



Submission on the consultation paper outlining the proposed design of the Carbon Farming Initiative

Name of Organisation:	Australian Forests and Climate Alliance (AFCA)
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Recommendations:

The Australian Government should prioritise policies that deliver the protection and restoration of Australia's native forests that are not currently in conservation reserves. AFCA does not consider that the proposed Carbon Farming Initiative (CFI) will work towards these outcomes, and may in fact be counter-productive.

We propose that the Carbon Farming Initiative should be replaced with a comprehensive suite of policies designed to protect and restore Australia's native forests as a matter of urgency, recognising their vital role in securing a safe climate for future generations, their importance for biodiversity and water, and other co-benefits.

Climate Change policies must protect the carbon stored in native forests and natural ecosystems and allow them to grow or recover to their full age and carbon carrying capacity.

The quickest and easiest way to protect native forests on public lands is to work directly with State Government to protect the native forests estates on public land. The avoided emissions from the logging and degradation of these public forests can be accounted for and help Australia to set and reach higher greenhouse gas emission reduction targets.

AFCA recommends that the Australian Government excluded native forests on public land from the Carbon Farming Initiative and other offset mechanisms, including the voluntary carbon market, and should instead act immediately to permanently protect public native forests by the passage of legislation by governments. The protection of native forests on public lands can be funded with monies raised from the carbon tax.

AFCA recommends that the Australian Government establish a Green Carbon Fund to provide the immediate and annual management funds required to protect Australia's unprotected native forests on public lands as permanent biodiverse carbon stores. These funds could come from the revenues raised from carbon pricing, under the 'other climate change measures' flagged by the Minister for Climate Change and Energy Efficiency.

AFCA recommends that the Australia Government should immediately begin discussions with State Government to develop state specific roadmaps to deliver the permanent protection of native forests on public land and a rapid transition for the logging industry out of native forests on public lands and into sustainably managed plantations. This roadmap should include a structural adjustment package to facilitate it.

Introduction

The Australian Forests and Climate Alliance is working to deliver:

- The legislative protection of Australia's biodiverse native forests;
- The creation of a Green Carbon Fund.
- A significant funding package for a transition of the wood and paper products industry away from native forests in Australia;
- A significant funding package for the conservation of native forests on private land across Australia;
- A fully funded landscape conservation, restoration and integrated-catchment management program across Australia and a significant boost to funding for reserve management and nature conservation in the states and territories.

Australian Government Climate Change policies

The Australian Government needs to take immediate action to help halt climate change.

The Australian Government's current climate change policy is inadequate. The target range of 5 % to 25% greenhouse gas emission reductions, based on 1990 levels, is not in line with climate science and is not inline with the scale of reductions required to avoid dangerous climate change; nor will it meet the 2015 target date for emissions to peak and decline. The current policy also lacks credibility because it fails to include the protection of native forests as part of a suite of measures to mitigate climate change in Australia.

Australia's forests and woodlands provide us with clean air, clean water, they are home to more than half of our terrestrial biodiversity and are a large store of terrestrial carbon. Since European settlement, half of our forests have been cleared,

so that now only 5 per cent of the continent has any forest cover left. The loss of southern temperate woodlands has been extreme. Over 85 per cent have been completely cleared. Our forests once resembled a sea of ecologically mature forests with islands of disturbance and re-growth. Today, it is largely the reverse, where islands of mature forests exist in a sea of previously clearfelled, logged, heavily disturbed re-growth forests and cleared land. The logging and clearing of Australia's native forests has contributed to anthropogenic climate change.

As logging and deforestation are responsible for 15--20% of Australia's greenhouse gas (GHG) emissions, climate change policies must protect the carbon stored in native forests and natural ecosystems and allow them to grow or recover to their full age and carbon carrying capacity. By allowing our native forests to reach maturity we are allowing them to continuously capture and store carbon dioxide in living and dead biomass and the soil. By protecting and restoring Australia's native forest we allow them to make a massive contribution to reducing Australia's GHG emissions and the severity of climate change.

More than one-twentieth of the world's plant and animal species live in Australia's forests and woodlands – more species than survive in all of Europe. A healthy and biodiverse forest ecosystem is a safe store of carbon as it is resilient to pests, disease, and will lose less carbon into the atmosphere when burnt. The disturbance of a forest ecosystem by logging, clearing, fragmentation, or the introduction of pests and diseases results in a loss of biodiversity and a reduction in the amount of carbon stored in the forest.

The protection and restoration of Australia's native forests and natural ecosystems would also further address the recommendations made in the Australian Biodiversity Conservation Strategy, which notes the serious and rapid decline of Australian biodiversity and calls upon all authorities, commercial interests and individuals to act for immediate reversal of this trend. Forests also act as cloud makers, rainfall moderators and have a cooling effect on the landscape. All these are important in the climate equation.

The proposed Carbon Farming Initiative

This submission is primarily concerned with the implications of the Carbon Farming Initiative for native forests and the planet's climate.

