure that a decision is made on a variation application:

- (a) within 90 days after the application was made; or
- (b) if the Regulator requires the variation applicant to give further information under regulation 3.10—within 90 days after the giving of the information.

3.13 When variation takes effect

- (1) A variation made under this Division takes effect:
 - (a) when it is made; or
 - (b) if:
 - (i) an earlier day is specified in the variation; and
 - (ii) the variation applicant has consented to the earlier day; on the day specified.
- (2) The specified day must not be a day that is earlier than 1 July 2010.

3.14 Copies of variation

The Regulator must give a copy of a variation made under this Division to:

- (a) the variation applicant; and
- (b) if the variation relates to a sequestration offsets project—the relevant land registration official.

3.15 Written notice of refusal

If the Regulator refuses to vary a section 27 declaration, the Regulator must give the variation applicant written notice of the refusal.

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Note:

Further requirements relating to particular types of variations are set out in regulations 3.16 to 3.18.

3.16 Voluntary variation of declaration of eligible offsets project project area

- (1) The Regulator may vary a section 27 declaration in relation to the project area of the project if the Regulator is satisfied of the requirements mentioned in subsections 27(4) to (11) of the Act as relevant to the project in relation to the amended project area.
- (2) The following information or documentation must accompany a variation application that relates to the project area:
 - (a) the original project area;
 - (b) the amended project area, identified in accordance with regulation 3.3;
 - (c) confirmation that the variation applicant has a legal right to carry out the project in the amended project area;
 - (d) if the project is a sequestration offsets project—confirmation that the applicant holds the applicable carbon sequestration right in relation to the amended project area;
 - (e) a description of the project that includes the following:
 - (i) confirmation that the project, if conducted on the amended project area, would meet the requirements of the applicable methodology determination;
 - (ii) confirmation that the project, if conducted on the amended project area, would pass the additionality test;
 - (f) if the original project area and the amended project area are covered by the same regional natural resource management plan:
 - (i) the name and date of the plan; and
 - (ii) a statement about whether the project is consistent with the plan despite the proposed change to the project area;
 - (g) if the original project area and the amended project area are not covered by the same regional natural resource management plan:

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- (i) the name and date of any natural resource management plan covering the amended project area; and
- (ii) a statement about whether the part of the project that is conducted on the amended project area is consistent with that plan;
- (h) if the applicant intends to make a request under subsection 92(1) of the Act—a signed statement that the amended project area was or is wholly or partly covered by a prescribed non-CFI offsets scheme;
- (i) if regulatory approval has been obtained for the project, including in relation to the amended project area:
 - (i) the name of the regulatory authority responsible for issuing the approval; and
 - (ii) a description of the nature of the approval; and
 - (iii) if requested by the Regulator, a certified copy of the approval;
- (j) if regulatory approval has yet to be obtained for the project, including in relation to the amended project area—a statement about what the applicant has done or will do to obtain the approval;
- (k) any certification in relation to the amended project area required under paragraph 27(4)(h) or (i) of the Act;
- (l) any consent in relation to the amended project area required under paragraph 27(4)(k) of the Act;
- (m) a statement that all requirements mentioned in subsections 27(4) to (11) of the Act that are relevant to the amended project area have been met;
- (n) a certified copy of the land title covering the amended project area, or the folio identifier for the title;
- (o) if the project is mentioned in subregulation (3)—a geospatial map of the amended project area in accordance with the CFI Mapping Guidelines;
- (p) if, as a result of the variation, subsection 57(1) of the Act applies to the project—an estimate of how many Australian carbon credit units would have been issued under Part 2 of

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the Act in relation to any sequestration occurring on the relevant area between:

- (i) the end of the last reporting period for the project; and
- (ii) the time when the relevant area ceases to be part of the project area.

Note: For the meaning of *transferor offsets project* and *relevant area*, see subregulation 1.3(1).

- (3) For paragraph (2)(o), the project is:
 - (a) a sequestration offsets project; or
 - (b) an emissions avoidance offsets project in relation to which it is necessary to determine the size of the project area in order to estimate the abatement.
- (4) For paragraph (2)(p), the estimate must only be provided for the transferor offsets project.

3.17 Voluntary variation of declaration of eligible offsets project project proponent

- (1) The Regulator may vary a section 27 declaration in relation to the project proponent for the project if the Regulator is satisfied that the new project proponent is:
 - (a) the project proponent within the meaning of the Act; and
 - (b) a recognised offsets entity.
- (2) The following information or documentation must accompany a variation application that relates to the project proponent:
 - (a) the name and contact details of:
 - (i) the original project proponent; and
 - (ii) the new project proponent; and
 - (iii) if applicable, the nominee of the original or new project proponents;
 - (b) confirmation that the new project proponent is the project proponent within the meaning of the Act.

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Regulation 3.18

(3) The Regulator may require the variation applicant to give security to the Commonwealth in relation to the fulfilment of any requirements to relinquish Australian carbon credit units imposed on the applicant under the Act.

3.18 Voluntary variation of declaration of conditional eligible offsets project—removal of condition

- (1) If:
 - (a) a section 27 declaration is subject to a condition under subsection 28(2) of the Act (a *conditional section 27 declaration*); and
 - (b) the Regulator is satisfied that the condition has been met; the Regulator may vary the declaration by removing the condition.
- (2) A variation application that relates to a conditional section 27 declaration must be accompanied by:
 - (a) confirmation that all regulatory approvals for the project have been obtained; and
 - (b) the following information about each approval:
 - (i) a description of the nature of the approval;
 - (ii) the name of the regulatory authority that issued the approval; and
 - (c) if requested by the Regulator, a certified copy of the approval; and
 - (d) the variation applicant's authorisation that the Regulator may contact all relevant regulatory bodies to discuss whether approvals have been obtained.

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Division 3.3—Revocation of declaration of eligible offsets project

3.19 General

The regulations in this Division are made for subsections 32(1), 33(1), 34(1), 35(1), 36(1), 37(1), 38(1) and 139(1) of the Act.

3.20 Copies of revocation

The Regulator must give a copy of any revocation made under this Division to:

- (a) the project proponent for the offsets project; and
- (b) if the revocation relates to a sequestration offsets project—the relevant land registration official.

3.21 Application for voluntary revocation

- (1) An application under this Division for voluntary revocation of a section 27 declaration must be in the approved form.
- (2) The approved form may provide for verification by statutory declaration of statements in the application.
- (3) The following information must accompany the application:
 - (a) the name and contact details of:
 - (i) the project proponent; and
 - (ii) if applicable, the nominee of multiple project proponents;
 - (b) the unique project identifier;
 - (c) a signed declaration by the applicant that the information contained in and accompanying the application meets the requirements for the application and is accurate.

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3.22 Requirements for revocation application

The following information or documentation must accompany an application for revocation of a section 27 declaration:

- (a) if one or more Australian carbon credit units have been issued, in accordance with Part 2 of the Act, in relation to the project the subject of the declaration:
 - (i) confirmation that the project has been issued with one or more certificates of entitlement; and
 - (ii) a statement setting out the type and number of Australian carbon credit units issued for the project; and
 - (iii) confirmation that any relinquishment under subregulation 3.23(2) has occurred; or
- (b) if no units have been issued—confirmation that no units have been issued.

3.23 Voluntary revocation—units issued

- (1) The Regulator may revoke a section 27 declaration concerning a project in relation to which one or more Australian carbon credit units have been issued in accordance with Part 2 of the Act only if:
 - (a) the project proponent, or the nominee of multiple project proponents, is the applicant for the revocation; and
 - (b) if the project is a sequestration offsets project—before making the application, the applicant has voluntarily relinquished Australian carbon credit units in accordance with subregulation (2).
- (2) For paragraph (1)(b):
 - (a) if the project is a Kyoto offsets project—the applicant must have voluntarily relinquished Kyoto Australian carbon credit units equalling the net total number of Australian carbon credit units issued in relation to the project; or
 - (b) if the project is a non-Kyoto offsets project—the applicant must have voluntarily relinquished non-Kyoto Australian carbon credit units equalling the net total number of Australian carbon credit units issued in relation to the project.

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Note:

Under sections 177 and 178 of the Act, the applicant may transfer certain units instead of fulfilling the voluntary relinquishment requirements in this regulation.

3.24 Voluntary revocation—no units issued

The Regulator may revoke a section 27 declaration concerning a project in relation to which no Australian carbon credit units have been issued only if the project proponent, or a nominee of multiple project proponents, is the applicant for the revocation.

3.24A Further information

- (1) The Regulator may, by written notice, require an applicant for a revocation under regulation 3.23 or 3.24 to give the Regulator further information relating to the application by the date specified in the notice.
- (2) If the applicant fails to comply with the notice, the Regulator may, by further written notice, inform the applicant that the Regulator:
 - (a) refuses to consider the application; or
 - (b) refuses to take any action, or any further action, in relation to the application.

