

# The Institute of Foresters of Australia

ABN 48 083 197 586



## Positive and Negative Lists for the Carbon Farming Initiative

### Submission

The Institute of Foresters of Australia (IFA) welcomes the opportunity to comment on the Carbon Farming Initiative (CFI). The IFA is the body that represents professional foresters and forestry experts across Australia. Its membership includes persons with extensive experience in plantation management, catchment management, policy development and carbon trading, thus placing the IFA in an excellent position to contribute to the development of the CFI.

The CFI consultation paper seeks an effective way to identify activities which are acceptable for carbon farming and those which are not.

The IFA believes that the CFI should cover the broad principles for carbon abatement practices without overlapping or redefining existing land management policies and regulations.

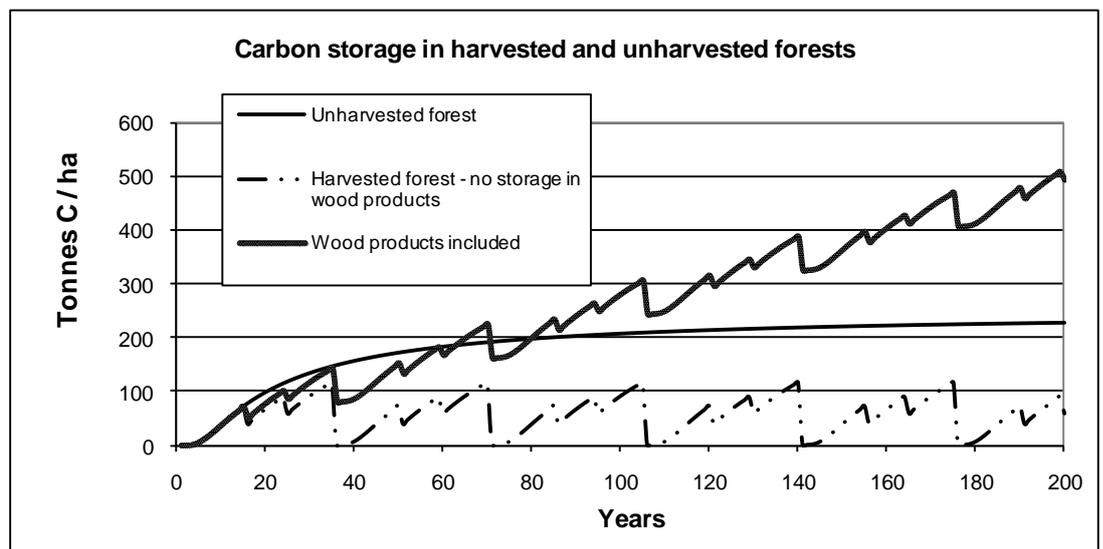
### The Positive List

The IFA supports the principle of identifying acceptable activities on a Positive List.

The IFA is concerned that the CFI consultation paper has not portrayed forestry in a fair or favourable light. The IFA is making this submission to ensure that the positive contribution that forestry can play in the CFI is placed on the public record:-

1. Australia's professional plantation foresters have experience in growing trees that is second to none. They know how to select suitable sites, source appropriate growing stock, prepare and establish ground and plant at appropriate stockings to achieve optimal survival and growth. Foresters also know how to manage forests to ensure their health and to optimise their growth performance. Every year operational foresters throughout Australia plan and supervise the planting of tens of millions of trees. When it comes to growing trees there is no other group in Australia with anywhere near their technical expertise, capability or performance record.
2. An advantage of forestry plantations (for harvest plantings) over permanent plantings is their substantially higher growth rates. Plantation species are selected for their superior growth performance for the rotation and site on which they are grown. Higher growth rates equate to higher rates of sequestration and greater carbon storage which means less land is needed to achieve the same carbon storage targets.
3. Carbon accounting in plantation forests has a proven utility record with over 35,000 hectares of plantation currently registered for carbon trading in the NSW Greenhouse Gas Reduction Scheme. Carbon accounting in mixed species plantings, although doable, is inherently more complex and much less precise. Allowances required for uncertainty are much greater in mixed species permanent plantings than in forestry plantations.
4. The health and vitality of living forests is an important issue that is independent of a forests' designated purpose or its species diversity. A high proportion of living photosynthetic biomass is a good indicator of forest health and of active carbon sequestration. Foresters are well placed to monitor and maintain growing forests in a healthy state. As advocates of active forest management they have a range of tools and techniques at their disposal should intervention be desirable (e.g. thinning of a young highly stocked even-aged forest).
5. Sequestering carbon and growing trees for wood is intrinsically complementary. The global demand for both these products is growing rapidly. Strong demand for solid wood products currently exists in regional Australia however investment in long rotation plantations is not common practice and only marginally economic when timber is the only revenue source. By adding carbon to the equation the business case for long rotation plantations can be made to work.

6. Foresters have no interest or desire in spreading forestry plantations widely across the landscape. Rather, they seek to build and consolidate their existing estates to achieve desired economies of scale. The best opportunities for plantation investors arise within traditional forestry growing areas where there is existing wood processing facilities and existing plantation infrastructure. It should be noted that plantation forests currently occupy less than 1.5% (or 2 million hectares) of Australia's productive agricultural land and as such do not pose any real threat to food production or other rural land-uses. Plantations are costly to establish so there is considerable incentive to site them appropriately viz. close to timber markets and existing forestry resources.
7. Another currently unrecognised benefit of forestry plantations is the capture and long term storage of carbon in harvested wood products. In 'for harvest' forests a proportion of the carbon is fixed in the timber products and this can last for many decades while in service and then for further decades post service if buried in landfill. 'For harvest' forests are also fast sequestrators as they are kept in an actively growing condition during their relatively short lifespan. In more permanent 'not for harvest' forests the average rate of sequestration is lower. In 'not for harvest' forest trees are allowed to age and senesce before dying and releasing carbon dioxide back to the atmosphere as they decay. In summary, the storage of carbon in harvested wood products 'for-harvest' forests can store greater amounts of carbon than permanent 'not for harvest' forests over the longer term (refer graph below).



