Senate Select Committee on Climate Policy: Supplementary submission

Greenhouse accounts and biocarbon: recommendations

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Following the Senate Committee round table on carbon accounting on 1 May, recommendations made during the presentation are summarised below.

1. Urgently upgrade greenhouse accounts for land use, land-use change and forests

The ttransparency, coverage and data quality of Australia's UNFCCC greenhouse accounts for land use, land-use change and forests need urgent attention, including disaggregation of all data into uptake and emissions. Resources should be allocated to enable this and to hold public workshops aiming to improve both the quality and the understanding of the accounts.

2. Confine emissions trading to fossil carbon

Biocarbon is not suited to emissions trading for reasons including: trading is based on annual carbon fluxes whereas the key objective for biocarbon is to promote permanent storage; biocarbon measurements are less reliable than for fossil carbon; the quantities of biocarbon are very large (particularly under full carbon accounting) and relatively cheap which risks swamping the market.[1]

3. Address boundary issues

To the extent that emissions trading does not cover all sectors, boundary issues may give rise to perverse outcomes. This is the case with biomass and biofuels which under the proposed CPRS are treated as 'carbon neutral'. In the national greenhouse gas accounts, this prevents double-counting of emissions. Under the CPRS, where there is no liability for emissions from native forest logging and clearing, biomass and biofuels from this source are advantaged compared with fossil fuels, leading to potentially higher emissions overall.

4. Protect green carbon

Green carbon is the carbon stored in native forests and other natural ecosystems. Native forest clearing and logging causes about 100 Mt CO2-e emissions per annum, close to 20% of Australia's annual net emissions. Top priority should be given to protecting these permanent, self-regenerating, resilient carbon stores – regulation is the most effective mechanism, accompanied by a transition plan for affected workers and industries.

5. Promote soil carbon

Improved carbon storage in landscapes producing food, fibre and wood, while relatively low density on a per hectare basis, has the potential to make a significant contribution over the millions of hectares of such land in Australia. It should be strongly encouraged.

6. Establish a *REDD Plus* fund

Internationally, negotiations are continuing to reduce emissions from deforestation and degradation (REDD) in developing countries. The same imperative applies to developed countries like Australia. The key point is that carbon stored in the landscape has to remain stored in perpetuity and this requires management – for ever.

A *REDD Plus* fund should be established for protecting green carbon and encouraging soil carbon. The scale of funding should be commensurate with the level of emissions and potential uptake by these sectors. Income can be derived from sources including re-focusing existing funding, reserving income from the CPRS, government revenue and private investment. Funding could be allocated in a variety of ways, for example by making a low per-hectare annual payment for legally and ecologically protected land (e.g. parks and reserves, Indigenous Protected Areas, covenanted land) coupled with project funding for specific management needs. A significant investment in research is essential.

[1] See Kea 3 report for Greenpeace International, March 2009. http://www.redd-monitor.org/wordpress/wp-content/uploads/2009/04/redd-and-the-effort-to-limit-g.pdf