3.25 Unilateral revocation of declaration of eligible offsets project—consultation requirement

Before revoking a section 27 declaration under regulation 3.26 or 3.26A, the Regulator must:

- (a) give the relevant project proponent written notice of the proposed revocation; and
- (b) invite the proponent to make a submission about the proposed revocation within 28 days after the date of the notice

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3.26 Unilateral revocation—eligibility requirements not met

The Regulator may revoke a section 27 declaration for failure to meet eligibility requirements only if the requirements in paragraphs 27(4)(a) to (c), (j) and (l) of the Act are not met.

3.26A Unilateral revocation—all other cases

The Regulator may revoke a section 27 declaration for a reason mentioned in column 2 of the following table only if the requirements mentioned in column 3 of the table are met.

Item	For unilateral revocation for the following reason	the relevant requirements are those mentioned in	
1	regulatory approvals have not been obtained	paragraphs 34(2)(a) and (b) of the Act	
2	the project proponent is no longer a recognised offsets entity	paragraphs 36(2)(a) and (b) of the Act	
3	the person responsible for the project is no longer the project proponent	paragraphs 37(2)(a) and (b) of the Act	
4	false or misleading information was provided in relation to the project	paragraphs 38(2)(a) to (c) of the Act	
5	multiple project proponents failed to nominate a nominee in relation to the project	paragraphs 139(2)(a) to (e) of the Act	

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Division 3.6—Additionality test

3.27 Definitions

In this Division:

alternative waste treatment plant means an enclosed resource recovery plant that:

- (a) accepts and processes mixed solid waste using:
 - (i) mechanical processing; and
 - (ii) biological or thermal processing; and
- (b) extracts recyclable and organic materials.

Australian rangelands means the area of Australia that is described as rangelands on the map, as in force from time to time, that:

- (a) is based on data collected by the Australian Collaborative Rangelands Information System; and
- (b) is published on the Department's website.

biocover, for a landfill, means a cover:

- (a) consisting of a gravel layer and an overlying layer of a mixture of:
 - (i) woodchips or shredded wood, or a combination of both; and
 - (ii) compost; and
- (b) placed over waste in the landfill to optimise environmental conditions for microbial methane consumption.

biofilter, for a landfill, means a filtration system that:

- (a) consists of a flow control system, a gravel layer and an overlying oxidisation layer of a mixture of:
 - (i) woodchips or shredded wood, or a combination of both; and
 - (ii) compost; and

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- (b) receives gas from a landfill through an active gas extraction or passive drainage system; and
- (c) is designed to microbially oxidise methane in the gas.

biosolids means a mixture of mainly water and organic materials that:

- (a) is entirely produced from the domestic and commercial waste water treatment process; and
- (b) has undergone further treatment to significantly reduce disease-causing pathogens and volatile organic matter; and
- (c) has been stabilised for beneficial use.

conservation land means an area that is owned and managed by the Commonwealth, a State or a Territory Government for biodiversity conservation.

farm means:

- (a) any tract of land:
 - (i) which is used by a person for agriculture; and
 - (ii) for which the person holds an estate in fee simple or a lease over the land; or
- (b) multiple tracts of land:
 - (i) which are used by the same person for agriculture; and
 - (ii) for which the person holds an estate in fee simple or a lease over each tract of land; and
 - (iii) to which the same methodology determination is applied, regardless of whether those tracts of land are touching.

gasification means the thermal decomposition of feedstock at temperatures usually greater than 700 °C using a controlled amount of oxidising agent required to maximise outputs of combustible gas, charcoal or tar.

hardwood means any angiospermous trees, such as eucalypt species.

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long-rotation hardwood forest means a hardwood forest that is managed for a harvest cycle of at least 25 years.

mixed solid waste—see subregulation 3.28(4).

new farm forestry plantation means a plantation:

- (a) established on or after 1 July 2010 for the harvest of wood products; and
- (b) occupying land that has been cleared of trees and used for agricultural purposes for at least 5 years prior to the establishment of the plantation; and
- (c) in an area that, according to the CFI rainfall map, receives the amount of long term average annual rainfall mentioned in an item in the following table; and
- (d) occupies the area mentioned in the item.

Farm forestry plantations			
Item	Rainfall	Area	
1	400mm or more	No more than the smaller of the following areas: (a) no more than 100 ha; (b) no more than 30% of a farm.	
2	less than 400mm	No more than the smaller of the following areas: (a) no more than 300 ha; (b) no more than 30% of a farm.	

new long-rotation hardwood plantation means a plantation of long-rotation hardwood forest grown from seed or seedlings on land that has not previously been used for long-rotation hardwood forestry.

phytocap means a soil cap that:

- (a) is planted with vegetation; and
- (b) does not contain a compact clay, geosynthetic clay or geomembrane layer; and

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(c) promotes the activity of methanotrophic bacteria by controlling the percolation of water to optimise soil moisture storage and evapotranspiration for a particular climate.

putrescible waste means the organic matter contained within solid waste which is capable of being decomposed by microorganisms.

pyrolysis means the thermal decomposition of feedstock at temperatures usually less than 700 °C, in the absence of oxygen, to produce combustible gas, charcoal or tar.

residual feed intake, for an animal:

- (a) means the efficiency with which the animal uses its food for maintenance and growth; and
- (b) is the value worked out by subtracting the feed intake expected to be required by the animal for maintenance and growth from the animal's actual feed intake; and
- (c) improves when the value worked out in accordance with paragraph (b) lessens.

scalded soil means topsoil that has been eroded by wind or water in an area that is usually without vegetation.

semi-arid rangeland means land:

- (a) that, according to the CFI rainfall map, receives average annual rainfall of less than 450 mm; and
- (b) on which the vegetation is mainly native vegetation including grasses, forbs or shrubs; and
- (c) on which agricultural activity, if any, consists of grazing; and
- (d) that is not routinely:
 - (i) fertilised; or
 - (ii) cultivated for broadacre cropping.

tannin means a naturally occurring plant polyphenol that binds and precipitates proteins.

Note:

Tannins are common in fruits (such as grapes, persimmons and blueberries), tea, legume forages, legume trees (such as Acacia spp. and Sesbania spp.) and grasses (such as sorghum and corn).

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torrefaction means a form of pyrolysis, usually at temperatures between 200 °C and 320 °C, undertaken to facilitate handling and storage of biomass and to increase energy density.

tropical or equatorial area of Australia means an area of Australia that is described as either tropical or equatorial on the map, as in force from time to time, that:

- (a) is based on data collected by the Bureau of Meteorology; and
- (b) is published on the Department's website.

3.28 Specified offsets projects

- (1) For paragraph 41(1)(a) of the Act, the following kinds of project are specified:
 - (a) the establishment of permanent plantings on or after 1 July 2007;
 - (b) a project mentioned in subregulation (2);
 - (c) the human-induced regeneration, on or after 1 July 2007, of native vegetation, on land that is not conservation land, by:
 - (i) the exclusion of livestock; or
 - (ii) the management of the timing and the extent of grazing; or
 - (iii) the management, in a humane manner, of feral animals; or
 - (iv) the management of plants that are not native to the project area; or
 - (v) the cessation of mechanical or chemical destruction, or suppression, of regrowth; or
 - (vi) the rehabilitation of scalded soils on semi-arid rangeland, by the creation of shallow earth banks or furrows to trap rainfall or slow water runoff;
 - (d) the restoration, on land that is not conservation land, of natural wetlands that had been drained;
 - (e) the application of biochar to soil;
 - (f) the capture and combustion of methane from livestock manure;

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- (g) early dry season burning of savanna areas greater than 1 km²;
- (h) the reduction of methane emissions through the management, in a humane manner, of feral goats, feral deer, feral pigs or feral camels;
- (i) the reduction of emissions by feeding:
 - (i) tannins to livestock; or
 - (ii) Eremophila species to livestock; or
 - (iii) fats or oils to dairy cattle that are pasture grazed for at least 9 months each year; or
 - (iv) fats or oils to livestock that are pasture grazed for the whole year; or
 - (v) nitrate supplements to livestock;
- (j) the application of urease or nitrification inhibitors to, or with, livestock manure or fertiliser;
- (k) the capture and combustion of methane from waste deposited in a landfill facility before 1 July 2012;
- (l) the diversion, before 1 July 2012, of mixed solid waste, which would otherwise have entered landfill, to an alternative waste treatment plant;
- (m) the passive oxidation of emissions from waste, deposited in a landfill before 1 July 2012, using a biofilter, biocover or phytocap on the landfill;

Note: This does not include projects using material obtained as a result of clearing or harvesting of native forest: see paragraph 27(4)(j) of the Act.

