FOI 190406
Document 1

DEPARTMENT OF THE ENVIRONMENT AND ENERGY

PDR: MC16-022736

Copy to: **To:** Minister for the Environment and Energy (For Decision) Secretary Ms Evans Ms Jonasson BRIEF_MINISTER_HENRY_NATIVE FOREST METHOD_MC16-022736 Ms Wilson Timing: 22 December 2016 Chief of Staff s22 **Recommendations:** 1. That you sign the reply to the Victorian Forest Industry Taskforce (Attachment A) on its request for development of Emissions Reduction Fund methods for forests. Signed / Not signed That you draw on the information below in discussion with stakeholders seeking development of Emissions Reduction Fund methods for harvested native forests. Agreed / Not agreed Minister: Date: Comments: Ph: 02 6159 7600 **Clearing Officer:** Katrina Maguire Assistant Secretary Sent: 15/12/2016 Land Branch. Mob: s22 **Domestic Emissions Reduction Division** Contact Officer: Forests Section Ph: s22 s22 Mob: s22

Key Points:

- Professor Don Henry, Chair, Victorian Forest Industry Taskforce, wrote to you
 (<u>Attachment B</u>) requesting development of three new Emissions Reduction Fund (ERF) methods for: plantation forestry, alternative management regimes for harvested forests, and protection of native forest. Background on the Taskforce is at <u>Attachment C</u>.
 - a. The draft response notes the Government has released a draft plantation forestry method.
- 2. Other requests to the Government and/or the Department for a method to credit abatement from avoided harvesting of native forests have been made by:
 - a. the Victorian Environment Minister to Minister Hunt in March 2016 (see MC16-004111)
 - b. the New South Wales Environment Minister to Minister Hunt in January 2016 (also requesting other types of forest methods) (see MC16-000661)

- c. The Wilderness Society and other environment groups, including a proposal to protect native forests in southern NSW (see MC16-014306).
- 3. The requests focus on state government-owned native forests in Victoria, New South Wales and Tasmania, where most harvesting occurs. The proposals have objectives for industry adjustment and biodiversity conservation as well as reducing emissions.
- 4. There are no ERF methods for new projects to avoid harvesting of native forests or change management of harvested native forests.
 - a. The ERF 'Designated Verified Carbon Standard projects' method allows avoided harvest projects previously approved under the Verified Carbon Standard (an international voluntary scheme) to transition to the ERF. It is closed to new projects.
 - b. The two ERF methods for avoided clearing of native forest allow reductions in land clearing for agriculture. They do not apply to forests managed for wood production.
- 5. Protecting native forests from harvest would avoid emissions from removal of standing forests, decay of harvested material and decay or burning of harvest residues. It would likely be difficult to develop a method that can meet the offsets integrity standards in the ERF legislation, as:
 - a. Native forest harvesting is already declining in some regions, so it may be difficult to demonstrate avoiding harvest would deliver additional abatement and be beyond business as usual.
 - b. Reduced harvesting in one region or state could lead to increased harvesting in another region or state. This emissions leakage would need to be accounted for, to meet the requirement for abatement estimates to be conservative.
 - c. Forest industries and some scientists contest the emissions reduction benefits. They suggest harvesting has greater benefits, because of rapid growth in regenerating forests, carbon storage in harvested wood products, and substitution of imported wood products or more emissions-intensive products such as steel and concrete.

Sensitivities and Handling:

- 6. The Australian Forest Products Association considers an avoided harvest method would have adverse effects on the industry, and strongly opposes the concept.
- 7. The Chair of the Emissions Reduction Assurance Committee at the time of his appointment advised Minister Hunt of a conflict of interest in relation to abatement opportunities for harvested native forests under the ERF.
- Any discussions with stakeholders on an avoided harvest method would likely draw out interactions with other areas of native forest policy, including Regional Forest Agreements. The Government is currently negotiating with states to extend the agreements.

Consultation:

9. Biodiversity Conservation Division has been consulted.

Attachments

- A: Draft reply to Professor Henry
- **B:** Letter from Professor Henry
- **C:** Background on the Victorian Forest Industry Taskforce



THE HON JOSH FRYDENBERG MP MINISTER FOR THE ENVIRONMENT AND ENERGY

MC16-022736

Professor Don Henry Chair Victorian Forest Industry Taskforce Room 303, Level 3 Melbourne School of Design The University of Melbourne PARKVILLE VIC 3010

Dear Professor

Thank you for your letter on behalf of the Victorian Forest Industry Taskforce proposing the development of new Emissions Reduction Fund methods for plantation forestry and native forests managed for harvesting.