The Australian Government should prioritise policies that deliver the protection and restoration of Australia's native forests that are not currently in conservation reserves. AFCA does not consider that the proposed Carbon Farming Initiative (CFI) will work towards these outcomes, and may in fact be counter-productive.

Every sector in the economy has to play its part in tackling climate change by reducing emissions and protecting carbon stores in the landscape. The Carbon

Farming Initiative only partially covers the landscape and agricultural sectors and, as a trading scheme, is restricted to fluxes of carbon, not stores of carbon. This means that this initiative will not give assistance to landholders who protect and maintain existing native forests and their stored carbon.

We propose that the Carbon Farming Initiative should be replaced with a comprehensive suite of policies designed to protect and restore Australia's native forests as a matter of urgency, recognising their vital role in securing a safe climate for future generations, their importance for biodiversity and water, and other co-benefits.

The Australian Government should not include native forests on public land in the proposed Carbon Farming Initiative and/or other offset mechanisms, including the voluntary carbon market, and should instead act immediately to permanently protect public native forests by the passage of legislation by governments. The protection of native forests on public lands can be funded with monies raised from the carbon tax.

The Australian Government should undertake the following activities, in the following order, to avoid carbon emissions, protect existing natural carbon stores and increase carbon sequestration:

1. The protection of native forest and other natural ecosystems
2. The restoration / ecological recovery of disturbed or damaged forests and other natural ecosystems
3. Ecologically appropriate re-forestation and re-vegetation

The Australian Government must rule out:

4. Clearing or conversion of natural forests and other natural ecosystems into plantations
5. Deforestation (landclearing) and De-vegetation
6. Carbon credits for harvested wood products. Massive emissions result from logging and the small percentage of the carbon that ends up in a wood product is only stored for a short period of time. In some regions, only approximately 2 - 4% of wood removed from a logging operation ends up as sawn timber products, the rest is woodchipped and turned into paper. The carbon stored in paper is released into the atmosphere on average within 3 years, often as methane with a higher global warming potential than carbon dioxide.
7. Bioenergy, biochar and biofuel from native forests and other natural ecosystems
8. Renewable Energy Credits eligibility for bioenergy from native forest and other natural ecosystems. Existing Renewable Energy legislation should remove native forest "wood wastes" from the definitions of eligible renewable energy fuels, and thus from eligibility to earn Renewable Energy Certificates.
9. Inclusion of landscape carbon in emissions trading

Clearing and logging of native forests

The Australian Government has a critical role in overseeing the legislated protection of native forests, and a legislated rapid transition of industrial commodity logging out of native forests towards a plantation-based resource. The Carbon Farming Initiative covers 'avoided deforestation' where clearing remains legal but omits avoided forest degradation – primarily from logging. This may qualify as a sequestration project but this is an indirect mechanism. The message from the legislation is that clearing preceding land use change is a recognised climate issue but not native forest logging, including clearfell logging,

This policy setting is also reflected in Australia's decision to opt out of accounting for forest management under the Kyoto protocol. As the Kyoto protocol expires in 2012 it is vital that the Australian Government amends the current accounting framework and initiates the shift towards full land based accounting by fully accounting of emissions from forest management, including deforestation and forest degradation. It is vital that both of these emissive activities are avoided in order to mitigate climate change.

From a climate perspective the priority for the Australian Government should be to end the greenhouse gas emissions from industrial scale native forest logging and native forest and vegetation clearing urgently and then to manage the restoration of native forests until the carbon carrying capacity of the landscape has been restored.

For both native forest logging and legal and illegal clearing, a combination of regulation, incentives and stewardship payments would achieve these objectives more quickly and effectively than a trading scheme.

Offsets

AFCA member groups all agree that protecting Australia's native forests and woodlands and making deep cuts in fossil fuel and industrial emissions are vital to reduce greenhouse gases in the atmosphere. The characterisation of emission-reducing activities in the Carbon Farming Initiative as 'offsets' implies that the real object of the legislation is to enable fossil-carbon emitters to meet their greenhouse gas emission reduction obligations cheaply. The landscape and agricultural sectors, as major emitters of greenhouse gases, have to play a role in climate change mitigation proportionate to their impact. AFCA opposes the use of carbon credits from the landscape sector to substitute for emission reductions in the fossil fuel sector.

Green Carbon Fund

Climate mitigation measures must prioritise the protection of Australia's native forests and woodlands alongside deep cuts in our fossil fuel and industrial emissions.

The Australian Government should set up a Green Carbon Fund that provides funds for the permanent protection and restoration of Australia's native forests. The permanent protection of native forests would result in an immediate reduction in emissions that result from the clearing and logging of forests and the degradation of natural carbon stores due to human activities.