- (n) the establishment of a new farm forestry plantation;
- (o) the protection of native forest on freehold or leasehold land, on or after 1 July 2010, in relation to which:
 - (i) a Commonwealth, State or Territory law prohibits clearing, or conversion to a plantation, without consent; and
 - (ii) the landholder received consent, before 1 July 2010, for the clearing or conversion from the relevant Commonwealth, State, Territory or local regulatory authority responsible for giving the consent; and

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- (iii) the consent mentioned in subparagraph (ii) remains valid at the time of application to the Regulator for the declaration of the offsets project as an eligible offsets project; and
- (iv) the consent mentioned in subparagraph (ii) does not require an offset to mitigate any effect from the clearing or conversion to which it relates;
- (p) the protection of native forest on freehold or leasehold land, on or after 1 July 2010, in relation to which:
 - (i) a Commonwealth, State or Territory law prohibits harvest without approval of a harvest plan; and
 - (ii) the landholder received approval of a harvest plan, before 1 July 2010, from the relevant Commonwealth, State, Territory or local regulatory authority responsible for giving the approval; and
 - (iii) the approved harvest plan remains valid at the time of application to the Regulator for the declaration of the offsets project as an eligible offsets project; and
 - (iv) the approved harvest plan does not require an offset to mitigate any effect from the harvest;
- (q) the increase in long-rotation hardwood forestry by establishing, on or after 1 July 2010, a new long-rotation hardwood plantation;
- (r) the torrefaction, pyrolysis or gasification of livestock manure at a location other than any of the following:
 - (i) a landfill facility covered by Part 5.2 of the *National Greenhouse and Energy Reporting (Measurement) Determination 2008*;
 - (ii) a wastewater treatment facility covered by Parts 5.3 and 5.4 of that Determination;
 - (iii) a waste incineration facility covered by Part 5.5 of that Determination;
- (s) the reduction of emissions from livestock by selective breeding for improved residual feed intake;

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- (t) a project to remove carbon dioxide from the atmosphere by sequestering carbon in soil in a grazing system;
- (u) reducing the time taken for beef cattle, that have been grazed on pasture in the Australian rangelands or a tropical or equatorial area of Australia, to reach market weight by feeding them rations or supplements that have a higher energy and protein content than such pasture.
- (2) For paragraph (1)(b) a project is any of the following:
 - (a) a forestry project accredited under the Commonwealth Government's Greenhouse FriendlyTM initiative;
 - (b) until 1 July 2012, a waste diversion project accredited under the Commonwealth Government's Greenhouse Friendly Initiative;
 - (c) permanent plantings accredited under:
 - (i) the New South Wales Government's Greenhouse Gas Reduction Scheme; or
 - (ii) the Australian Capital Territory Government's Greenhouse Gas Abatement Scheme; and
 - (d) permanent plantings established before 1 July 2007 for which there is documentary evidence of a kind mentioned in subregulation (3) that demonstrates, to the satisfaction of the Regulator, that the primary purpose of the plantings was generation of carbon offsets.

Note: The terms *permanent planting* and *wetlands* are defined in subregulation 1.3(1).

- (3) Documentary evidence, for paragraph (2)(d):
 - (a) must be dated no later than 2 years after the date the plantings were established; and
 - (b) may include contracts for the sale of offsets; and
 - (c) must show that carbon sequestration rights had been registered for the plantings; and
 - (d) must include a statutory declaration that the plantings were entirely privately funded.

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- (4) For paragraph (1)(1), *mixed solid waste* means waste from sources such as offices, community organisations, sporting facilities, households, retail and catering businesses and institutions (including schools, hospitals and prisons), but excludes the following:
 - (a) recyclable paper, paperboard, glass, metal or plastic that has been separated at the point of generation;
 - (b) green waste or wood waste, including waste from gardens or parks, that has been separated at the point of generation;
 - (c) biosolids:
 - (d) organic waste from the livestock industry, such as straw bedding and manure mixes;
 - (e) commercial and industrial waste comprising only putrescible waste when it is received by an alternative waste treatment plant;
 - (f) construction and demolition waste.
- (5) For subregulation (4), a type of waste is separated at the point of generation even if it is separated into a container that may contain some other types of waste.

3.29 Additionality test—requirements under other laws

- (1) For subsection 41(4A) of the Act, the following kinds of requirements are specified:
 - (a) a requirement to conduct an activity under a conservation covenant entered into with:
 - (i) the Commonwealth, a State, a Territory or a local governing body; or
 - (ii) an authority of the Commonwealth, a State or a Territory;
 - (b) on and after 1 July 2012, a requirement under a law of the Commonwealth, a State or a Territory to offset greenhouse gas emissions if the circumstances in subregulation (2) apply;

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- (c) a requirement under State or Territory law that is made after 24 March 2011 and that implements an agreement between the Commonwealth and a State or Territory Government:
 - (i) to establish new reserves or reduce annual native forest harvest; and
 - (ii) that recognises the potential for carbon offset opportunities for areas protected by the agreement.
- (2) For paragraph (1)(b), the circumstances are that a person incurs, or would incur, a liability under the *Clean Energy Act 2011* or any of its associated provisions in relation to the greenhouse gas emissions it offsets, or would offset, under the requirement.
- (3) In this regulation:

conservation covenant has the meaning it has in section 995-1 of the *Income Tax Assessment Act 1997*.

Note: The term *associated provisions* is defined in subregulation 1.3(1).

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Division 3.9—Eligible interest in an area of land

3.30 Land transferable to an Aboriginal land council

- (1) This regulation is made for subsections 44(5) and 45(5) of the Act.
- (2) If:
 - (a) under a law of the Commonwealth, a State or a Territory, an Aboriginal land council makes a claim for an area of land to become land rights land; and
 - (b) the Minister who administers the law makes a decision that the land become land rights land;

the Aboriginal land council holds an eligible interest in the area of land.

(3) In this regulation:

Aboriginal land council, for an area of land, means a body corporate that:

- (a) is established under a Commonwealth, State or Territory Act for the purpose of holding, for the benefit of Aboriginal persons or Torres Strait Islanders:
 - (i) title to land vested in it by or under that Act; or
 - (ii) an estate or interest in land granted under that Act; and
- (b) has functions relating to land that may be claimed under legislation mentioned in subregulation (2); and
- (c) consists of Aboriginal persons or Torres Strait Islanders who:
 - (i) live in an area to which one or more of the body's functions relate; or
 - (ii) are registered as traditional owners of land in an area to which one or more of the body's functions relate; or
 - (iii) have an association with an area to which one or more of the body's functions relate if the persons or Islanders are accepted as members of the land council on the basis of that association.

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Division 3.12—Types of projects

3.33 General

The regulations in this Division are made for paragraph 55(1)(c) and subsection 56(1) of the Act.

3.34 Definitions

In this Division:

dryland salinity means a build-up of salt in soil occurring on land not subject to irrigation.

environmental planting means a planting that consists of species that:

- (a) are native to the local area of the planting; and
- (b) are sourced from seeds:
 - (i) from within the natural distribution of the species; and
 - (ii) that are appropriate to the biophysical characteristics of the area of the planting; and
- (c) may be a mix of trees, shrubs, and understorey species where the mix reflects the structure and composition of the local native vegetation community.

natural distribution, for a species of vegetation, means the areas within which that species would naturally occur.

forestry managed investment scheme has the meaning given by subsection 394-15(1) of the *Income Tax Assessment Act 1997*.

known weed species means a plant species which:

- (a) is on the Weeds of National Significance list or another list produced by the Australian Government for the purpose of identifying weeds; or
- (b) is declared under any of the following Acts:
 - (i) the Noxious Weeds Act 1993 of New South Wales:

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- (ii) the *Catchment and Land Protection Act 1994* of Victoria;
- (iii) the Land Protection (Pest and Stock Route Management) Act 2002 of Queensland;
- (iv) the *Plant Diseases Act 1914* of Western Australia;
- (v) the *Agriculture and Related Resources Protection Act* 1976 of Western Australia;
- (vi) the *Natural Resources Management Act 2004* of South Australia;
- (vii) the Weed Management Act 1999 of Tasmania;
- (viii) the *Pest Plants and Animals Act 2005* of the Australian Capital Territory;
- (ix) the *Weeds Management Act 2001* of the Northern Territory.

Note: The weeds lists produced by the Australian Government are accessible at http://www.weeds.gov.au/weeds/lists/index.html.

National Water Commission has the meaning given by section 4 of the *National Water Commission Act 2004*.

National Water Initiative has the meaning given by section 4 of the *National Water Commission Act 2004*.

Salinity Guidelines means the guidelines, published on the Department's website on the commencement of these Regulations and as in force from time to time, to assist project proponents to determine whether the planting of trees is an excluded offsets project for subsection 56(1) of the Act.

Note: The guidelines are accessible at www.climatechange.gov.au.

specified tree planting means the planting of trees in an area that, according to the CFI rainfall map, receives more than 600 mm long-term average annual rainfall.

water access entitlement means an entitlement to water held in accordance with the relevant law in the jurisdiction in which the project area is located.