The Emissions Reduction Fund is contributing to reducing Australia's emissions and supporting a broad range of practical projects across the economy.

The Government is continuing to provide ways to participate in the Emissions Reduction Fund, and I am pleased that the Emissions Reduction Assurance Committee has released a draft method for plantation forestry for public consultation.

Priorities for method development are based on activities with the greatest opportunity for uptake and delivery of genuine emissions reductions.

Once priorities for method scoping and development are determined, the Department of the Environment and Energy undertakes feasibility testing in consultation with technical working groups and other stakeholders, to inform consideration on whether the methods will be developed. Ensuring methods are consistent with the offsets integrity standards is a key consideration.

Thank you for writing on this matter.

Yours sincerely

JOSH FRYDENBERG

The Hon Josh Frydenberg MP Minister for the Environment and Energy Parliament House, Canberra, ACT 2600

cc: Hon. Gavin Jennings MP, Victorian Special Minister of State

4th November 2016

Dear Minister,

Request for development of carbon methodologies

The development of carbon methodologies has been identified as one of several key opportunites for change arising from discussions that are currently being held amongst leading stakeholders from the forest and fibre industry and forest conservation groups represented in the Victorian Forest Industry Taskforceⁱ.

In a carbon constrained economy, the forest, fibre and wood products industries and the conservation of forest ecosystems can contribute positive solutions to lowering Victoria's carbon emissions.

Consistent measuring and accounting of carbon is vital to understanding its value, and encouraging future investment. Valuing carbon across the landscape presents significant opportunities for securing financial resources for industry development, landowners and securing forest protection and biodiversity benefits.

To realise these opportunities and encourage investment in expanding the plantation estate, in alternative forest management regimes, and in the establishment of new national parks, new carbon methodologies are required for measuring and accounting for carbon abatement in native forests and in plantations.

Developing new carbon methodologies is therefore an important next step in recognising and monetising the potential carbon value of productive short and long rotation plantations across tenures, native forests across tenures, and of new national parks and conservation reserves.

New carbon methodologies are also urgently required as they will play a key role in informing final Taskforce outcomes.

To promptly progress development of new carbon methodologies, and in conjunction with the Victorian Government, we request the Commonwealth Government develop three new methodologies, one for the establishment of 'for harvest' plantations, a second for alternative silvicultural management regimes and a third for the permanent protection of native forests. All new methods must be compliant with both the Emissions Reduction Fund and international

carbon accountaing and trading standards.

In determining the annual priorities for methodology development, we understand that one of the first criteria you must assess is the breadth of business support for the method. We firmly believe that with the strong support of leading stakeholders from the forest and fibre industry and forest conservation groups, our organisations and sectors, the methodologies being requested readily meet that criteria.

I look forward to working with you and your government to progress the development of new carbon methodologies. Please let me know how I can further support implementation of this request.

Yours sincerely,

Professor Don Henry – Chair. On behalf of key stakeholders on the Forest Industry Taskforce

ⁱSee <u>http://forestindustrytaskforce.com.au</u>

Background on the Victorian Forest Industry Taskforce

The Victorian Government established the Victorian Forest Industry Taskforce in November 2015 to provide long-term, durable recommendations and proposals for government concerning the future use and management of Victorian state forests east of the Hume Highway. The Taskforce is considering issues including maintaining secure fibre and wood supplies, employment and conservation of forest ecosystems and threatened species such as the Leadbeater's possum.

The Taskforce comprises members from industry, conservation groups and the Construction, Forestry, and Mining and Energy Union. Professor Don Henry, the independent chair of the group, is based in the Melbourne Sustainable Society Institute at the University of Melbourne. Conservation groups represented include the Australian Conservation Foundation, the Wilderness Society and the Victorian National Parks Association. Industry groups represented include the Victorian Association of Forest Industries, Australian Sustainable Hardwoods and Australian Paper.

The Taskforce presented a 'statement of intent' to the Victorian Premier in September 2016. It noted significant progress towards addressing industry and conservation issues had been made, and outlined a timeframe for making recommendations to the Premier by November 2016. The statement outlines that the Taskforce will produce plans for the industry, and for conservation and parks in coming months. The conservation and parks plan will be supported by an investigation of the conservation values across all tenures of Victoria's reserve system, and the industry plan will be supported by an investigation into future timber supply viability from state forests.

The statement of intent sets out workstreams including progressing carbon methodologies. To support this workstream, the statement of intent requests 'governments promptly progress development of forestry carbon methodologies, as they will play a key role in informing and implementing Taskforce outcomes'.

