

## **Private Forests Tasmania's Submission to the Clean Energy Regulator's review of the Plantation Forestry Method under the Emission Reduction Fund.**

Private Forests Tasmania (PFT) supports the following changes to the Method and the broader ERF framework:

- 1. Augment the Plantation Forestry method to enable the issue of ACCUs for avoided conversion of plantations to agricultural land.*

The inclusion of the new Schedule 5 in the draft Method 'Avoided conversion of a plantation to non-forest land' which was presented at the March 3 workshop is fully supported by PFT. In Tasmania there are many examples of conversion of ex-MIS scheme plantations to agricultural land and the inclusion of this new activity type in the Method should provide incentives for landowners to re-plant second rotations. There is a range of information and datasets available in Tasmania that clearly show the conversion of plantations back to agricultural land is occurring on a regular basis, see for example [PFT 2019-20 Annual Report](#) (page 23), and publicly available spatial data layers such as [Private Timber Reserve](#) layer and [Forest Groups](#) layer.

- 2. A carbon project aggregation system which allows for low risk changes to be approved through a once off consent.*

The implementation of a more streamlined approach for aggregated projects using the plantation forestry method will assist small to medium landowners joining an aggregation. Under the current framework, every time a new participant joins an aggregation, or existing participants make modifications to their projects, approval is needed from all other participants and often their financiers, which results in high costs and delays. A framework which involves a once off approval is needed for these low risk projects. This would dramatically reduce the cost involved in aggregation and make the ERF more accessible to small to medium farm foresters.

- 3. Changes in the ERF which modifies the summation of carbon stock in Carbon Estimation Areas to reduce the co-dependency between participants.*

Under the current framework there is a co-dependency between participants within a carbon project aggregation. If a participant of an aggregation experiences a natural disturbance such as a planting failure or operational hurdle such as fire, all participants will not receive their Australian carbon credit units (ACCU's). If this could be modified so that ACCU issuance could be "paused" for those experiencing natural disturbance while the remaining landholders continue to receive their ACCUs.

- 4. Provide for compressed crediting to apply to greenfield plantings to help alleviate the significant upfront plantation establishment costs*

Under the current system governing new greenfield plantings, the accumulation of ACCU's is relatively slow in the early years of plantation establishment. This means the establishment costs need to be carried by the owner for some years before receiving any significant income. The

availability of compressed crediting of ACCU's, like what is available in a short to long rotation conversion project, would generate a more consistent income from the outset and make greenfield plantings more commercially viable and attractive particularly for small to medium size growers.

5. *In the short to long rotation conversion activity type, increase the list of species in Tasmania which can be classified as short and long rotations and change the eligibility date to reflect the date planted.*

Currently within Tasmania the only species which can replace a short rotation is *Pinus radiata*. Hardwood species such as *Eucalyptus nitens* and *E. globulus* are currently listed as plantations which require additional evidence under the current Method. Within Tasmania both these species have had extensive research and development on improved genetics and increased rotation lengths which exceed the current baseline length fixed at sixteen years (see [link reference](#))

Change the eligibility date in the Method for conversion forests to the date the long rotation is planted, coinciding with the date that the carbon estimation area (CEA) comes into existence.

6. *Allow for 'method stacking' where multiple ERF activities can be undertaken on the one property within a single project.*

This was a recommendation in the King Review and is supported by PFT. The registration of several activity types (eg plantations, soil carbon, environmental plantings etc) in a nested carbon project should help reduce the transaction costs per ACCU and increase participation.

7. *Inclusion of sustainably managed native forest which can be harvested under the ERF framework*

Human-induced regeneration of a permanent even-aged native forest is currently included in the ERF, however only ecological thinnings and small amounts of firewood harvesting are currently permitted. The proposed amendment would allow for native forest managers with the intention of harvesting their native forest to participate in the ERF.

8. *Administrative costs and audit costs*

In Tasmania, plantation forestry projects are generally low risk with regard the ERF because they already undergo a high level of regulatory scrutiny under the State's rigorous forest management system. Many of the larger plantations also have an additional level of oversight and audit through their membership of forest certification schemes such as Forest Stewardship Council (FSC) or Responsible Wood. The low risk nature of these plantations should be reflected in less prescriptive ERF rules and audit requirements.

The ERF should introduce a formal 'duty of utmost good faith', as identified in the King Review, to recognise and encourage these low risk projects.

Addendum

*9. Definition of short rotations*

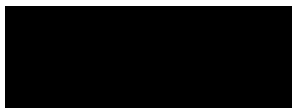
In Tasmania, short rotation plantations can be either *E. globulus* or *E. nitens*. However, for them to be eligible as short rotation, they must not have been thinned or pruned (Subparagraph 14(2)(b)(ii) of the Method). This is problematic for growers who have always intended their trees to be short rotation but have thinned or pruned their stand for health and vigor purposes, rather than ever having any intention of taking them through to a longer rotation. Furthermore, the short rotation definition in Tasmania requires that the crop intended for project registration must be preceded by a similar short rotation crop as a further test that a short rotation is the intended baseline scenario (Subparagraph 14(2)(b)(iii) of the Method).

These overly prescriptive definitions constrain many legitimate short rotation plantations in Tasmania from participating in the ERF's short to long rotation conversion activity. Private Forests Tasmania is aware of examples amongst our stakeholders. These definitions need to be less prescriptive, or allow for other evidence to be provided by the grower that the baseline scenario is short rotation.

*10. Retrospectivity*

Method determinations are made infrequently. As Methods slowly evolve and change to enable more and more projects to be included in the ERF, it would be beneficial if some retrospectivity could be built into the Methods so eligibility dates could be backdated prior to the determination. This would mean some plantation and farm forestry activities that are otherwise eligible for the ERF but are excluded due to an artificial method determination timetable, could be included.

Yours sincerely,

A solid black rectangular box used to redact the signature of Penny Wells.

**Penny Wells**  
CEO Private Forests Tasmania