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water interception means the interception of surface water or ground water that would otherwise flow, directly or indirectly, into a watercourse, lake, wetland, aquifer, dam or reservoir.

3.35 Kyoto offsets projects—abatement generated before 1 January 2013

- (1) For abatement generated before 1 January 2013, the following kinds of project are Kyoto offsets projects:
 - (a) reforestation projects;
 - (b) the protection of native forest from deforestation;
 - (c) the establishment of vegetation on land that was subject to deforestation, by:
 - (i) seeding; or
 - (ii) planting; or
 - (iii) human-induced regeneration by means of an activity mentioned in subregulation (2).
- (2) For paragraph (1)(c), the activities are as follows:
 - (a) the exclusion of livestock;
 - (b) the management of the timing and the extent of grazing;
 - (c) the management, in a humane manner, of feral animals;
 - (d) the management of plants that are not native to the project area;
 - (e) the cessation of mechanical or chemical destruction, or suppression, of regrowth; or
 - (f) an activity mentioned in subparagraph 3.28(1)(c)(vi).
 - Note 1: There are restrictions about when the deforestation of the land the subject of a reforestation project occurred: see subsection 56(1) of the Act and regulation 3.36.
 - Note 2: The Regulator must be satisfied that an offsets project meets the requirements of a Kyoto offsets project before declaring it to be an eligible Kyoto project: see subsection 27(12) of the Act.

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3.35A Kyoto offsets projects—abatement generated on or after 1 January 2013

For abatement generated on or after 1 January 2013, the following activities are Kyoto offsets projects:

- (a) the protection of native forest from deforestation;
- (b) the establishment or management of vegetation on land that covers an area of at least 0.05 hectares;
- (c) projects, on land used for cropping or livestock production, to manage carbon stocks.

Note:

The Regulator must be satisfied that an offsets project meets the requirements of a Kyoto offsets project before declaring it to be an eligible Kyoto project: see subsection 27(12) of the Act.

3.36 Excluded offsets projects

- (1) The following kinds of project are excluded offsets projects:
 - (a) a project that involves an activity that:
 - (i) was mandatory under a Commonwealth, State or Territory law; and
 - (ii) is no longer mandatory because the law was repealed, or amended to be less onerous, after 24 March 2011;
 - (b) the planting of a species in an area where it is a known weed species;
 - (c) the establishment of a forest under a forestry managed investment scheme for Division 394 of Part 3-45 of the *Income Tax Assessment Act 1997*;
 - (d) the cessation or avoidance of the harvest of a plantation;
 - (e) the establishment of vegetation on land that has been subject to illegal clearing of a native forest, or illegal draining of a wetland;
 - (f) 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:
 - (i) 7 years of the lodgement of an application for the project to be declared an eligible offsets project; or

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- (ii) if there is a change in ownership of the land that constitutes the project area, after the clearing or the draining—5 years of the lodgement of an application for the project to be declared an eligible offsets project;
- (g) a project that protects native forest on freehold or leasehold land, for which a clearing consent or harvest approval plan was granted on the basis that the clearing or harvesting of the native forest:
 - (i) would lead to an environmental improvement or benefit, or would maintain an environmental outcome; or
 - (ii) was for fire management purposes.
- (2) Subparagraph (1)(a) does not apply to a project to which paragraph 3.29(1)(c) also applies.
- (3) Subparagraph (1)(g)(i) does not apply to a project if:
 - (a) the clearing consent or harvest approval plan provides options for vegetation management; and
 - (b) the project provides active and on-going management of the project area in accordance with one of those options.

3.37 Excluded offsets projects—specified tree planting

- (1) Specified tree planting is an excluded offsets project unless it is mentioned in subregulations (2) to (6) or subregulation (8).
- (2) Specified tree planting is not an excluded offsets project if the planting is a permanent planting that is also an environmental planting.
- (3) Specified tree planting is not an excluded offsets project if the project proponent demonstrates that the planting contributes to the mitigation of dryland salinity in accordance with the Salinity Guidelines.
- (4) Specified tree planting is not an excluded offsets project if the project area is in a region in relation to which the National Water Commission has determined that the commitments by the relevant

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State or Territory government under the National Water Initiative to manage water interception by plantations have been adequately implemented.

- (5) Specified tree planting is not an excluded offsets project if the project proponent holds a water access entitlement that:
 - (a) grants or confers an entitlement to water in the project area; and
 - (b) relates to either groundwater or surface water, or both, depending on the water resource management arrangements applicable in the project area; and
 - (c) is held from the date that is no later than 2 years after the forest is first planted for the duration of the project; and
 - (d) provides a long-term average yield, per year, of at least 90% of the volume of water required as an offset, calculated in accordance with the formula in subregulation (7).
- (6) However, subregulation (5) does not apply if the water to which the water access entitlement relates is held, taken, intercepted, stored or used for any purpose other than to offset the water intercepted by the forest.
- (7) The volume of water (in megalitres) required as an offset per year for the life of the project is to be calculated using the following formula:

$$A \times 0.9 + B \times 1.2 + C \times 1.5 + D \times 1.8 + E \times 2.1$$

where:

A is the area (in hectares) of the project area that, according to the CFI rainfall map, receives between 600–700 mm long-term average annual rainfall;

B is the area (in hectares) of the project area that, according to the CFI rainfall map, receives between 700–800 mm long-term average annual rainfall;

C is the area (in hectares) of the project area that, according to the CFI rainfall map, receives between 800–900 mm long-term average annual rainfall;

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D is the area (in hectares) of the project area that, according to the CFI rainfall map, receives between 900–1 000 mm long-term average annual rainfall;

E is the area (in hectares) of the project area that, according to the CFI rainfall map, receives more than 1 000 mm long-term average annual rainfall.

Note:

The figures in the formula are based on the following volumes of water required as an offset per hectare per year in each of the areas of long-term average annual rainfall as indicated by the CFI rainfall map:

0.9 ML of water—600-700 mm of rain

1.2 ML of water—700-800 mm of rain

1.5 ML of water—800-900 mm of rain

1.8 ML of water—900-1 000 mm of rain

2.1 ML of water—greater than 1 000 mm of rain.

- (8) Specified tree planting is not an excluded offsets project if:
 - (a) the project area is in a region in which it is not possible to obtain a water access entitlement; and
 - (b) the Regulator, after seeking the advice of the relevant State or Territory agency that manages the water resource and other expert advice as necessary, is satisfied that there is no material impact on water availability, or on the reliability of existing water access entitlements, in or near the project area, for the duration of the project.
- (9) However, paragraph (8)(a) does not apply to a project in relation to which it is not possible to obtain a water access entitlement because the relevant catchment is fully allocated.

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Division 3.13—Restructure of eligible offsets projects

3.38 General

The regulations in this Division are made for subsection 57(2) of the Act.

3.39 Adjusting the net total number of Australian carbon credit units

Determination

- (1) The Regulator may determine that, whenever it is necessary to work out the net total number of Australian carbon credit units issued in relation to a transferee or a transferor offsets project, the Act has effect, in relation to the project, as if the net total number of Australian carbon credit units issued in relation to the project in accordance with Part 2 of the Act were:
 - (a) for a transferee offsets project—increased by the number specified in the determination; and
 - (b) for a transferor offsets project—decreased by the number specified in the determination.
 - Note 1: The term *net total number* has the meaning given by section 42 of the Act
 - Note 2: The net total number of Australian carbon credit units issued in relation to an offsets project is required for working out relinquishment requirements in relation to sequestration offsets projects.
 - Note 3: For the meaning of *transferee offsets project* and *transferor offsets project*, see subregulation 1.3(1).

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Adjusting for reporting periods for which ACCUs have not been claimed

- (2) Subregulation (3) applies if, before the relevant area ceases to be part of the transferor offsets project, the project proponent for the transferor offsets project:
 - (a) has given the Regulator an offsets report for a reporting period for the project; and
 - (b) has not applied to the Regulator for the issue of a certificate of entitlement for the project for the reporting period.

Note: For the meaning of *relevant area*, see subregulation 1.3(1).

(3) In making a determination under subregulation (1), the Regulator must also take into account the Australian carbon credit units that would have been issued under Part 2 of the Act for the reporting period mentioned in subregulation (2) if the proponent had applied for, and been issued, a certificate of entitlement for the reporting period.

Adjusting for incomplete reporting periods

- (4) In making a determination under subregulation (1), the Regulator must also take into account the Australian carbon credit units that would have been issued for the sequestration of carbon in the relevant carbon pool on the relevant area during the period:
 - (a) beginning on the day immediately following the end of the last reporting period; and
 - (b) ending at the time the relevant area ceases to be part of the transferor offsets project.

Note: The term *relevant carbon pool* is defined in section 5 of the Act.