Concurrent to the work of the Victorian Forest Industry Taskforce, conservation groups including The Wilderness Society and Australian Conservation Foundation have run a high-profile public campaign to establish a Great Forests National Park in Victoria's Central Highlands across areas currently available to native forest logging. The campaign has focused on protecting the Leadbeater's possum, with several groups suggesting that carbon credits may provide an alternative source of revenue from the forests to native forest logging. Given the Taskforce's interest in developing carbon methodologies for protecting forests, we anticipate that the Taskforce may consider making similar recommendations.



THE HON JOSH FRYDENBERG MP minister for the environment and energy

MC16-029305

The Hon Lily D'Ambrosio MP Minister for Energy, Environment and Climate Change Minister for Suburban Development 8 Nicholson Street EAST MELBOURNE VIC 3002

16 AUG 2017

Dear Minister

Thank you for your letter proposing the Victorian and Australian governments establish a working group to progress development of new Emissions Reduction Fund (the Fund) methods for plantation forestry and harvested native forests.

The Fund is contributing to reducing Australia's emissions and supporting a broad range of practical projects across the economy, and I welcome the Victorian Government's interest. There are currently around 50 Fund projects registered in Victoria, with nearly 3.5 million Australian Carbon Credit Units issued so far.

The Australian Government is continuing to provide ways to participate in the Fund through the development of carbon methodologies. I am pleased that following significant consultation with stakeholders and consideration by the Emissions Reduction Assurance Committee, the Government has now made a method to allow plantation forestry to participate in the Fund

As indicated by the Hon Greg Hunt MP in his letter of 19 April 2016 to then Victorian Minister for the Environment, the Hon Lisa Neville MP, officers of the Department of the Environment and Energy (the Department) are open to considering information from your officials on proposals for methods. Priorities for method development are based on activities with the greatest opportunity for uptake and delivery of genuine emissions reductions.

Where new method priorities are determined, the Department undertakes feasibility testing in consultation with technical working groups. I will ensure the Victorian Government is included in any relevant future groups. For further information please contact Ms Katrina Maguire, Assistant Secretary, Land Branch at: katrina.maguire@environment.gov.au.

Thank you for writing on this matter.

Yours sincerely

JOSH FRYDENBERG

16-029305

Ref: MBR031973



FOI 190406 Document 2a

The Hon Lily D'Ambrosio MP

Minister for Energy, Environment and Climate Change

8 Nicholson Street East Melbourne, Victoria 3002 Telephone: 03 9637 8773 DX210098

The Hon Josh Frydenberg MP Minister for the Environment and Energy PO Box 6022 House of Representatives Parliament House CANBERRA ACT 2600

Dear Minister Frydenberg

DEVELOPMENT OF CARBON METHODOLOGIES

Min No: MC Division: DFRD Link: DLO: M5 Date: 20/12 RECEIVED 15 DEC 2016 Environment and Energy Minister
Covering Brief Appropriate Action Apromation Cos/Adviser Reply Cos/

I am writing in support of a recent request made to you regarding the development of carbon methodologies. To facilitate this request, I am seeking your support to establish a joint Victorian and Federal Government working group to assess the development of these methodologies.

In 2015 the Victorian Government convened a historic forum to reach common ground and an enduring consensus on the multiple complex issues which have characterised forestry policy for decades. The Victorian Forest Industry Taskforce consists of forest and fibre industry members, workers and their representatives, and the conservation movement. The Taskforce is currently in the process of developing a long term set of recommendations and proposals to the Victorian Government relating to forestry industry, job protection, economic activity and the protection of our native flora and endangered species.

The requested carbon methodologies would encourage greenhouse gas sequestration, support the establishment of plantations, and increase overall economic activity in regional Victoria. These measures would also play a vital role in delivering on the objectives and actions contained in the Commonwealth Government's draft National Recovery plan for the Leadbeater's Possum.

In March 2016, the former Victorian Minister for Environment, Climate Change and Water, Lisa Neville MP, wrote to the former Federal Minister for Environment, Greg Hunt MP, expressing support for the development of a methodology for protection of native forest. In response, the former Federal Minister wrote stating that while such methodologies were not on the current priority list, the Department of the Environment would be happy to consider any further information that would support their development in the future.

In determining priorities for methodology development, I understand that one of the first criteria that you must assess is the level of business support. I believe the Forest Industry Taskforce's support of this methodology development, as displayed in their previous correspondence to you (enclosed) demonstrates that this criteria is readily met.

