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Submissions
Climate Change Authority
GPO Box 787
Canberra ACT 2600

By email: submissions@climatechangeauthority.gov.au

Dear Review team,

2020 review of ERF

Thank you for the opportunity to respond to this review.

Trust for Nature is Victoria's dedicated private land conservation agency. Our goal is to protect and restore places in Victoria where wildlife and native plants can thrive, using statutory, in-perpetuity covenants pursuant to the *Victorian Conservation Trust Act* 1972. We do this for the benefit of future generations by working now with private landholders, volunteers, government agencies and others with similar vision.

We make a number of key points below.

Uneven distribution of uptake of vegetation methods

Trust for Nature is concerned that the various vegetation methods are not being taken up by organisations and individuals across Australia other than in the states of Queensland and New South Wales. This is reflected in the Clean Energy Regulator's 'project and contract register' which shows that some 97 per cent of successful vegetation projects occur in New South Wales and Queensland, compared (for example) with Victoria. We urge the Climate Change Authority (CCA) to address the causes for this uneven distribution of projects and attempt to achieve more equitable access to, and a fairer distribution of, ACCUs across the country. Greater capacity for aggregated projects (and therefore lower administrative costs) in southern states could be one solution.

Opportunities for enhancing outcomes

The Carbon Credits (Carbon Farming Initiative) (Human-Induced Regeneration of a Permanent Even-Aged Native Forest—1.1) Methodology Determination 2013 (HIR) and Carbon Credits (Carbon Farming Initiative) (Native Forest from Managed Regrowth) Methodology Determination 2013 (NFMR) methods have successfully incentivised the uptake of many regeneration projects. Such projects have made, and will continue to make, an important contribution to meeting Australia's climate change targets. However, there are substantial opportunities for the expansion of the methods to cover additional activities and vegetation types, therefore unlocking another wave of low-cost abatement opportunities associated with the regeneration and enhancement of native forest and woodlands.

The need for a canopy based method

There is a particular need for a new method for semi-arid regions where the 2+ metre, 20% canopy cover is difficult to achieve, but where conservation / carbon gains can be substantial. Trust for Nature is grappling with this issue currently, in relation to our largest conservation reserve, the 30,000 hectare Neds Corner. This property was previously a heavily degraded sheep station in far North-Western Victoria, and the Trust has been working hard to rehabilitate it since 2002. The improvements on this property are making a substantial contribution to Australia's carbon stocks through our revegetation and pest management regime, but we are unable to access the Emissions Reduction Fund (ERF) due to the fact the natural regeneration does not achieve the canopy requirements stipulated under the HIR and NFMR methods.

Trust for Nature supports a new method that could provide credits for increased woody canopy cover/carbon stock in shrublands and woodlands that do not have forest potential, due to the inherent biophysical characteristics of the land and vegetation (i.e. cases where the vegetation would be below 20% canopy cover at maturity, regardless of the management applied).

Expanding the applicability of the HIR/NFMR method to capture these activities/vegetation types would unlock significant amounts of additional abatement by enabling credits to be earned from the vast areas of grazed rangelands and woodlands that do not have forest potential.

We understand that this would require two changes to the current approach to modelling under the HIR/NFMR methods:

1. Modification of FullCAM to predict biomass based on canopy cover, not tree age (as currently occurs); and

2. Modification of the HIR/NFMR method to enable real-time calibration of FullCAM, using actual canopy cover data as it is monitored over time.

We also understand that a recent CSIRO report[1] has demonstrated that a canopy based method could predict carbon stock with relative accuracy.

The need to recognise the carbon carrying capacity of existing native forests

Trust for Nature stewards vast carbon stores for the public good, and is achieving significant carbon benefits through its many and varied projects, yet is frustrated by the extremely limited opportunities to have those carbon benefits recognised through the existing CFI framework. We recommend that consideration be given to introducing an alternative modelling approach that better recognises the carbon carrying capacity of intact native forests.

There is a strong body of scientific evidence that the most effective climate mitigation action in the forest sector is to protect intact native forest carbon stocks, followed by restoration of degraded native forest carbon stocks, followed by restoration plantings. While existing forests may not sequester carbon at the same rate as new forests, the many other benefits that protection of such forests provides (such as climate change resilience, biodiversity, and connectivity) justify careful consideration of a revised approach.

While state-based native vegetation clearing laws go some way to preventing clearing of these forests in theory, they are neither secure (these regulations can be weakened or abolished at any

[1] Larmour, J, Davies, M, Paul, K, England, J, Roxburgh, S, (2018). Relating canopy cover and average height to the biomass of the stand. Report prepared for the Department of the Environment and Energy. CSIRO Land and Water, Canberra. Available at: https://www.environment.gov.au/system/files/consultations/3ca0d6b9-e99b-4b60-8452-fc26ca77567b/files/csiro-final-report-stand-biomass-and-canopy-cover.pdf

time), nor do they provide incentives or resources to actively maintain and restore native vegetation on private land.

We acknowledge that additionality issues arise when including carbon captured in existing forests, yet given their value from a carbon perspective we believe that more policy attention should be given to recognising and rewarding that value.

Alternatively, additionality requirements could be satisfied if a new method recognised conservation covenants entered into in the future, which protect native remnant vegetation on private land. This would incentivise action by a new group of private landholders to maintain and restore native vegetation in perpetuity.

The need to recognise co-benefits

Trust for Nature supports updates to the Australian national registry of emissions units that allows the market to track the co-benefits from carbon credits purchased. The Trust supports the Government identifying a standard (eg the Wentworth Group's Accounting for Nature standard) which would then allow the Clean Energy Regulator to price, and offer a market for, credits with co-benefits.

If the objectives of the climate change policy framework was broadened to include objectives other than lowest cost carbon abatement, and to recognise the multiple values provided by forest protection and regeneration in semi-arid landscapes, many more land sector projects could be brought into the climate mitigation fold. We consider that this approach could be widely relevant, with the potential to achieve significant additional ecosystem services – including climate regulation, erosion control, biodiversity protection, waste treatment and moderation of extreme events.

Thank you for considering our submission. Please don't hesitate to be in touch if you require further information.

Kind regards,

Cecilia Riebl
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