Amending the determination

- (5) The Regulator may amend a determination in which the Regulator took account of matters mentioned in subregulation (3) or (4) if the Regulator receives an application for a certificate of entitlement:
 - (a) for the reporting period mentioned in subregulation (3); or

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(b) that covers the period mentioned in subregulation (4).

3.40 Adjusting crediting period—transferee offsets project

- (1) The crediting period for a transferee offsets project ends when the crediting period for the relevant transferor offsets project ends, if the circumstances in subregulation (2) or (3) apply.
- (2) For subregulation (1), the circumstances are:
 - (a) the transferee offsets project continues to meet the requirements in subsection 74(3) of the Act; and
 - (b) the crediting period for the transferor offsets project begins later than the crediting period for the transferee offsets project.
- (3) For subregulation (1), the circumstances are:
 - (a) the transferee offsets project no longer meets the requirements in subsection 74(3) of the Act; and
 - (b) the crediting period for the transferor offsets project begins earlier than the crediting period for the transferee offsets project.

3.41 Adjusting reporting period—transferee offsets project

- (1) The reporting period during which an eligible offsets project becomes a transferee offsets project must not extend beyond the following times, whichever occurs first:
 - (a) 5 years after the start time of the reporting period for the transferee offsets project;
 - (b) 5 years after the start time of the reporting period for the transferor offsets project.
- (2) In this regulation:

start time, in relation to the relevant reporting period for a transferor offsets project or a transferee offsets project, means:

(a) the time at which a declaration under section 27 of the Act came into force for the project; or

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(b) if at least one offsets report for the project has been given to the Regulator under section 76 of the Act—the time immediately after the end of the previous reporting period for the project.

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Part 6—Reporting and notification requirements

Division 6.1—Offsets reports

6.1 Manner and form of offsets reports

For paragraph 76(4)(a) of the Act, an offsets report must be in the approved form and be posted or sent electronically to the Regulator.

6.2 Information for offsets reports—general

For paragraph 76(4)(b) of the Act, an offsets report must set out the following information:

- (a) the unique project identifier of the eligible offsets project;
- (b) the name of the applicable methodology determination;
- (c) if a report has been submitted previously for the project—the date the most recent report was submitted;
- (d) the name and contact details of:
 - (i) the project proponent; or
 - (ii) if there are multiple project proponents—the proponents' nominee;
- (e) as required by the applicable methodology determination, all of the calculations used to determine:
 - (i) for emissions avoidance projects and sequestration projects other than native forest protection projects—the carbon dioxide equivalent net abatement amount for the project; or
 - (ii) for native forest protection projects—the carbon dioxide equivalent net sequestration amount for the project;
- (f) whether the project has been implemented in accordance with the applicable methodology determination;

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- (g) whether an application for a certificate of entitlement for the project has been, or is being, submitted under section 12 of the Act for the same reporting period;
- (h) if a project area for the project is covered by a regional natural resource management plan—whether the project is consistent with the plan;
- (i) the day on which the next reporting period for the project is to end;
- (j) any information required to be submitted in the report for the project under the applicable methodology determination;
- (k) whether the project proponent, under subsection 76(8) of the Act, is setting out more than one offsets report in the same document;
- (l) whether the project is, or has been, wholly or partly covered by a prescribed non-CFI offsets scheme;
- (m) a signed declaration by the project proponent that the information contained in and accompanying the offsets report meets the requirements under this regulation and is accurate.

6.3 Information for offsets reports—projects affected by a prescribed non-CFI offsets scheme

- (1) This regulation applies to a project that is, or has been, wholly or partly covered by a prescribed non-CFI offsets scheme.
- (2) For paragraph 76(4)(b) of the Act, an offsets report about the project must include the information required under this regulation in addition to the information required under regulation 6.2.

Information

- (3) The offsets report must set out the total number of tonnes of carbon dioxide equivalent net abatement generated by the project during the reporting period, for which either or both of the following apply:
 - (a) carbon offsets credits have been issued or registered for the abatement under the prescribed non-CFI offsets scheme;

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- (b) the abatement has been accounted for under the prescribed non-CFI offsets scheme.
- (4) If the project is a sequestration offsets project, the offsets report must also set out the total number of tonnes of carbon dioxide equivalent net abatement:
 - (a) generated by the project for the period:
 - (i) beginning when the project begins; and
 - (ii) ending when the reporting period ends; and
 - (b) for which either or both of the following apply:
 - (i) carbon offsets credits have been issued or registered for the abatement under the prescribed non-CFI offsets scheme;
 - (ii) the abatement has been accounted for under the prescribed non-CFI offsets scheme.
- (5) If the project is a sequestration offsets project other than a native forest protection project, the offsets report must also include the following information:
 - (a) the number of Australian carbon credit units (if any) that have been issued for the project under section 11 of the Act;
 - (b) the number of Australian carbon credit units that would have been issued for the project under section 11 of the Act, from the beginning of the project until the beginning of the reporting period, if the project had been, from its beginning, an eligible offsets project wholly covered by a methodology determination made under the Act.

6.4 Documentation for offsets reports

- (1) This regulation is made for paragraph 76(4)(d) of the Act.
- (2) An offsets report must be accompanied by any documentation that is required to be submitted with the report under the applicable methodology determination.

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- (3) If a project is, or has been, covered wholly or partly by a prescribed non-CFI offsets scheme, the offsets report must also be accompanied by:
 - (a) any document the project proponent has, or had been given, relating to credits issued or registered under the scheme, or abatement accounted for under the scheme; and
 - (b) the documentary evidence mentioned in subregulation (4).
- (4) For paragraph (3)(b), the project proponent must give written authorisation that information in relation to the matters in subregulation (5) may be sought from:
 - (a) the administrator of the prescribed non-CFI scheme; or
 - (b) if the scheme is no longer in operation and it was a scheme which had Commonwealth, State or Territory government agency oversight—that agency.
- (5) For subregulation (4), the matters are:
 - (a) the carbon dioxide equivalent net abatement amount generated by the project under the prescribed non-CFI scheme; and
 - (b) if carbon offsets credits have been issued or registered for abatement under the scheme—details of the circumstances in which the carbon offsets credits were issued or registered; and
 - (c) if abatement was accounted for under the scheme—details of the circumstances in which the abatement was accounted for.

6.5 Information and documentation for offsets reports—particular waste diversion projects

- (1) This regulation applies to a project mentioned in subregulation 1.13(1A).
- (2) After an offsets report has been submitted for a period of 12 months or more after the diversion of mixed solid waste, a subsequent offsets report for the project does not need to comply

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with the requirements mentioned in paragraphs 6.2(e), (h), (j) and (k), and regulations 6.3 and 6.4.

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Division 6.2—Notification requirement

6.10 Notification requirement—significant reversal

Natural disturbances

- (1) For subsection 81(3) of the Act, a reversal of the removal of carbon dioxide from the atmosphere is taken to be a significant reversal if the natural disturbance that caused, or is likely to have caused, the reversal occurred on at least:
 - (a) 5% of the project area, or project areas in total; or
 - (b) 50 hectares of the project area or areas; whichever area is the smaller.

Reversal due to conduct

- (2) For subsection 82(4) of the Act, a reversal of the removal of carbon dioxide is taken to be a significant reversal if the conduct of a person (other than the project proponent) caused, or is likely to have caused, the reversal on at least:
 - (a) 5% of the project area, or project areas in total; or
 - (b) 50 hectares of the project area or areas; whichever area is the smaller.

6.11 Notification requirement

- (1) This regulation is made for subsection 85(2) of the Act.
- (2) If the project proponent discovers an error in an offsets report submitted to the Regulator, the project proponent must give the Regulator written notice of the error within 90 days of the discovery.
- (3) If:

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- (a) the project proponent commits a deliberate act that causes, or is likely to cause, a reversal of the removal of carbon dioxide from the atmosphere; and
- (b) the reversal occurred on the smaller of the following areas:
 - (i) an area that is at least 5% of the project area or combined project areas;
 - (ii) an area that is at least 50 hectares of the project area or areas;

the project proponent must give the Regulator written notice of the act within 90 days of committing the act.

- (4) The recognised offsets entity must notify the Regulator, in the approved form, of any change to the following:
 - (a) the recognised offsets entity's name, business name or trading name;
 - (b) the recognised offsets entity's contact details;
 - (c) a criterion for recognition mentioned in subsection 64(3) of the Act.
- (5) A change mentioned in subregulation (4) must be notified within 28 business days of the change occurring.

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Part 7—Requirements to relinquish Australian carbon credit units

7.1A Requirement to relinquish—significant reversal

Reversal other than from natural disturbance or conduct

- (1) For paragraph 90(1)(d) of the Act, a reversal of the removal of carbon dioxide from the atmosphere is taken to be a significant reversal if the event caused, or is likely to have caused, the reversal on at least:
 - (a) 5% of the project area, or project areas in total; or
 - (b) 50 hectares of the project area or areas; whichever area is the smaller.