I suggest the best approach to progressing the development of these carbon methodologies would be to establish a joint Victorian and Commonwealth Government working group. This working group



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would be well positioned to draw on the collective expertise of both the Victorian and Commonwealth Governments in assessing the potential for these new methodologies.

Should you or your department seek further information about the Taskforce or wish to discuss the establishment of a joint Victorian and Commonwealth Government working group, please contact Kath Rowley, Executive Director, Climate Change, Victorian Department of Environment, Land, Water and Planning, on (03) 9637 8288 or <u>kath.rowley@delwp.vic.gov.au</u>.

I thank you for your consideration of this request.

Yours sincerely

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Hon Lily D'Ambrosio MP Minister for Energy, Environment and Climate Change Minister for Suburban Development

9 1 12+2016

Encl.

cc: The Hon Daniel Andrews MP, Premier The Hon Gavin Jennings MLC, Special Minister of State The Hon Jaala Pulford MP, Minister for Agriculture The Forest Industry Taskforce



The Hon Josh Frydenberg MP Minister for the Environment and Energy Parliament House, Canberra, ACT 2600

cc: Hon. Gavin Jennings MP, Victorian Special Minister of State

4th November 2016

Dear Minister,

Request for development of carbon methodologies

The development of carbon methodologies has been identified as one of several key opportunites for change arising from discussions that are currently being held amongst leading stakeholders from the forest and fibre industry and forest conservation groups represented in the Victorian Forest Industry Taskforceⁱ.

In a carbon constrained economy, the forest, fibre and wood products industries and the conservation of forest ecosystems can contribute positive solutions to lowering Victoria's carbon emissions.

Consistent measuring and accounting of carbon is vital to understanding its value, and encouraging future investment. Valuing carbon across the landscape presents significant opportunities for securing financial resources for industry development, landowners and securing forest protection and biodiversity benefits.

To realise these opportunities and encourage investment in expanding the plantation estate, in alternative forest management regimes, and in the establishment of new national parks, new carbon methodologies are required for measuring and accounting for carbon abatement in native forests and in plantations.

Developing new carbon methodologies is therefore an important next step in recognising and monetising the potential carbon value of productive short and long rotation plantations across tenures, native forests across tenures, and of new national parks and conservation reserves.

New carbon methodologies are also urgently required as they will play a key role in informing final Taskforce outcomes.

To promptly progress development of new carbon methodologies, and in conjunction with the Victorian Government, we request the Commonwealth Government develop three new methodologies, one for the establishment of 'for harvest' plantations, a second for alternative silvicultural management regimes and a third for the permanent protection of native forests. All new methods must be compliant with both the Emissions Reduction Fund and international

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carbon accountaing and trading standards.

In determining the annual priorities for methodology development, we understand that one of the first criteria you must assess is the breadth of business support for the method. We firmly believe that with the strong support of leading stakeholders from the forest and fibre industry and forest conservation groups, our organisations and sectors, the methodologies being requested readily meet that criteria.

I look forward to working with you and your government to progress the development of new carbon methodologies. Please let me know how I can further support implementation of this request.

Yours sincerely,

Professor Don Henry – Chair. On behalf of key stakeholders on the Forest Industry Taskforce

ⁱSee <u>http://forestindustrytaskforce.com.au</u>

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-----Original Message-----From: s22 Sent: Thursday, 21 September 2017 12:38 PM To: ^{S22} @environment.gov.au> Subject: RE: Political Alert - ANU research finds Great Forests National Park a win for Victoria (FED) [SEC=UNCLASSIFIED]

Thanks **s22**. No further follow up required or anything. I was just thinking that if the Vic Gov raises this with the federal government, I was wondering if it was legitimate to note that they are free to enable and pay for the outcome themselves if they like.

Enjoy your leave. Cheers s22

-----Original Message-----From: s22 Sent: Thursday, 21 September 2017 12:26 PM To: ^{S22} @environment.gov.au> Subject: RE: Political Alert - ANU research finds Great Forests National Park a win for Victoria (FED) [SEC=UNCLASSIFIED]

His22

Interesting question. Aside from the mechanics of setting up and paying for a state-based approach, I can't think of a particular reason stopping it. I haven't looked into the Victorian legislation though. If there is an aspect you'd like us to look at in more detail, let me know.

Thanks for forwarding the media release.

s22 will be acting.

s22

-----Original Message-----From: <u>s22</u> Sent: Thursday, 21 September 2017 10:57 AM To: <u>s22</u> @environment.gov.au> Subject: FW: Political Alert - ANU research finds Great Forests National Park a win for Victoria (FED) [SEC=UNCLASSIFIED]

His22

A random question: is there any reason why the Vic Gov't could not create its own carbon offset method for avoided native harvest under its own legislation? Or indeed a non legislated scheme?

