



Australian  
Forest  
Products  
Association

## AUSTRALIAN FOREST PRODUCTS ASSOCIATION

Additional feedback on the proposed new  
Plantation Forestry Methodologies  
**November 2021**





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Clean Energy Regulator  
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To whom it may concern

### New plantation forestry methodologies

The Australian Forest Products Association (AFPA) welcomes the opportunity to provide feedback on the Clean Energy Regulator's 2021 plantation forestry method. AFPA supports the plantation forestry method review's overall objectives which were to build on the Carbon Credit Methodology Determination 2017, to provide more opportunities for the plantation forestry industry to participate in the ERF, while maintaining the method's integrity and for the targeted changes to increase flexibility in activities.

AFPA is the peak national industry body representing the Australian forest, wood and paper products industry's interests to governments, the general public and other stakeholders on matters relating to the sustainable development and use of Australia's forests and associated manufacturing and marketing of wood and paper products in Australia.

Although outside of the scope of this process, AFPA would like to raise the importance of soil carbon within plantation forests and strongly believes that the Emissions Reduction Assurance Committee (ERAC) should consider how soil carbon can be included in the plantation forestry methodology.


According to the ABARES *State of the Forest Report 2018*, soil carbon is the largest pool of carbon in forests and accounts for 52% of carbon stored on forest lands.<sup>1</sup>

Table 5.4: Carbon pools in forests

	2001	2006	2011	2016	2016
Pool	Mt C	Mt C	Mt C	Mt C	Proportion of total
Living biomass	5,639	5,596	5,594	5,627	26%
Deadwood	1,629	1,620	1,618	1,618	7.4%
Litter	596	590	590	593	2.7%
Above-ground total	7,864	7,806	7,802	7,838	36%
Living biomass	2,682	2,658	2,654	2,665	12%
Soil <sup>a</sup>	11,416	11,349	11,363	11,445	52%
Below-ground total	14,097	14,007	14,018	14,110	64%
Total forest	21,961	21,813	21,820	21,949	100%

Mt C, million tonnes of carbon.

<sup>a</sup> Soil carbon is reported to a depth of 1 m for mangrove forests, but to 30 cm for all other forests.

 This table, together with other data for Indicator 5.1a, is available in Microsoft Excel via [www.doi.org/10.25814/5bda94dad76d8](https://www.doi.org/10.25814/5bda94dad76d8)

Whilst it is understood that currently there is a lack of data and certainty with measuring the levels of soil carbon stored in plantations, AFPA strongly supports the Clean Energy Regulator (CER) prioritising the inclusion of soil carbon in all forest related ERF methodologies.

AFPA welcomes further engagement with the CER on this matter to ensure that the Forest Industry is able to contribute nature based solutions to the Government's ambition to achieve net zero by 2050.

<sup>1</sup>[https://www.awe.gov.au/sites/default/files/abares/forestsaustralia/documents/sofr\\_2018/web%20accessible%20pdfs/SOFR\\_2018\\_Criterion5\\_web.pdf](https://www.awe.gov.au/sites/default/files/abares/forestsaustralia/documents/sofr_2018/web%20accessible%20pdfs/SOFR_2018_Criterion5_web.pdf) - pg 322

### **New Plantation Methodology Feedback**

The feedback from AFPA is based on the premise of planting more trees to sequester more carbon thereby reducing carbon dioxide in the atmosphere, to meet the current shortage of wood supply and to combat climate change

AFPA has reviewed the proposed framework for assessing the additionality of Schedule 3 and 4 projects and would like to provide the following feedback.

We agree with your conclusion that using an economic model to determine eligibility by region and plantation type risked crediting non-additional projects and excluding additional projects. Due to the nuanced nature of the risk of conversion, risk of conversion is much better demonstrated through multiple lines of evidence, which are going to be different for every project.