This reduction can be demonstrated by making legislative changes that permanently reduce the allowable harvest (logging) levels in the Regional Forest Agreements, (or in some states changes to legislation that sets annual high quality saw log reduction quotas). A reduction in the allowable harvest, or the volume of high quality saw logs that are extracted from public native forests, will result in a annual reduction in greenhouse gas emissions that result from forest degradation, ie the logging operations and other management practices including regeneration burning).

The Green Carbon Fund could be funded using funds raised by the carbon tax. The percentage of funds from the carbon tax going into the Green Carbon Fund should have a upper limit set.

AFCA recommends that the Australian Government establish a Green Carbon Fund to provide the immediate and annual management funds required to protect Australia's unprotected native forests on public lands as permanent biodiverse carbon stores.

Comments relating to the design of the proposed Carbon Farming Initiative and emission reduction mechanisms for the landuse sector

Forest definition

The forest definition incorporated in the legislation fails to differentiate between plantations and native forests. The conversion of native forest to plantation, with the large emissions impact and permanent loss of carbon stores (reducing carbon carrying capacity) that this entails, may not be captured and avoided in climate policy initiatives without specific definitional distinction between them.

In the current design of the CFI, 'Native forest' is to be defined in regulations. This is unacceptable. The definition should be legislated. We propose the following definition:

(i) Natural Forest: A natural forest is a terrestrial ecosystem generated and maintained primarily through natural ecological and evolutionary processes. Natural

forests are an essential part of the global carbon cycle, and have played, and continue to play, a major role in modulating the strength of the greenhouse effect.

(ii) Plantation: A plantation is a crop of trees planted and regularly harvested by humans.

Biochar

Sequestration projects are those that ‘remove carbon dioxide from the atmosphere by sequestering carbon’ in living biomass, dead organic matter or soil (s5). These are not to ‘involve’ clearing or harvesting native forest or the use of material obtained from these activities. What constitutes a native forest is undefined (see above) and in any case leaves open the possibility of using wood and biomass from scattered trees or patches that do not qualify as ‘forest’ (as well as using non-forest native vegetation).

The prohibition should extend to all native vegetation and should be expressed categorically as follows: ‘projects are not to include clearing or harvesting of native vegetation or use materials obtained from clearing or harvesting native vegetation.’

Accounting framework

The accounting framework underpinning this and other legislation relating to climate and forests should cover both stocks and flows of carbon. Stocks should be disaggregated according to whether they are fossil carbon, biodiverse natural ecosystems or agricultural systems (including plantations) so that priority can be given to protecting the carbon stocks in resilient natural ecosystems.

Measurement and leakage

The Carbon Farming Initiative legislation contains no rigorous requirements for measurement and verification, no standards for statistical reliability, and only covers leakage directly attributable to a project. The use of Australia’s National Greenhouse Gas Inventory as an integrity check for project methodologies is flawed with respect to native forests. Especially considering that the National Carbon Accounting System substantially underestimates the actual carbon stocks in native forests. For example, Australia’s south east forests are amongst the most carbon dense forests in the world. The methodologies used to estimate the carbon storage of the native forests, and hence estimates of the emissions resulting from degrading activities, need to be calibrated to reflect the true carbon carrying capacity and carbon storage of these native forests.

Plantations

The additionality tests are weak and do not appear to preclude new plantation establishment. The claim that 'for economic reasons reforestation (which appears to mean plantation establishment) is more likely to occur on marginal than on productive agricultural land' is not borne out by experience in Tasmania, Victoria and Western Australia where good agricultural land has been converted to plantations because farmers could not compete with tax-benefited plantation developers on land prices. The legislation also does not prevent plantations being established by clearing native vegetation (scattered trees, savannas, native grasslands etc).

AFCA notes that Australia now has a large and increasing plantation estate, more than sufficient to meet domestic and export wood requirements, and that a transition is feasible at modest cost and with small social disruption.

Conclusion

AFCA is supportive of the Government's efforts to reduce emissions in the landscape and agricultural sectors. We would support setting a target for reductions in greenhouse gas emissions in the land use sector by 2015. Reductions in these sectors, especially from ending the clearing and industrial logging of native forests, could make a significant contribution to achieving a peak and decline in Australia's emissions by 2015.

However, AFCA does not support the Carbon Farming Initiative in its present form and calls for it to be replaced with policies that gives immediate legislated protection for native forests and establishes a Green Carbon Fund for the protection and restoration of carbon stores in natural ecosystems.

The quickest and easiest way to protect native forests on public lands is to work directly with State Government to protect the native forests estates on public land. The avoided emissions from the logging and degradation of these public forests can be accounted for and help Australia to set and reach higher greenhouse gas emission reduction targets.

AFCA recommends that the Australian Government excluded native forests on public land from the Carbon Farming Initiative and other offset mechanisms, including the voluntary carbon market, and should instead act immediately to permanently protect public native forests by the passage of legislation by governments. The protection of native forests on public lands can be funded with monies raised from the carbon tax.

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For more information about AFCA please visit www.forestsandclimate.net