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## NEW REPORT BACKS CARBON CREDITS FOR NEW PRODUCTION TREE PLANTINGS IN SW VICTORIA

Following the release of a [new EY report “Capturing the full benefits of plantation forestry in the Green Triangle”](#), the Australian Forest Products Association (AFPA) has called on the Victorian and Federal Governments to urgently co-operate to deliver new production tree plantings which would provide a boost to local jobs and post COVID-19 economic recovery while reducing emissions.

In July 2020, the Federal Government announced that four and half initial Regional Forestry Hubs\* were declared exempt and able to fully participate in the Carbon Farming Initiative (CFI), allowing new production tree plantings to bid for carbon credits under Emissions Reduction Fund (ERF) auctions.

Inexplicably, the declaration did not extend to the Victorian side of the Green Triangle, meaning south west Victorian farmers and landowners are restricted from registering new production tree planting projects and from bidding in the ERF.

However, a new report from EY has highlighted the many environmental and social benefits of new plantations while stating that ‘*Plantation forestry participation in the CFI through a Victorian Green Triangle exemption will not cause a rapid expansion of the plantation estate when considering existing investment constraints.*’ For example, EY reports that the current carbon credit price is between \$14 to \$16 per tCO<sub>2</sub>-e, which would increase expected returns by only a modest 1-2 per cent, especially with the region seeing the highest land values of any national plantation region in 2019.

The Chief Executive Officer of AFPA Ross Hampton said, “This new EY report shows that the Victorian side of the Green Triangle is missing out.”

“Renewable forest industries have been part of the region for more than 140 years, occupying less than 6 per cent of the total land area. Access to carbon credits will help reverse a decline in the plantation estate securing local jobs and associated economic activity. The EY report busts the myth that there would be large-scale expansion. It makes no sense for there to be one rule on the South Australian side of the Green Triangle and another on the Victorian side.”

**END**

*\*The initial declared hubs are in SW Western Australia, Northern side of Tasmania, NE New South Wales, South West Slopes of New South Wales & Victoria, and the South Australian side of the Green Triangle.*

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