Natural disturbance or conduct

- (2) For paragraph 91(1)(d) of the Act, a reversal of the removal of carbon dioxide from the atmosphere is taken to be a significant reversal if:
 - (a) the natural disturbance that caused, or is likely to have caused, the reversal occurred on at least:
 - (i) 5% of the project area, or the project areas in total; or
 - (ii) 50 hectares of the project area or areas;

whichever area is the smaller; or

- (b) the conduct of a person (other than the project proponent) caused, or is likely to have caused, the reversal on at least:
 - (i) 5% of the project area, or the project areas in total;
 - (ii) 50 hectares of the project area or areas;

whichever area is the smaller.

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Part 9—Methodology determinations

9.3 Request to approve application of methodology determination to a project with effect from the start of a reporting period

- (1) For paragraph 128(2)(c) of the Act, a request must be accompanied by the following information:
 - (a) the unique project identifier;
 - (b) the title and the date of commencement of the applicable methodology determination made under section 106 of the Act or varied under section 114 of the Act, for which the approval of application is being requested;
 - (c) a description of the project;
 - (d) a statement by the applicant that the project meets the requirements of the methodology determination mentioned in paragraph (b).

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Part 10—Multiple project proponents

10.1 Designation of nominee account

For paragraph 140(3)(c) of the Act, the following information is specified:

- (a) the nominee's full name, date of birth, and contact details;
- (b) the project name for which the nomination is in force;
- (c) the nominee's ABN, ACN, ARBN, and GST registration number (if any).

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Part 11—Australian carbon credit units

11.1 Transmission of Australian carbon credit units by operation of law

(1) For paragraph 153(2)(b) of the Act, the transferee must give the Regulator a certified copy of a document showing transmission of the title to the Australian carbon credit units to the transferee.

Example: If an Australian carbon credit unit has been transmitted on the making of an order by a court, including a sequestration order, the evidence of the transmission would be a certified copy of the order.

- (2) For subsection 153(3) of the Act, a declaration of transmission must:
 - (a) be made in writing; and
 - (b) identify the serial numbers of the Australian carbon credit units transmitted; and
 - (c) set out the name, address and Registry account number of the transferor; and
 - (d) set out the name, address and Registry account number (if any) of the transferee; and
 - (e) include a brief description of the circumstances that resulted in the transmission; and
 - (f) be signed by the transferee.

Note: If the transferee does not already have a Registry account, the transferee must request that one be opened in the transferee's name—see subsection 153(4) of the Act.

11.2 Outgoing international transfers of Australian carbon credit units

For subsection 154(3) of the Act, the Regulator must:

- (a) take the following steps:
 - (i) confirm that, at the time the instruction is received, an international arrangement that allows the direct transfer

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- of the Australian carbon credit unit from the Registry account to the foreign account is operational;
- (ii) ensure that the transfer of the unit from the Registry account to the foreign account is in accordance with the arrangement; or
- (b) if either of the steps in paragraph (a) cannot be taken, notify the person who gave the instruction that the instruction is declined.

11.5 Exchange of Kyoto Australian carbon credit units—conditions

- (1) The conditions to be satisfied for paragraph 157(1)(d) of the Act are the following:
 - (a) for the exchange of a Kyoto Australian carbon credit unit for an assigned amount unit—the assigned amount unit:
 - (i) must have been issued to the Commonwealth for the first commitment period under the Kyoto rules (the *first commitment period*); and
 - (ii) must be available for exchange in the relevant Commonwealth holding account;
 - (b) for the exchange of a Kyoto Australian carbon credit unit for a removal unit:
 - (i) the Kyoto Australian carbon credit unit must have been issued in relation to abatement from a sequestration offsets project that would result in the issue of a removal unit to the relevant Commonwealth holding account; and
 - (ii) the removal unit must have been issued to the Commonwealth for the first commitment period; and
 - (iii) the removal unit must be available for exchange in the relevant Commonwealth holding account;
 - (c) for the exchange of a Kyoto Australian carbon credit unit for an emission reduction unit:
 - (i) the unit must have been issued in relation to a joint implementation project that is:
 - (A) approved by the National Authority; and

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- (B) conducted in Australia in accordance with the Kyoto rules; and
- (ii) the person must tell the Regulator the ITL project ID for the project; and
- (iii) for an emissions avoidance project, or abatement from a sequestration offsets project that would not result in the issue of a removal unit to the relevant Commonwealth holding account—the emission reduction unit must have been converted from an assigned amount unit in accordance with regulation 38 of the Registry Regulations; and
- (iv) for abatement from a sequestration offsets project that would result in the issue of a removal unit to the relevant Commonwealth holding account—the emission reduction unit must have been converted from a removal unit in accordance with regulation 38 of the Registry Regulations.

(2) In this regulation:

international transaction log has the same meaning as in the Registry Regulations.

ITL project ID, for a joint implementation project, means the project identification number used by the international transaction log.

National Authority means the National Authority for the clean development mechanism (CDM) and joint implementation (JI), established in accordance with the Kyoto Protocol.

11.6 Exchange of Kyoto Australian carbon credit units—required steps

- (1) The steps that the Regulator must take for subsection 157(2) of the Act are the following:
 - (a) for the exchange of a Kyoto Australian carbon credit unit for an assigned amount unit or a removal unit:

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- (i) cancel the Kyoto Australian carbon credit unit; and
- (ii) remove the entry for the Kyoto Australian carbon credit unit from the Registry account; and
- (iii) transfer the assigned amount unit or removal unit from the relevant Commonwealth holding account to the Registry account;
- (b) for the exchange of the Kyoto Australian carbon credit unit for an emission reduction unit:
 - (i) for an emissions avoidance project—convert an assigned amount unit to an emission reduction unit as required by subparagraph 11.5(1)(c)(iii); and
 - (ii) for a sequestration offsets project—convert a removal unit to an emission reduction unit as required by subparagraph 11.5(1)(c)(iv); and
 - (iii) cancel the Kyoto Australian carbon credit unit; and
 - (iv) remove the entry for the Kyoto Australian carbon credit unit from the Registry account; and
 - (v) transfer the emission reduction unit from the relevant Commonwealth holding account to the Registry account.

Part 12—Publication of information

12.5 Entries in the Register

For subparagraph 168(1)(o)(iii) of the Act, the requested information must meet the following requirements:

- (a) the requested information must state whether the project has received funding under the Australian Government's Biodiversity Fund;
- (b) the requested information must be supported by evidence that demonstrates that the information is accurate, such as a copy of the funding agreement under the Biodiversity Fund.

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Part 15—Relinquishment of Australian carbon credit units

15.2 Transfer of certain units instead of relinquishment of Kyoto Australian carbon credit units

- (1) For subsection 177(4) of the Act, the transfer of a substitute unit (other than a substitute unit mentioned in paragraph 177(6)(e)) may only occur during a flexible charge year.
- (2) For subsection 177(4) of the Act, the transfer of a substitute unit mentioned in subregulation (3) may occur at any time.
- (3) For the definition of *prescribed eligible carbon unit* in section 5 of the Act, a non-Kyoto Australian carbon credit unit is a prescribed eligible carbon unit for paragraph 177(6)(e) of the Act, only if the non-Kyoto Australian carbon credit unit meets paragraph (b) or (c) of the definition of *eligible Australian carbon credit unit* in the *Clean Energy Act 2011*.
- (4) For subsection 177(8) of the Act, each of the following is not a substitute unit:
 - (a) a certified emission reduction mentioned in subregulation 6.1(1) of the *Clean Energy Regulations 2011*, to which subregulation 6.1(2) of those regulations applies;
 - (b) an emission reduction unit mentioned in subregulation 6.1(1) of the *Clean Energy Regulations 2011*, to which subregulation 6.1(2) of those regulations applies.
- (5) In this regulation:

flexible charge year has the same meaning as in the *Clean Energy Act 2011*.

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15.3 Transfer of certain units instead of relinquishment of non-Kyoto Australian carbon credit units

- (1) For subsection 178(4) of the Act, the transfer of a substitute unit (other than a substitute unit mentioned in paragraph 178(6)(a)) may occur only during a flexible charge year.
- (2) For subsection 178(8) of the Act, each of the following is not a substitute unit:
 - (a) a certified emission reduction mentioned in subregulation 6.1(1) of the *Clean Energy Regulations 2011*, to which subregulation 6.1(2) of those regulations applies;
 - (b) an emission reduction unit mentioned in subregulation 6.1(1) of the *Clean Energy Regulations 2011*, to which subregulation 6.1(2) of those regulations applies.
- (3) In this regulation:

flexible charge year has the same meaning as in the *Clean Energy Act 2011*.

