Karoola Station

Riverina, NSW

James Derrick is a fourth-generation farmer on Wiradjuri Country near Mundarlo in the Riverina region of New South Wales. James and his wife Sheryl, as well as their son Andrew and his family, live and farm on Karoola Station.
James runs a Poll Merino enterprise alongside mixed cropping, hay and silage production and farm camping. He also has a 64-hectare biodiverse carbon project under the Environmental Planting method that's helping repair several erosion gullies coming down off the side of the hills.

PROPERTY SIZE:	2,050 hectares
PLANTING SIZE:	64 hectares
KEY NATURAL ASSETS:	Multiple gullies running down from the hilltops of the property to the Murrumbidgee River on the property boundary. Patches of remnant vegetation along river corridors and on the hilltops, as well as scattered paddock trees. Existing fencing and revegetation of lower gullies previously completed by landholders with support from government grants.
PROJECT FEATURES:	• Integration of planting with merino breeding, improved pasture and cropping enterprise. • Revegetation of multiple erosion gullies and steep slopes to create habitat corridors and improve water quality from the hilltops to the Murrumbidgee River. • Used species from South Western Slopes Long-leaved Box–Red Box–Red Stringybark mixed open forest (PCT287) and South Western Slopes Mugga Ironbark–Red Box–Red Stringybark Western Grey Box grass/shrub woodland (PCT343). • Registered carbon project with 25-year permanence, part of Greening Australia and Canopy's 2024 National Reforestation Program (ERF186544). • Delivered in partnership with Nestlé and One Tree Planted as part of the Nestlé Global Reforestation Program. Supported by the NSW Government.

Greening Australia

The Derrick family were settlers in the Hillas Creek Valley near Mundarlo, and the Karoola Station that exists today began when James' grandparents purchased 600 acres from the original Derrick settlement in the 1940s.

Over the years more adjoining land has been bought up and now the family owns and manages 2,050 hectares.

James runs a Poll Merino enterprise at Karoola Station. Photo credit Matt Beaver/ NSW DCCEEW as part of the NSW High Impact Partnership program.

At two years old, the 2024 plantings are looking strong. Photo credit Matt Beaver/ NSW DCCEEW as part of the NSW High Impact Partnership program.

A solution to funding erosion control

James said: "Due to our reasonable rainfall and surrounding hills, Karoola Station is subject to heavy erosion in our creeks and gullies. One hundred years of climatic conditions and continual grazing and clearing has led to dry creek erosion which needed to be addressed.

"This led us to look for a positive way forward to repair and stop further damage to the landscape if possible."

With help from government funding, in the early 2000s the Derricks started fencing off and planting out some of the lower gullies. They have seen obvious benefits over time with less run-off and good alluvial build up in the eroded areas.

Wanting to do more, James approached Greening Australia about repairing the rest of the gullies. Greening Australia did a desktop feasibility study and found that a project fencing off all the gullies and revegetating them could be eligible for funding as a carbon planting under the Environmental Planting method.

James said: "With this project we were hoping to, in time, slow and filter water flows into the Murrumbidgee catchment. Slowing water flows results in higher moisture levels throughout the soil profile as a whole-value asset building all around. In addition, by fencing out the gullies, we knew we could develop the arable areas in between for increased returns, even though our returns from carbon credits will be minimal."

Nature finance provides important funding to make projects like these possible. In this case, Greening Australia and its environmental markets business Canopy partnered with Nestlé and One Tree Planted to fund and register the project as part of the Nestlé Global Reforestation Program.

This Karoola Station project has also been supported by a NSW Government High Impact Partnership grant.

Implementation and biodiversity benefits

With the paperwork in place, in 2024, Greening Australia worked with James to fence out all the remaining gullies, with Mooney's Dozer Hire to rip planting lines, and then with Jayfields Nursery to plant 26,900 seedlings that would best represent the open forest and grassy woodlands found in this part of the South Western Slopes. Under the terms of the carbon agreement, Greening Australia and the landholders will maintain the planting for at least 25 years.

James' previous revegetation projects have already shown how further erosion can be prevented by managing livestock grazing and using plantings of native species — the design of the carbon project extended these interventions upstream and will further improve soil and water interactions on the property. Importantly, the plantings will also create a habitat connection from the hilltops to the Murrumbidgee River.

The low vegetation cover in the surrounding landscape means that the revegetation at Karoola Station is highly likely to provide important new food resources and movement pathways for microbats and woodland birds, and especially for species that only travel over small distances and need 'stepping stones' of vegetation, such as finches, wrens and robins. Threatened woodland birds such as the Superb Parrot, Brown Treecreeper, Dusky Woodswallow and Flame Robin have already been recorded on the site and will benefit from the added habitat.

Reflections on the project

Reflecting on the project so far, James is already seeing benefits. He said: “We’ve been able to bring much more arable land into production. Before, it was considered light grazing country because it had these gullies running through it. Now we’ve fenced those off, we can develop that country in between and the return will probably be threefold.”

“The short-term benefit is that we’ll lift our productivity through these areas, the long-term gains is the value to the asset, giving back to the country and improving the country that we’ve been able to look after.”

From Greening Australia’s perspective, James has been an asset to work with, and the property has been a great fit for an Environmental Planting carbon project. The carbon funding has been able to both complement the grazing and cropping enterprise and simultaneously address a range of environmental issues. The scale of the planting is impressive, but the land taken out of production included creeklines or steep slopes where James couldn’t crop, so over time there will quite likely be an improvement to the productivity of the farm.

From a wildlife and biodiversity point of view, an amazing habitat corridor is being created, with young trees and shrubs growing up to link together the remnant old trees with hollows. The plantings have grown particularly well despite drought years, thanks to good planning, good preparation and good seedling stock.

James and Greening Australia’s Graham Fifield inspecting the planting in 2026. Fencing off and revegetating the gullies is creating an important habitat corridor. Photo credit Matt Beaver/NSW DCCEEW as part of the NSW High Impact Partnership program.

"Once the grass is up, it holds our creeks and does a fantastic job to reduce erosion. One of the biggest gains in wealth these days is the value of your country. So if you can improve your asset, you've improved your wealth in the long-term."

— JAMES DERRICK

Aerial view of gullies that have been fenced and planted for the project. Photo credit Matt Beaver/NSW DCCEEW as part of the NSW High Impact Partnership program.

Scan to watch a video on this project, or visit https://youtu.be/U3DMx738urM

For more information, contact Greening Australia | 1300 886 589 | greeningaustralia.org.au/contact

For a no-obligation chat about biodiverse carbon plantings on your land, register your interest at: greeningaustralia.org.au/landholders

This case study has been produced by Greening Australia in association with the NSW Government as part of a High Impact Partnership grant. The planting at Karoola Station was supported by the NSW Government and majority funded through the Nestlé Global Reforestation Program. Through its partnership with One Tree Planted, Greening Australia and Canopy, Nestlé has supported the planting of more than 3.6 million trees across Australia.

Nestlé

ONE TREE PLANTED

Greening Australia

canopy

NSW GOVERNMENT

PUBLISHED OCTOBER 2026