

Other issues

AFPA's view of the ACCU (Chubb) Review

- The ACCU review panel concluded that the ACCU scheme was fundamentally well-designed when introduced 11 years ago, but that it could be improved by:
 - Clarifying the intention of the scheme
 - Clarifying and separating key roles of integrity assurance, regulation and administration
 - Improve transparency and removing unnecessary restrictions on data sharing
 - Providing more support for regional communities and First Nations peoples to participate in and benefit from the scheme
 - Improve information and incentives, including for non-carbon benefits and attributes
- The panel made no mention of the [Plantation Forestry Method](#) when assessing whether methods were meeting the offsets integrity standards.
- At the release of the report Professor Chubb AC said: *“The only pathway known to science that has the immediate capacity - immediate capacity - to remove greenhouse gases, particularly CO₂, from the atmosphere at scale is photosynthesis, the means by which plants absorb CO₂ and water to create energy to fuel their eventual growth. So to start CO₂ removal, at scale, well before 2050, as the IPCC urges, the land sector will have to carry much of the immediate load”*¹.
- Forestry and forest products industries have a lot to offer with regards to the key areas of improvement to the ACCU scheme. We will continue to engage with Government, broader members of Parliament, relevant departments, and agencies to ensure proper consultation with industry as recommendations are implemented.

The role of offsets

- Achievement of the aims of the Safeguard Mechanism (and the broader national emissions targets) particularly to 2030 will require a mix of direct emissions reduction by industrial facilities and offsets.
- Pulp and paper facilities covered by the Safeguard Mechanism have confirmed the need for facilities to have flexibility in how they meet the Safeguard obligation. This flexibility is essential in managing costs and pursuing the most efficient pathways to reduce their emissions footprint.
- Companies are committed to pursuing direct emissions reductions to address climate goals and a lower risk strategy which allows greater assurance for management of future costs.

¹ <https://minister.dcceew.gov.au/bowen/transcripts/doorstop-interview-taronga-zoo-sydney>

- Offset credits used for the purposes of meeting a Safeguard obligation must have high integrity so stakeholders can be assured of emissions reductions being achieved.
- Production forestry integrated into an agricultural landscape is complementary with other land uses and a highly effective way to increase carbon sequestration, improve productivity of that landscape and deliver an alternative income stream for farmers from carbon credits and eventual timber harvest. New plantings must be of the right trees, in the right places, at the right scale and for the right outcomes.
- Safeguard facilities must retain the capacity to register Emissions Reduction Fund (ERF) projects and be credited with ACCUs, where those projects are reducing emissions not covered by the Safeguard Mechanism rules (scope one).
- AFPA does not support an outcome that would see the purchase of large tracts of productive agricultural land for conversion into a biodiversity-centric management regime underpinned by a requirement for additional offsets.

Native Forestry

- Australia has 132 million hectares of native forest area, and a huge area is already protected for conservation and biodiversity or otherwise unavailable or unsuitable for forestry operations. A tiny amount – less than 0.06% of the estate – is harvested annually.
- Timber harvesting has not been a “major threat factor” in the extinction of any Australian mammal since European settlement. Feral animals, bushfires and disease pose the biggest threat to Australia’s threatened species and ecosystems.
- All native forest harvested is sustainably regenerated, with the regrowth quickly becoming an abundant food source and habitat for native species.

Native forestry is good for the climate

- Studies suggesting a climate benefit from the closure of native forestry are not supported by the science. Eminent bodies including the Intergovernmental Panel on Climate Change have noted in multiple reports that long-term sustainable management of native forest for the production of timber produces a better carbon result.
- Native forestry operations do not increase carbon emissions. Growing forests sequester carbon, use of the resulting timber stored that carbon for the entire life of the product. Forests managed for production essentially sequester carbon in perpetuity. Forests managed for conservation will slow carbon sequestration as the forest matures and then reach saturation where no additional carbon is stored at all.
- Native Australian hardwood is a major input in the housing and commercial construction industry. The closure of native forest harvesting in Australia would drive the use of higher emissions alternatives and additional timber imports. The cost of building houses would immediately increase significantly, and building projects would face lengthy delays.

Transition to plantations is not an option

- Calls to transition public native forestry into supply through plantations are unrealistic. Plantations play a major role in the industry. However, the current plantation estate is not suitable for high-quality timber products. Hardwood timber from our native forests is sustainably harvested typically every 60 to 120 years, giving it time to develop the strength and appearance properties that consumers want.
- Hardwood and softwood are not interchangeable products. They rely on different infrastructure, facilities and supply chains, and are used for different end-use products. Native hardwood is

used where appearance and longevity are important traits, and thus is primarily a saw log industry – with residue and pulp logs as by-products.

- Pulp and paper industries are high value industries where native hardwood timber has been utilised in the production of white paper, while softwood is used to produce newsprint and packaging papers.
- Over 90% of Australia’s commercial native forest operations are independently certified (under the PEFC or FSC certification) to comply with the world’s best sustainable forest management practices. This is compared to the global average of eight percent, meaning Australia is a leader when it comes to ensuring the sustainability of forest practices.

Public Native forestry is not subsidised

- Public native forestry operations are not subsidised. The state government enterprises responsible for managing the public native forest estate have suffered budget shortfalls as the amount of timber that has been able to be supplied has been affected in recent years due to natural disasters, disruption by activists and changes in government policies (eg greater protection and creation of national parks).
- State-owned forestry enterprises are not-for profit organisations that use the sale of hardwood timber logs (harvested from a very small, controlled areas) to subsidise the management of much larger areas of public forest estate.
- Closing native forestry will cost taxpayers. In NSW alone the conversion of state forests into national parks is estimated to require additional funding of \$100 million per year just for maintenance activities.
- State-owned forestry enterprises are responsible for a range of public good activities including maintenance of roads and bridges through forest areas (supporting access for tourism, recreation and neighbouring land holders), management of feral animals and weeds, and bushfire response and risk mitigation.

Reports

Ernst & Young (2019) [*The economic impact of the cancellation of NSW North Coast Wood Supply Agreements due to the creation of the Great Koala National Park*](#). Report prepared for the Australian Forest Products Association, March 2019.

Ernst & Young (2023) [*Economic Contribution Study of the NSW hardwood timber industry*](#). Report prepared for the North East NSW Forestry Hub, February 2023.

Indufor & Natural Capital Economics (2022) [*Assessing the net benefits of multiple use native forest management in Queensland*](#). Project report prepared for the South & Central Queensland Regional Forestry Hub, September 2022.

Ximenes, F.d.A.; George, B.H.; Cowie, A.; Williams, J.; Kelly, G. [*Greenhouse Gas Balance of Native Forests in New South Wales, Australia*](#). *Forests* **2012**, *3*, 653-683.

<https://doi.org/10.3390/f3030653>