15.4 Market value of Kyoto Australian carbon credit units

(1) For subsection 179(6) of the Act, the table sets out the market value of a Kyoto Australian carbon credit unit at the compliance deadline.

Item	If the compliance deadline is	the market value of the unit is
1	before 1 August 2013	\$23.00
2	between 1 August 2013 and 31 July 2014	\$24.15
3	between 1 August 2014 and 31 July 2015	\$25.40

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Item	If the compliance deadline is	the market value of the unit is
4	after 31 July 2015	(a) If an amount is specified in regulations made for subparagraph 212(2)(d)(i) of the <i>Clean Energy Act 2011</i> for the financial year in which the compliance deadline occurs—50% of that amount; or
		(b) otherwise—an amount equal to the benchmark average auction charge for the previous financial year

(2) In this regulation:

benchmark average auction charge has the meaning given by section 114 of the *Clean Energy Act 2011*.

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Part 17—Record-keeping and project monitoring requirements

17.1 Record-keeping requirements—general

- (1) For subsection 191(1) of the Act, if a project proponent is required to make a record of information specified in subregulation (2), the proponent must retain:
 - (a) the record; or
 - (b) a copy of the record;

for 7 years after the making of the record.

- (2) The following information is specified:
 - (a) correspondence between the proponent and the Regulator in relation to an eligible offsets project;
 - (aa) information that substantiates the application for a section 27 declaration in relation to the project, unless the application was made before the commencement of this paragraph and the project proponent no longer has any such information;
 - (b) information that an applicable methodology determination requires to be recorded;
 - (c) information about:
 - (i) the proponent's legal right to carry out a project; and
 - (ii) the applicable carbon sequestration right held by the proponent;

including information about rights that vary from time to time:

- Example 1: Information concerning legal ownership of the project area.
- Example 2: Information about contractual rights to carry out the project in the project area.
 - (d) information in relation to any decision made by the proponent in relation to the proponent's obligations under the

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- Act or these Regulations, including the reasons for the decision;
- (e) information about any variations to the project;
- (f) information about regulatory approvals obtained in relation to the project;
- (g) offset reports and CFI audit reports (if any);
- (h) information about any uncertainties associated with data used to determine abatement, including information and procedures used to derive uncertainty estimates (if any);
- (i) information about any assumptions made in abatement calculations and the procedures used to derive the assumptions;
- (j) information about any event that is reasonably likely to significantly increase or decrease abatement;
- (k) if the proponent is not an individual—information about the following:
 - (i) the proponent's organisational structure, and any changes it undergoes;
 - (ii) the individuals with decision-making authority within the organisation, and any change of those individuals;
- information about all procedures used to collect, document and process data used in determining abatement for the project;
- (m) information about any abatement for which carbon offset credits have been issued or registered under the following kinds of scheme, and the circumstances in which that was done:
 - (i) a prescribed non-CFI offsets scheme; or
 - (ii) a non-CFI scheme;
- (n) if carbon offset credits were not issued for abatement mentioned in paragraph (m)—information about the circumstances in which the abatement was accounted for.

Note: The terms *accounted for* and *non-CFI scheme* are defined in subregulation 1.3(1).

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(3) In this regulation:

CFI audit report has the meaning given by section 7 of the *National Greenhouse and Energy Reporting Act 2007.*

17.2 Record-keeping requirements—preparation of offsets report

- (1) For subsection 192(2) of the Act, subregulation (2) applies if a project proponent:
 - (a) made a record of particular information; and
 - (b) used the information to prepare an offsets report.
- (2) The project proponent must retain:
 - (a) the record; or
 - (b) a copy of the record;

for 7 years after the offsets report was given to the Regulator.

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Part 18—Monitoring powers

18.1 Identity cards

For paragraph 197(2)(a) of the Act, an identity card issued to an inspector must display the following:

- (a) a statement that the cardholder is an inspector for the purposes of the Act;
- (b) the date of expiry of the card;
- (c) a statement that the inspector is authorised to exercise powers under Part 18 of the Act.

Note: Paragraph 197(2)(b) requires the card to contain a recent photograph of the inspector.

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Part 19—Audits

19.1 Compliance audits—requirements for reimbursement

- (1) For paragraphs 214(9)(c) and (d), the following information and documentation is specified:
 - (a) the full name, contact details and bank account details of the person who received an audit notice;
 - (b) the unique project identifier of the eligible offsets project to which the audit notice relates;
 - (c) evidence of the costs incurred in complying with the audit notice:
 - (d) a statement, supported by evidence, of the financial hardship caused by compliance with the audit notice;
 - (e) if it has not already been submitted to the Regulator—the audit report;
 - (f) a signed declaration that the specified information and documentation meets the requirements of this subregulation and is accurate.
- (2) In this regulation:

audit notice means a notice given to a person under subsection 214(2) of the Act.

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Part 26—Domestic Offsets Integrity Committee

26.1 General

The regulations in this Part are made for subsection 260(1) of the Act.

26.2 Meetings of the Domestic Offsets Integrity Committee—procedure

- (1) The Domestic Offsets Integrity Committee must hold such meetings as are necessary for the performance of its functions under the Act.
- (2) The meetings of the Committee may be face-to-face or via teleconference.
- (3) The Chair of the committee must preside over the meetings.
- (4) The Secretariat of the committee:
 - (a) must take minutes of the meetings; and
 - (b) may convene a meeting at any time; and
 - (c) must convene a meeting at the Chair's request.

26.3 Meetings of the Domestic Offsets Integrity Committee—quorum

A quorum for meetings of the Domestic Offsets Integrity Committee is 3 members of the Committee.

26.4 Meetings of the Domestic Offsets Integrity Committee—acting Chair

If:

(a) the Chair of the Domestic Offsets Integrity Committee cannot attend a meeting; and

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(b) the Minister has not appointed an acting Chair under section 259 of the Act;

the Committee may appoint an acting Chair for the meeting from the members present.

26.5 Meetings of the Domestic Offsets Integrity Committee—resolution

- (1) Any question arising at a meeting of the Domestic Offsets Integrity Committee must be determined by resolution.
- (2) A resolution is taken to have been passed if:
 - (a) more than half the present and voting members vote for the resolution; and
 - (b) either:
 - (i) all members were informed of the proposed resolution; or
 - (ii) reasonable efforts were made to inform all members of the proposed resolution.

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Endnotes

Endnote 1—About the endnotes

The endnotes provide information about this compilation and the compiled law.

The following endnotes are included in every compilation:

Endnote 1—About the endnotes

Endnote 2—Abbreviation key

Endnote 3—Legislation history

Endnote 4—Amendment history

Endnotes about misdescribed amendments and other matters are included in a compilation only as necessary.

Abbreviation key—Endnote 2

The abbreviation key sets out abbreviations that may be used in the endnotes.

Legislation history and amendment history—Endnotes 3 and 4

Amending laws are annotated in the legislation history and amendment history.

The legislation history in endnote 3 provides information about each law that has amended (or will amend) the compiled law. The information includes commencement details for amending laws and details of any application, saving or transitional provisions that are not included in this compilation.

The amendment history in endnote 4 provides information about amendments at the provision (generally section or equivalent) level. It also includes information about any provision of the compiled law that has been repealed in accordance with a provision of the law.

Misdescribed amendments

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A misdescribed amendment is an amendment that does not accurately describe the amendment to be made. If, despite the misdescription, the amendment can be given effect as intended, the amendment is incorporated into the compiled law and the abbreviation "(md)" added to the details of the amendment included in the amendment history.

If a misdescribed amendment cannot be given effect as intended, the amendment is set out in the endnotes.

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Endnote 2—Abbreviation key

amdt = amendment

A = Actorig = original

ad = added or inserted par = paragraph(s)/subparagraph(s)

/sub-subparagraph(s) am = amended

pres = present c = clause(s)prev = previous

C[x] = Compilation No. x(prev...) = previously

Ch = Chapter(s)Pt = Part(s)

def = definition(s)r = regulation(s)/rule(s)

Dict = Dictionary Reg = Regulation/Regulations

disallowed = disallowed by Parliament reloc = relocatedrenum = renumberedDiv = Division(s)

exp = expires/expired or ceases/ceased to have rep = repealedeffect rs = repealed and substituted

F = Federal Register of Legislative Instruments s = section(s)/subsection(s)

gaz = gazetteSch = Schedule(s)LI = Legislative Instrument Sdiv = Subdivision(s)

LIA = Legislative Instruments Act 2003 SLI = Select Legislative Instrument

(md) = misdescribed amendment SR = Statutory Rulesmod = modified/modification Sub-Ch = Sub-Chapter(s)

No. = Number(s)SubPt = Subpart(s)

underlining = whole or part not o = order(s)commenced or to be commenced Ord = Ordinance

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Endnote 3—Legislation history