Source: NSW DPI (Fabiono Ximenes)

8. Supporting the use of renewable wood products (carbon storage) can also avoid emissions arising from less 'greenhouse friendly' products such as concrete, steel, tiles and bricks that have much higher energy input requirements.
9. One lesson from the 2009 Victoria fires was that decades of good carbon enhancing activity can readily go up in smoke. From this event the Department of Sustainability and Environment estimated that 70 million tonnes of CO<sub>2</sub>-e was emitted from the State's National Parks and Reserves.

Professional forestry managers have always prided themselves in having good fire management records as fires directly impact on wood values. Having a professional forest manager as the custodian of a forest carbon asset is a much safer bet than a part time and or inactive forest owner.

## The Negative List

The IFA does not support the use of a Negative List and is deeply concerned that the CFI could be used for purposes outside its mandated function, viz. to promote activities that lead to long term sequestration and storage of carbon in the Australian landscape, and to mitigate the use of fossil fuels through avoided emissions by encouraging the production of biofuels.

The way the Negative List mechanism is proposed to work (without a supporting due process) makes it prone to manipulation and susceptible to arbitrary decision making. If left as it is the mechanism is likely become a significant deterrent to participation as there will be continuing uncertainty around the way it will be used. Recent allegations in the media about the CFI by Journalist Leslie White have already cast serious doubt about the integrity of the Negative List and how it was developed.

June 29, 2011

### **LABOR wants to distance itself from Greens but new balance of Senate makes it near-impossible, writes LESLIE WHITE**

*The Greens' involvement in this issue was a good thing for rural Australia - the party won important assurances that managed investment schemes and forestry plantations would not be able to also sell carbon credits through the CFI and therefore saved some farmland from going under trees*

Specific comments on the Negative list examples are provided which highlight the shortcomings of the mechanism.

### **Establishment of vegetation on land cleared of native vegetation (other than weeds) since 1 July 2007 or within three years of project commencement (whichever is more recent).**

Throughout the development and evolution of national climate change policy including the NSW GGAS, Greenhouse Friendly, and the CPRS participants have understood that the international 1990 baseline would be retained as the national baseline for additionality. The IFA is unaware of any consultation or debate regarding the merits of changing this date. If 1 July 2007 were to be arbitrarily adopted as the new baseline the IFA anticipates there may be significant financial implications for the early adopters.

### **Cessation or avoidance of harvest in monoculture plantations ('avoided deforestation').**

The IFA does not recommend that the CFI get involved in trying to prescribe against particular ecological systems. Targeting monocultures is a good case in point as most tree plantations in Australia are not monocultures. The evidence for this is that the plantations are derived from seed, thereby ensuring some genetic diversity and they also contain other plant species as understory.

### **Establishment of forest that is greater than 2 ha and not a permanent environmental planting ...**

If this exclusion were applied to the Murray Darling Basin for example it would contradict the Murray Darling Basin Plan (The Plan). The Plan will establish the maximum allowable water diversion/extraction cap for each State, along with defining which activities can secure a water right within the overall cap. Establishment of new plantations is one of these activities. That is, The Plan does not restrict the establishment of plantations in areas above 600mm (and 800mm in certain circumstances).

It seems ridiculous that some reforestation projects might be ruled ineligible simply because they might 'use water' or not be explicitly aligned with a non-statutory NRM plan. The IFA strongly recommends that the CFI not involve itself in water regulation.

### **There does not appear to be a process to remove an activity from the Negative list as more information becomes available.**

Reforestation projects approved under the CFI will be subject to long term maintenance obligations (100years). Additional information, changes in land management practices, scientific advances or new approaches could result in these activities needing to be removed from the list. There should be a transparent process in the CFI to allow for this.

## **Establishment of forest as part of a Managed Investment Scheme.**

There is evidence to suggest that after their first harvest, a large (possible up to 500,000 ha) of plantations established under MIS initiatives will not be replanted. This has the potential to be the single largest deforestation activity in recent history and could place a significant burden on the Australian Government's emission reduction targets. For this reason alone care should be taken in singling out MIS plantations.

### **In General**

"Native forest protection" is classed as a carbon-enhancing activity whereas sustainable management of native forests is not which could be construed as an attempt to cease or limit the sustainable harvesting of native forests. The Intergovernmental Panel on Climate Change states in its 2007 Report, *Mitigation of Climate Change*, that "...a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre, or energy from the forest, will generate the largest sustained mitigation benefit." There is no scientific basis for excluding native forest harvesting as the CFI does.

The CFI makes no acknowledgement of the increased risk associated with the build up of bushfire fuels (read carbon) in forests. Increasing fuel levels in forest either plantation or native has the potential to pose unacceptable risk to a number of communities. The Victorian Bushfire Royal Commission recommends the controlling of forest fuel levels on a landscape scale.

Planned burning works by reducing fuel loads which in turn reduces fire intensity. *'Prescribed burning, fuel reduction burning, ecological burning, all of the them reduce the amount of fuel and thus reduce fire intensity and importantly allow suppression efforts, particularly early suppression efforts to be more effective.'* Prof Mark Adams, Expert Forum, Land and Fuel Management, Royal Commission, 22 February 2010.

The points raised above do not go into extensive detail in recognition of the number of submissions that may be forthcoming. The IFA is prepared to discuss the issues raised in further detail, to assist with the further development and refinement of a carbon farming initiative that compliments and embraces forest activity and opportunity for inclusion.

