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Department of Agriculture, Fisheries & Forestry
Climate Policy Branch

Inquiries: Dr Elizabeth Pietrzykowski

Phone: [REDACTED]

Email: [REDACTED]

Our Ref: D23-368002

Your Ref: [\[Click to enter text\]](#)

Agriculture and Land Sectoral Plan

Thank you for the opportunity to provide input to the development of the Agriculture and Land Sectoral Plan, part of the Australian Government's broader Net Zero Plan. PFT has considered the discussion paper and we provide our responses to selected discussion questions in the following paragraphs.

Private Forests Tasmania (PFT) is an independent statutory authority established under the Tasmanian *Private Forests Act 1994*. We work to facilitate and expand the sustainable growth and development of the private forest resource in Tasmania. We do this through providing information to private forest growers, through research collaborations, advocacy, innovation and planning tools. Under our [Corporate Plan 2023-26](#) one of our four goals is to work with policy makers and regulators to improve regulatory efficiency and practical policy settings for private forestry.

Question 1. What are the opportunities to reduce emissions and build carbon stores in agriculture and the land? What are the main barriers to action?

A key opportunity lies in the expansion of farm forestry. Planting and growing trees on farms remains one of the cheapest and most effective means of removing carbon dioxide from the atmosphere and storing it in the agricultural landscape. Farm forestry can be both planted forests and managed native regrowth forests. Trees grow more vigorously as they mature from a young sapling, increasing in biomass, and therefore carbon storage. A plateau is reached once a tree has hit peak maturity (~25-30 years but also species dependant), after which time sequestration rates decline as the tree begins to decay.

Farm forests (planted or native regrowth) managed for sustainable wood production take advantage of this natural cycle. After growth rates have peaked, trees are harvested from these forests and converted into wood-based products. For solid wood products, the carbon can continue to be stored for decades or even hundreds of years until they are re-used or re-purposed, disposed of in landfill or burnt. Even in landfill, wood products will remain as a very long-term carbon store. For pulp wood products, most will be recycled, disposed of in landfill or burnt but will generally have a shorter carbon storage life.

The harvested trees can then be replanted in a plantation forest or regrown in a native forest, and the cycle starts again. Given their ability to store carbon in standing trees and long-lasting wood products, sustainably harvested farm forests have the potential to surpass the carbon storage benefits provided by conserved forests over the long term.

The carbon benefits of farm forestry can also be counted in the substitution effects whereby wood products are used in place of more emission intensive products like steel, concrete or plastic. On average, the production of a cubic metre of wood creates around 1.1 tonnes less CO₂ emissions than the production of an equivalent amount of steel, concrete or plastics. This amount, coupled to the 0.9 tonne of CO₂ stored in the wood, means that every cubic metre of wood substituting for fossil fuel-intensive materials saves a total of approximately 2 tonnes of CO₂¹.

Question 2. How can we progress emission reduction efforts whilst also building resilience and adapting to climate change?

Significant market pressures are emerging across primary production markets relating to carbon neutral farming. Australian food processors and retailers are increasingly requiring primary producers to demonstrate their carbon neutrality, or at least their carbon sequestration credentials. The Agriculture and Land Sectoral Plan can provide a framework, resources and incentives that assists primary producers to meet this need. We recommend this include how best to actively manage existing native regrowth forests and planted farm forests to sequester the most carbon, while also generating suitable wood and fibre to market and realising the many other co-benefits of trees on farms.

This will enable producers to be market ready for the inevitable pressures from food and other markets, help landowners understand the market opportunities from their native and planted forests, and will provide a pull factor to actively manage the currently unmanaged private native forests, for private forestry. This will provide market advantage to participating growers in the agricultural sector as well as building their farms resilience to climate change.

Question 3. Are there initiatives or innovative programs underway that could be applied or expanded on at a national scale?

To encourage farmers to plant trees for sustainable timber production and the carbon benefits that ensue, there will need to be market pull to create the demand for those products. To this end, the Australian Government could adopt a national wood encouragement policy. Currently, Tasmania and Western Australia are the only states in Australia to have wood encouragement policies and a national policy would extend this to other jurisdictions. The Tasmanian Government's [Wood Encouragement Policy](#), the first of its kind, was established in

2017 to increase the use of sustainably sourced forest and wood products within Government procurement activities, particularly in building and construction and the heating and energy requirements of building and construction projects.

A national wood encouragement policy would help to implement the Australian Government's recent commitment at COP28 in Dubai. Australia, with 16 other countries, committed to advancing policies and approaches that support low carbon construction and increase the use of wood from sustainably managed forests in the built environment. This coalition of countries recognised that such policies and approaches will result in reduced GHG emissions and an increase in stored carbon.