Thanks s22

s22Senior AdviserOffice of the Hon Josh Frydenberg MP | Minister for the Environment and EnergyPh: s22| Mob: s22s22@environment.gov.au | M1.17, Parliament House, Canberra, ACT 2600

-----Original Message-----From: CCH Parliament [mailto:politicalalert@cch.com.au] Sent: Thursday, 21 September 2017 10:48 AM To: politicalalert@cch.com.au Subject: Political Alert - ANU research finds Great Forests National Park a win for Victoria (FED)

Please find attached:

ANU RESEARCH FINDS GREAT FORESTS NATIONAL PARK A WIN FOR VICTORIA (FED)

Researchers from The Australian National University (ANU) have found the creation of a Great Forest National Park would deliver the best environmental and economic returns to Victoria from its Central Highlands. They found the economic benefits of the native forests outweighed the economic benefits of native timber production from the tall, wet forests of the Central Highlands. Lead researcher Dr Heather Keith from the ANU Fenner School of Environment and Society said changing forest management to conservation would be better economically, as well as for the environment.

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Total number of pages 2

SUPPORT: politicalalert@cch.com.au or 02 6273 2070. MAILBOX: http://www.cchparliament.com.au



THE HON JOSH FRYDENBERG MP MINISTER FOR THE ENVIRONMENT AND ENERGY

MC16-014306

Dr Rosemary Beaumont contact@greatsouthernforest.org.au

Dear Dr Beaumont and co-authors

Thank you for your letter outlining your proposal for ceasing harvesting of public native forests in southern New South Wales and managing the forests to store carbon. I understand Assistant Minister for Agriculture and Water Resources, Senator the Hon Anne Ruston, has also replied to you.

The Australian Government (the Government) is committed to reducing Australia's greenhouse gas emissions to meet its emission reduction targets. Action by the Government, business and community will allow us to meet this challenge.

The Emissions Reduction Fund (the Fund) is a key part of the Government's plan to reduce Australia's emissions. The Fund is successful in supporting a broad range of practical projects across the economy. All projects under the Fund are required to use an approved method. Methods set out the rules for estimating emissions reductions from activities and ensuring emissions reductions are real and would not have occurred in the ordinary course of business. All methods must be consistent with the Offsets Integrity Standards in the Carbon Credits (Carbon Farming Initiative) Act 2011. I encourage you to have a look at these.

The list of priority methods to be investigated by the Department of the Environment and Energy (the Department) for scoping and potential development is on the Department's website at: www.environment.gov.au/climate-change/emissions-reduction-fund/methods. Priorities for method development are based on activities with the greatest opportunity for uptake and delivery of genuine emissions reductions.

The Department would be happy to meet with you to discuss your proposal and explain the process and criteria for method development/ Please contact s22 at: s22 if you would like to meet.

Thank you for writing on this matter.

Yours sincerely

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JOSH FRYDENBERG





FOI 190406

GREAT SOUTHERN FOREST

NEW SOUTH WALES

http://www.greatsouthernforest.org.au https://www.facebook.com/greatsouthernforest/ 05 SEP 2016

RECEIVED September 2016

Great Southern Forest

TO MEMBERS OF THE FEDERAL AND NSW STATE PARLIAMENTS

The Great Southern Forest proposal presents a plan to manage public native forests in the Southern Forest Region of NSW for carbon capture as opposed to native forest logging and to fund this change with forest carbon credits.

The GSF will protect and connect forests, and link national parks, state forests and private land. It is not a proposal for further national parks but promotes protection of these forests and their natural carbon reserves. State Forests comprise over 400,000 hectares from Nowra in the north, to Eden in the south, and inland to the Tumut region.

Expiry of the Southern Forest Region's 20-year Regional Forest Agreements (RFA) in 2019 and 2021 is the catalyst for re-evaluating loss-making logging-based forest management. Major economic and environmental changes have occurred since the RFA process began. Thus it is now obvious that woodchipping is inappropriate for our native forests.