This is re-iterated by the recent unfortunate announcement that 14,000 hectares of plantation on Kangaroo Island will be converted to agricultural land<sup>2</sup>. In that, the method as written in the previous simple method guide and sole reliance on the FORUM model to determine risk, would not have picked these plantations up as being at risk. Thereby demonstrating that a multi-faceted approach is required.

The key feedback for the current proposed additionality framework, is that there shouldn't be "Restrictions on the age of eligible plantations or Schedule 4 projects". Rationale and further comments below:

The overarching principles of demonstrating additionality for the Plantation Method's schedules 3 and 4 should be:

1. Integrity is maintained.
2. Strict prescriptiveness should be minimised – this is due to the nuanced nature of this issue. Every project is going to be different.
3. Cost and administrative burden is minimised.

The feedback provided below, builds on the previous September 2021 submission and the consultation session held in November 2021. Please find below key points raised by AFPA members as areas of concern, and recommendations for addressing these concerns in the 2021 plantation forestry method.

<b><i>The 12-month requirement for transformation statement.</i></b>
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This is challenging for plantation forestry planning horizons, the 12-month rule in Schedule 3 is constraining as harvesting and planning horizons generally span well beyond 12 months.

There will be many proponents for Schedule 3 who will require multiple forestry coupes/compartments in a project to make it administratively feasible. For example, the average cost of a forestry Emissions Reduction Fund (ERF) project is \$40,000 for project administration (imagery acquisition, mapping, application, etc) and \$80,000 for project auditing (over the life of the project). Having the administration as streamlined and economical as possible makes projects more viable – therefore creating more abatement.

Having this 12-month rule will prohibit having multiple coupes/compartments in the one project. For example, there may be a group of 10 coupes/compartments that are due for successive harvesting and conversion to non-forest over a 5-year period. Ideally, the proponent would be able to submit these 10

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<sup>2</sup> <https://www.abc.net.au/news/rural/2021-08-12/kipt-changes-land-use-strategy/100369352>

coupes in the one ERF project, thereby only having to prepare one ERF project submission and engage one auditor. However, as the requirement is written this proponent would have to prepare 5 project proposals and engage 5 individual audits. Therefore, the administrative costs of this project example would start at \$120,000, but could reach as high as \$600,000, by not allowing all of the coupes/compartments to be in the one project.

Recommendation: The 12-month restriction should be removed or extended to five or 10 years or extended to seven years so it is consistent with other timeframe limitations in the method. There should also be a review of the 12-month rule if it is not amended within 12 months of the commencement of the methodology.

#### ***Forest Management Plan – updating, materiality threshold and certification***

The requirement to update the Forest Management Plan for minor changes is an administrative burden. As an example, for social, economic or environmental reasons, there may be an alteration to the timing of a thinning operation in a compartment, where the thinning is delayed by say one month. The requirement to report changes within nine months is needlessly restrictive.

Recommendation: The Forest Management Plan should be updated annually to align with annual reporting cycles.

There needs to be a materiality threshold in what is reported in relation to changes in Forest Management Plans. Smaller (inconsequential) changes to the Forest Management Plan should only be reported to the Clean Energy Regulator at the end of a reporting period.

Recommendation: Need to have a materiality threshold in terms of reporting changes in the Forest Management Plan to the Clean Energy Regulator. As currently drafted, it will result in a huge administrative burden on project proponents, as well as on the Clean Energy Regulator.

Where adjustments to management actions occur, project proponents should have the flexibility to adjust the total quantum of credits that are issued for the current and future reporting periods to reflect the change in long-term average net carbon stock, or even surrender units in the situation where the total credits to be received by the project under the new management regime is less than the number of credits already issued for the project.

Recommendation: Ability to adjust management actions, and surrender units if needed where the total abatement is reduced.

The scope for who can sign-off on a Forest Management Plan needs to be broadened because:

- There is a limited supply of Registered Forestry Professionals (RFP) in Australia
- The RFP scheme is an individual certification, whereas consulting firms are an organisation — there is a legal issue of who is held accountable for the sign-off.