Endnote 3—Legislation history

Number and year	FRLI registration	Commencement	Application, saving and transitional provisions
2011 No 268	8 Dec 2011 (F2011L02583)	8 Dec 2011 (r 1.2)	
2012 No 33	23 Mar 2012 (F2012L00672)	Sch 2: 2 Apr 2012 (s 2)	_
2012 No 77	28 May 2012 (F2012L01086)	29 May 2012 (s 2)	_
2012 No 125	4 July 2012 (F2012L01505)	29 May 2012 (s 2)	_
77, 2013	20 May 2013 (F2013L00800)	21 May 2013 (s 2)	_
78, 2013	16 May 2013 (F2013L00778)	Sch 1 (item 11): 17 May 2013 (s 2)	_
223, 2013	8 Aug 2013 (F2013L01544)	9 Aug 2013 (s 2)	_
72, 2014	13 June 2014 (see F2014L00710)	14 June 2014 (s 2)	_
190, 2014	13 Dec 2014 (F2014L01694)	Sch 1: 13 Dec 2014 (s 2(1) item 2) Sch 2: awaiting commencement (s 2(1) item 3)	_

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Endnote 4—Amendment history

Provision affected	How affected
Part 1 heading	
r 1.3	am 2012 No 33 and 77; Nos 77 and 223, 2013; No 72 and 190, 2014
r 1.4	am No 72, 2014
r 1.5	rs No 77, 2013
	am No 223, 2013
r 1.8	rep No 190, 2014
r 1.8A	ad 2012 No 77
r 1.9	am 2012 No 33
r 1.10	am 2012 No 33
r 1.11	ad 2012 No 77
	rep No 190, 2014
r 1.12	ad 2012 No 77
	rep No 190, 2014
r 1.13	ad 2012 No 77
	am Nos 77 and 223, 2013
	rep No 190, 2014
Part 2 heading	ad 2012 No 77
Division 2.1 heading	rep <u>No 190, 2014</u>
r 2.1	ad 2012 No 77
	rep No 190, 2014
r 2.2	ad 2012 No 77
	rep No 190, 2014
Division 2.2 heading	
r 2.3	
r 2.4	ad 2012 No 77
r 2.5	ad 2012 No 77
Part 3 heading	
Division 3.1 heading	

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Endnote 4—Amendment history

Provision affected	How affected
r 3.1	am 2012 No 33 and 77; No 77, 2013; No 190, 2014
	rep No 190, 2014
r 3.3	rep No 190, 2014
Division 3.2 heading	ad 2012 No 77
r 3.6	ad 2012 No 77
r 3.7	ad 2012 No 77
r 3.8	ad 2012 No 77
r 3.9	ad 2012 No 77
r 3.10	ad 2012 No 77
r 3.11	ad 2012 No 77
r 3.12	ad 2012 No 77
r 3.13	ad 2012 No 77
r 3.14	ad 2012 No 77
r 3.15	ad 2012 No 77
r 3.16	ad 2012 No 77
	am No 77, 2013; <u>No 190, 2014</u>
r 3.17	ad 2012 No 77
r 3.18	ad 2012 No 77
Division 3.3 heading	ad 2012 No 77
r 3.19	ad 2012 No 77
r 3.20	ad 2012 No 77
r 3.21	ad 2012 No 77
r 3.22	ad 2012 No 77
r 3.23	ad 2012 No 77
r 3.24	ad 2012 No 77
r 3.24A	ad 2012 No 77
r 3.25	ad 2012 No 77
r 3.26	ad 2012 No 77
r 3.26A	ad 2012 No 77

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Provision affected	How affected
Division 3.6 heading	
r 3.27	am 2012 No 77
	rs No 77, 2013
	am No 223, 2013; No 72, 2014
r 3.28	am 2012 No 33 and 77; Nos 77 and 223, 2013; No 72, 2014
r 3.29	ad 2012 No 77
	am No 77, 2013
Division 3.9 heading	ad 2012 No 77
r 3.30	ad 2012 No 77
Division 3.12 heading	
r 3.34	am No 77, 2013
r 3.35	am 2012 No 33; No 77 and 223, 2013
r 3.35A	ad No 223, 2013
r 3.36	am No 77, 2013
r 3.37	am 2012 No 33 and 77
Division 3.13 heading	ad 2012 No 77
r 3.38	ad 2012 No 77
r 3.39	ad 2012 No 77
r 3.40	ad 2012 No 77
r 3.41	ad 2012 No 77
Part 4 heading	rep No 190, 2014
Division 4.1 heading	rep No 190, 2014
Subdivision 4.1.1 heading	rep No 190, 2014
r 4.1	am 2012 No 77
	rep No 190, 2014
r 4.2	am 2012 No 125
	rep No 190, 2014
r 4.3	am 2012 No 33 and 77
	rep No 190, 2014
r 4.4	am 2012 No 77
	rep No 190, 2014

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Endnote 4—Amendment history

Provision affected	How affected
Subdivision 4.1.2 heading	rep No 190, 2014
r 4.5	am 2012 No 77
	rep No 190, 2014
Subdivision 4.1.3 heading	rep No 190, 2014
r 4.6	rep No 190, 2014
r 4.7	am 2012 No 77
	rep No 190, 2014
Subdivision 4.1.4 heading	rep No 190, 2014
r 4.8	rep No 190, 2014
r 4.9	rep No 190, 2014
r 4.10	rep No 190, 2014
Division 4.2 heading	rep No 190, 2014
r 4.11	am 2012 No 33
	rep No 190, 2014
r 4.12	am 2012 No 33
	rep No 190, 2014
Part 5 heading	ad 2012 No 77
	rep No 190, 2014
r 5.1	ad 2012 No 77
	am No 77, 2013; No 72, 2014
	rep No 190, 2014
r 5.2	ad 2012 No 77
	am No 77, 2013; No 72, 2014
	rep No 190, 2014
Part 6 heading	ad 2012 No 77
	rep No 190, 2014
Division 6.1 heading	rep <u>No 190, 2014</u>
r 6.1	ad 2012 No 77
	rep <u>No 190, 2014</u>
r 6.2	ad 2012 No 77
	rep <u>No 190, 2014</u>

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Provision affected	How affected
r 6.3	ad 2012 No 77
	rep No 190, 2014
r 6.4	ad 2012 No 77
	rep No 190, 2014
r 6.5	ad No 77, 2013
	rep No 190, 2014
Division 6.2 heading	rep No 190, 2014
r 6.10	ad 2012 No 77
	rep No 190, 2014
r 6.11	ad 2012 No 77
	rep No 190, 2014
Part 7 heading	
r 7.1A	ad 2012 No 77
r 7.1	rep No 190, 2014
r 7.2	am 2012 No 33
	rep No 190, 2014
Part 9 heading	
r 9.1	am No 77, 2013
	rep No 190, 2014
r 9.2	ad 2012 No 77
	am No 77, 2013
	rep No 190, 2014
r 9.3	ad 2012 No 77
Part 11 heading	ad 2012 No 77
r 11.1	ad 2012 No 77
r 11.2	ad No 78, 2013
r 11.5	ad 2012 No 77
	am No 77, 2013
r 11.6	ad 2012 No 77
Part 12 heading	ad No 77, 2013
r 12.5	ad No 77, 2013

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Part 13 heading rep 2012 No 77 r 13.1 Renum r 26.1 2012 No 77 r 13.2 Renum r 26.2 2012 No 77 r 13.3	
Renum r 26.1	
r 13.2 Renum r 26.2	
Renum r 26.2 2012 No 77	
r 12 2	
Renum r 26.3 2012 No 77	
r 13.4 Renum r 26.4 2012 No 77	
r 13.5	
Renum r 26.5	
Part 15 heading ad 2012 No 77	
r 15.2 ad No 77, 2013	
r 15.3 ad No 77, 2013	
r 15.4 ad 2012 No 77	
Part 17 heading ad 2012 No 77	
rep <u>No 190, 2014</u>	
r 17.1 ad 2012 No 77	
am No 190, 2014	
rep <u>No 190, 2014</u>	
r 17.2 ad 2012 No 77	
rep No 190, 2014	
Part 18 heading ad 2012 No 77	
r 18.1 ad 2012 No 77	
Part 19 heading ad 2012 No 77	
r 19.1 ad 2012 No 77	
Part 26 heading ad 2012 No 77	
rep No 190, 2014	
r 26.1	
(formerly r 13.1)	
rep <u>No 190, 2014</u>	

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Provision affected	How affected
r 26.2	
(formerly r 13.2)	2012 No 77
	rep No 190, 2014
r 26.3	
(formerly r 13.3)	2012 No 77
	rep No 190, 2014
r 26.4	
(formerly r 13.4)	2012 No 77
	rep No 190, 2014
r 26.5	
(formerly r 13.5)	2012 No 77
	rep No 190, 2014
Schedule 1	rep No 190, 2014
Schedule 2	rep No 190, 2014
Schedule 3	rep No 190, 2014

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