- Logging of native forests for woodchips in southeast NSW is historically loss making and is in decline, unlike the established pine plantation sector. Forestry Corporation of NSW lost \$79 million from native hardwood operations over the last seven years.
- Our native forests are hugely <u>carbon dense</u>. Including this carbon in Australia's emissions reduction program could provide carbon credit funding of \$20 million or more per year. This could <u>fund over 500 jobs</u> in forest restoration and wildlife protection, and expand jobs in nature-based and eco tourism.
- Logging causes <u>wildlife habitat destruction</u>. Short logging cycles cause dramatic declines in numbers of many unique native mammals, birds and plants. Water catchments, soil, and wildfire preparedness need to be valued for survival.
- Landscape aesthetics and natural beauty are vital for <u>nature-based tourism</u>.
- Climate change threatens forest habitat and biodiversity. The GSF will help reduce forest fragmentation and thus equip forests with the connectedness and resilience to withstand a changing climate; factors not considered when the RFA were signed 20 years ago.

The GSF proposal highlights the potential for these biodiverse carbon rich forests to transition from a loss-making and detrimental activity into a sustainable, environmentally creditable and profitable 21st century enterprise.

The <u>South East Region Conservation Alliance Inc</u>, the <u>National Parks Association</u> and the far south coast branch of the <u>National Trust</u> support this proposal. Members of the Great Southern Forest team request an opportunity to meet with you to discuss how the principles of the GSF maximise benefits of the public's native forest estate.

Please email: contact@greatsouthernforest.org.au	MINISTER FOR INDUSTRY, INNOVATION & SCIENCE □ VIP Minister reply – 5 days □ Departmental reply □ Adviser/COS
	DLO: D 2 SEP 2010 Div: Constracte
	For appropriate action For Information (NFA) Prepare brief advising: Minister

cc Brief, Great Southern Forest, NSW

FEDERAL	STATE
1. Mr Adam Bandt	1. The Hon Stuart Ayres: Minister for Trade, Tourism &
2. The Hon Julie Bishop, Minister for Foreign Affairs	Major Events, & Minister for Sport
3. The Hon Chris Bowen	2. The Hon Michael Baird, Premier, & Minister for
 The Hon Tony Burke, Shadow Minister for 	Western Sydney
Environment	3. The Hon Giovanni Barilaro, Minister for Regional
5. The Hon Linda Burney	Development, Minister for Skills, & Minister for
6. Senator the Hon Doug Cameron	Small Business
7. Senator the Hon Matt Canavan. Resources	4. The Hon Gladys Berejiklian, BA, Treasurer &
3. The Hon Michaelia Cash, Minister for Employment	Minister for Industrial Relations
7. The Hon Steven Ciobo. Minister for Trade, Tourism	5. The Hon Niall Blair, Minister for Primary Industries,
& Investment	Minister for Lands & Water
10. The Hon Mathias Cormann, Minister for Finance	
	6. The Hon Andrew Constance, Minister for Transpo
11. The Hon Kate Ellis	& Infrastructure
12. The Hon Joshua Frydenberg, Minister for the	7. Mr Michael Daley, Dip. Law, Deputy Leader of th
Environment	Opposition
13. Senator Richard Di Natale, Leader of the	8. Mr Luke Foley, Leader of Opposition
Australian Greens	9. The Hon Duncan Gay, Minister for Roads,
 Senator Sarah Hanson-Young 	Maritime & Freight, & Vice-President of the
5. The Hon Greg Hunt, Minister for Industry,	Executive Council
Innovation & Science	10. The Hon Troy Grant, Deputy Premier
16. The Hon Barnaby Joyce, Deputy Prime Minister	11. The Hon Shelley Hancock, BA, Dip Ed., Speaker
17. The Hon Dr Mike Kelly AM	12. The Hon Anthony Roberts, Minister for Industry,
18. Senator Jacqui Lambie	Resources & Energy
19. The Hon Craig Laundy, Assistant Minister for	13. The Hon Mark Speakman, Minister for the
Industry, Innovation & Science	Environment & Heritage
20. Senator Scott Ludlum, Co-Deputy Leader of the	14. The Hon Dominic Perrottet, Minister for Finance,
Australian Greens	Services and Property
21. The Hon Scott Morrison, Treasurer	15. The Hon Robert Stokes, Minister for Planning and
22. Senator the Hon Fiona Nash, Minister for Regional	Environment
Development	16. Ms Penny Sharpe, Shadow Minister for the
23. The Hon Kelly O'Dwyer, Minister for Revenue &	Environment & Heritage
Financial Services	17. Mr David Shoebridge, Greens Spokesperson
24. The Hon Keith Pitt. Assistant Minister for Trade,	Forests.
Tourism & Investment	18. Mr Mick Veitch, Shadow Minister for Primary
	Industries
25. The Hon Tanya Plibersek, Deputy Leader of the	industries
Opposition	비 것이 있는 것이 방법에 많은 것이 가지 않는 방법을 갖춰야 한다.
26. Senator Lee Rhiannon	요즘은 이렇는 것은 것은 것은 것은 것은 것은 것을 것을 수 있다.
27. Senator Janet Rice	
28. Senator the Hon Anne Ruston, Assistant Minister	
for Agriculture & Water Resources	
29. Senator the Hon Nigel Scullion, Minister for	
Indigenous Affairs	
30. The Hon Bill Shorten, Leader of the Opposition	
31. Mrs Ann Sudmalis, Nowra	
32. The Hon Malcolm Turnbull, Prime Minister	
33. Senator Larissa Waters,	
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34. Senator Nick Xenaphon