Question 5. What are the most important options to be further adopted or supported, looking in the short and the longer-term?

From our perspective, the most important options to be supported are farm forestry and expanding the use of bioenergy and educating heavy emitting industries in a circular economy. For details on these see responses to other questions.

Question 6. What are the practical solutions to increase uptake?

For farm forestry, there are already several initiatives underway at both state and national levels to increase uptake (eg. the Australian Government's *Support Plantation Establishment Program*, which is providing \$73.76 million in grant funding over four years from 2023–24 to 2026–27 and the *Farm Forestry – Growing together* strategy released in 2022). However, further policies and incentives are needed as a priority to meet Australia's ambitious emission reduction targets and our future timber needs.

An additional practical measure would be to include a commercial tree option (eg farm forestry or plantation forestry) as an eligible activity in the Integrated Farm and Land Management (IFLM) method that is currently being developed by DCCEEW. The IFLM will be a new methodology under the Australian Carbon Credit Unit (ACCU) Scheme.

The 'stacking' feature of the IFLM method will help address one of the key barriers, transaction costs, that smaller farm foresters face when considering whether to plant trees on their farm as part of a carbon farming project under the ACCU scheme. Incorporating a commercial tree option into the IFLM will enable a farmer to stack their 10-50 ha of commercial trees with, for example, a soil carbon activity and an environmental planting activity into the same project. This reduces the per unit transaction costs and helps remove the barrier to encourage more farmers to engage in carbon farming activities on their farms.

Question 7. How do you see the agriculture and land sectors contributing over the medium and longer-term? What are the opportunities to deliver emission reductions in parallel with wider goals?

Bioenergy is an opportunity that needs development over the medium and longer term. While large scale bioenergy production and fuel supply will be addressed in other sectoral plans, bioenergy deserves a place in this plan as the agriculture and land sectors would be the major feedstock suppliers to an Australian bioenergy industry.

Bioenergy is energy produced from biomass and is therefore a renewable energy which can be in the form of electricity, heat, gas or liquid transport fuels. Bioenergy accounts for only 3 per cent of total energy consumption in Australia but based on the available resource, has the potential to provide 20 per cent of our energy consumption by 2050.

The agriculture and forestry sectors combined, through their production of organic crop waste and harvesting residues, provide 63% of Australia's potential bioenergy feedstocks. These resources, being located in regional areas, could support regional economies by creating new income streams and jobs.

Bioenergy is unique in that it can be used in areas of the economy where there are limited low emission alternatives, the so called hard-to-abate sectors, such as industrial heating and aviation fuel. Producing biofuels (biodiesel, renewable diesel, ethanol, sustainable aviation fuel) will also improve Australia's liquid fuel security. Using wastes and residues as feedstock creates value for what would otherwise be discarded as a waste product.

In advanced European countries with significant forest resources (Finland, Sweden, and some states in Germany) the sensible use of forest biomass for energy production is an established practice and attracts strong public and political support. Australia should take a lead from these countries in growing a bioenergy industry as part of our broader energy transition.

Question 11. What skills, knowledge and capabilities do you think producers and land managers need to implement change? What information and data would help them make decisions about emissions reductions and sustainable land management in the short and longer-term?

Farm forestry is perceived by many traditional farmers to be a specialist activity and their ability to access the necessary skills, knowledge and experience will be important in influencing their adoption of farm forestry as a land management option to address climate change. Understanding of markets and pricing, operational and supply chain costs, as well as confidence about future pricing at time of harvest all act as barriers to the adoption of farm

forestry. There is a view that landholders will be beholden to unfamiliar or unknown forestry supply chain operators without the benefit of knowledge and experience gained within the forestry industry.

PFT endeavours to overcome these perceptions here in Tasmania by providing a range of information and planning tools to potential private forest growers. We also advocate for open and transparent markets with competitive and clear pricing for timber products. Such a market would make the range of log product prices regularly available through a mechanism similar to KPMG's Australian Pine Log Price Index. This approach would help correct the current imbalance of market power between some forestry supply chain actors and smaller growers and would assist and encourage farmers to engage with farm forestry and view it as a legitimate farm enterprise alongside other traditional farm activities.

If you have any queries on the points we have raised, please contact me on [REDACTED] or our Policy & Data Officer Murray Root on [REDACTED].

¹*The Role of Wood Products in Zero Carbon Buildings*. Forest and Wood Products Australia Limited, 2023

Yours sincerely,



Dr Elizabeth Pietrzykowski
CEO Private Forests Tasmania