Forestry valuers should be included in the pool of who can sign off on an RFP.

Recommendation: “Independent Registered Forestry Professional” should be defined such as the below:

- Forestry valuers
- Registered Professional Foresters – Forestry Australia
- Tasmania also has “Forest Practice Officers”. These are independent consultants who are certified under the Forest Practices Code to certify and supervise forest practice plans, amongst other things.

- New South Wales has Plantation Assessment Officers with the NSW Department of Primary Industries (DPI) who authorise all new plantations within NSW prior to their establishment.

### ***Restrictions on the age of eligible plantations for Schedule 3 projects***

If a plantation, regardless of age, is entered into a Schedule 3 project, then it is no longer at risk of conversion. In fact, there could be the perverse outcome whereby there is an immature plantation that is at risk of conversion but cannot be included in a Schedule 3 project because of this rule and is therefore converted. So, this rule is in fact itself incentivizing the conversion of immature plantations.

Also, the age restrictions for Schedule 3 are too restrictive and excludes genuinely additional projects. For example, a plantation may be sold with the intention that it be cleared mid-rotation.

Recommendation: This paragraph and restriction be removed

Note: Regarding the recommendation to remove the age limits for Schedule 3, this would be a good outcome. However, as a fall-back option, the following addition of a part (c) could be included to Schedule 3 Part 1 – 3 (1) which reads:

- (a) There is plantation forest on the land; and
- (b) Within 24 months, it will be older than the default clear fall age listed for that species and region in Schedule 6 **or**
- (c) The plantation forest is less than 36 months old and acquired by the project proponent in the previous 12 months.**

This would protect the integrity by ensuring that landowners cannot retrospectively obtain credits for plantings they had made in the previous three years (they must have purchased the property in the last 12 months). Further, it is more conceivable that very young trees are those most at risk of being “ploughed in” as even basic farm equipment would have the horsepower to perform that task, or even the trees could be sprayed off. Overall, the addition would provide some incentive for companies that are interested in long-term forestry, to actively acquire land that has been recently planted, to ensure that a landholder does not buy the land and convert.

### ***Evidence requirements for the undefined rotation species***

The evidence requirements for the undefined rotation species are too restrictive. There are limited examples within 50km, and it should be extended to the National Plantation Inventory (NPI) region.

Recommendation: This should be extended to the NPI regions

### ***The test of negative abatement (s29)***

The test of negative abatement (s29) does not reflect the operational realities of how plantations are managed, and the inflexibility serves as a disincentive to participate.

Recommendation: There needs to be an ability to surrender credits where a management activity results in negative abatement.

<b><i>Eucalyptus nitens</i> rotation age in Schedule 6 – Part 3</b>
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Schedule 6 – Part 3 lists *Eucalyptus nitens* as being grown on a 12-year short rotation in Tasmania, this is incorrect as *Eucalyptus nitens* is grown on a 15-year short rotation in Tasmania.

Recommendation: Update the table in Schedule 6 – Part 3 to reflect that *Eucalyptus nitens* is grown on a 15-year short rotation in Tasmania.

<b><i>Different species may become more appropriate in some regions</i></b>
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Having a requirement to show that the species is typically used in plantations in the region may be needlessly restrictive over time so there needs to be a mechanism to review and update the species in anticipation of that change.

Recommendation: Review and update species that may be impacted by climate change.

Thank you for providing AFPA with the opportunity to provide feedback on the plantation forestry method, if you have any queries regarding this submission please contact Matt de Jongh, Policy Manager on 0408 602 413 or via email [matt.dejongh@ausfpa.com.au](mailto:matt.dejongh@ausfpa.com.au)





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AFPA is the peak national industry body representing the resources, processing, and pulp and paper industries covering the forest products value chain.

AFPA represents all elements of the value chain from the sustainable harvesting of plantations and multiple use natural forest resource including forest establishment and management, harvesting and haulage, processing of timber resources and manufacture of pulp and paper.