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GREAT SOUTHERN FOREST

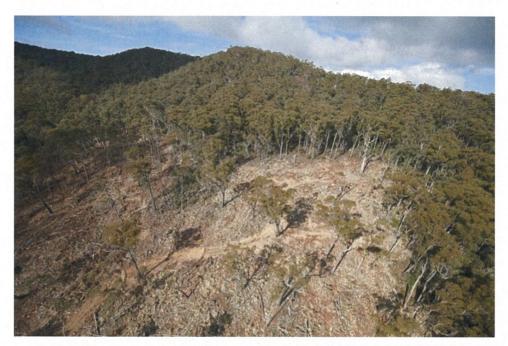
a new approach to native forest management for jobs, wildlife and carbon

1st September 2016

The Australia Institute's 2016 research ¹ found that Forestry Corporation of NSW lost \$79 million over the past 7 years.

If the native forests in the southeast forest region were preserved, carbon would earn about \$20 million per year ². This revenue could fund jobs in tourism, wildlife protection, forest restoration and help Australia meet its carbon emission reduction targets.

What is the future of these beautiful carbon dense forests and their precious wildlife?



Ridge logging in Glenbog State Forest. Photograph Dave Gallan, 2015

"The Great Southern Forest proposal is the only way forward on forests." Dr Judith Ajani, Economist, Australian National University, Fenner School of Environment and Society.

We acknowledge the peoples of the Yuin and Wiradjuri Nations and the Ngarigo, Walgalu, Dharawal, Gundungurra and Ngunnawal tribal people, who are the Traditional Owners of the Country that is the subject of this vision. We pay respect to the Elders past and present of these Nations and to other Aboriginal people who read this Brief.







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Email: contact@greatsouthernforest.org.au

Authors: Dr Bronte Somerset, SERCA Dr Rosemary Beaumont, GSF

Mr Kim Taysom, National Parks Association, Far South Coast Branch Dr Frances Perkins, National Trust, Far South Coast Branch

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WHAT IS THE GREAT SOUTHERN FOREST PROPOSAL?

As Australians, it is our responsibility to look after our country and its unique plants and animals. Custodial responsibility is at the heart of the post-logging vision for the Great Southern Forest. This proposal heralds an alternative environmentally conservative and profitable future for the southeast region of NSW which responds to job creation, wildlife protection and a changing climate.

The Great Southern Forest (GSF) region connects over 400,000 hectares of State Forests from Nowra in the north to Eden in the south and inland to the Tumut region, one third of NSW's entire public native forest estate, with National Parks and private forests. Expiration of the State Forests' Regional Forest Agreements (RFAs) in 2019 and 2021 in the Southern Forest Region (SFR), is the catalyst for re-evaluating logging-based forest management.

The GSF proposes the means by which conservative forest management, by current or alternative NSW authorities, can be funded by a significant new revenue stream: carbon emission abatement credits. This revenue can be used to restore degraded forests, connect landscapes and protect wildlife habitat, and for recreation, nature-based and cultural tourism, and related infrastructure. Jobs under this model would be long term and free from social controversy.

The Great Southern Forest proposal would reorient the Federal and State governments to recognise our native forests as the best land-based carbon store and to use carbon funding to invest in regional employment in tourism and forest protection. To reap the benefits, the Governments would terminate the RFA process and end the native forest logging sector. Management would focus on climate-responsive industries which avoid emissions and create jobs to protect Australia's ancient forests and unique wildlife.

FINANCIAL BENEFITS

NSW's native forest woodchipping industry is no longer financially or economically viable; it is unprofitable, in decline, and has been displaced by the expanding plantation industry. Over 80% of NSW sawn timber now comes from mature Australian softwood plantations³. Between 2009 and 2014 Forestry Corporation's (formerly ForestsNSW) Softwood Plantations Division cross-subsidised native forestry logging to the order of \$79 million⁴. Average losses in other recent years have been \$11 million per year⁵.

Ceasing to log the Southern Forest Region could save up to 2 million tonnes of carbon dioxide emissions per year ⁶. If these reductions were eligible to earn carbon abatement credits from the Australian Government's Emission Reductions Fund, at a recently paid auction price of \$10-20 per tonne of carbon reductions, such credits could earn NSW a gross income of \$20 to \$40 million a year ⁷. The Australia Institute reports that "that native forestry doesn't currently provide any economic value to the state of NSW, and that citizens of NSW would be \$40 million per year better off if native forests were left alone rather than logged" ⁸.

Thus, carbon credits offer a viable economic alternative to failing commercial forestry, with its declining output and employment. The reality is, the native forest logging industry makes no economic sense and is heavily subsidised by the taxpayer. Diverting native forest logging subsidies into softwood plantations could result in a larger overall timber industry⁹.

Significantly, if the NSW native forest woodchipping industry collapsed due to its own structural and financial problems, the Commonwealth Government could not claim associated reduction in carbon emissions under national and international assessment regimes, as they would not add to abatement compared to a 'business as usual' scenario. Thus, NSW could not bid for credits in the Commonwealth's Emission Reduction Fund auction system. The State needs to act quickly to achieve this potential new revenue from its native forests.

NEW JOBS IN SOUTHEAST NSW

Employment in native forest logging continues to decline. Three small sawmills operate in the Southern Forest region and employ fewer than 100 people ¹⁰. After declaring losses for many years, the Japanese owners of the Eden chip mill, the only one still operating in NSW, sold it to Allied

Natural Wood Exports in 2016. The chipmill employs fewer than 45 people and the native forest industry employs only 0.1% of the workforce statewide ¹¹.

The Great Southern Forest facilitates investment in a new critically needed intense <u>forest restoration</u> <u>industry</u> by creating tree nurseries, connecting fragmented landscapes, supporting critically endangered wildlife and hollows-dependent species, controlling weeds and feral animals, and implementing fire management strategies. The GSF vision offers culturally responsive ways for Aboriginal people to play a vital role in land and native forest management and protection which complements Indigenous Rangers Skills, the Working on Country programs ¹², and the Plan of Management for the Yuin Bangguri (Mountain) Parks.

Carbon credit funding could boost jobs in tourism. In the southeast region, the growing <u>tourism</u> industry contributes far more economic benefit than forestry, fishery and agriculture which support only 3.2% of the workforce ¹³. Tourism is one of the biggest employers within the far south coast region and thus requires the most infrastructure support. Over 60,000 international visitors travel to this region each year ¹⁴ and the benefits are shared across wide community sectors. The Great Southern Forest could augment local jobs for the rapidly expanding cruise ship market in Eden Port. Tourism Australia identifies 'immersion in nature' as the primary motivator for inbound and domestic travel markets. With a 'business as usual' approach to native forests, this prosperous and growing industry could be threatened by the rate of destruction of the natural beauty which forms the heart of the tourist experience. Tourists want adventure; ranger led forest-based experiences, cultural, heritage and educational tourism. GSF management of State Forests could complement the region's National Parks for outstanding nature-based experiences in Australia's Coastal Wilderness.

Revenue from emerging carbon markets can fund management of the Great Southern Forest. Income from carbon credits of about \$20 million per annum could generate about 500 full time sustainable jobs at a median southeast NSW rate of \$38,000 pa ¹⁵ to support this two-pronged approach to sustainable jobs in <u>forest restoration</u> and <u>tourism</u>.

SAFEGUARDING OUR WILDLIFE

Australia is facing an extinction crisis; it has the worst mammal extinction rate in the world. The Australian Government lists more than 1,700 species of animals and plants at risk of extinction. Over 30 native mammals have become extinct since European settlement. In the last 400 years, one in three global mammal extinctions have occurred in Australia. Around 30 per cent of our surviving non-bat mammal species are threatened ¹⁶.

The unique Southern Koalas once roamed the region yet now, only highly endangered small isolated colonies remain on the far south coast ¹⁷. The provisions of the EPBC Act 1999 does not protect them ¹⁸. Koalas require deep-rooted, tall specific eucalypts and logging compromises their ability to disperse and breed with other populations in the southern highlands, north-eastern Monaro and the far south coast. The Commonwealth states firewood harvesting of hollows-dependent Red-tailed Black-Cockatoo, Swift Parrot and Superb Parrot is a key threatening process ¹⁹. Yet logging of hollow-bearing trees in native forests is illegal but has been witnessed repeatedly ²⁰. Mature and old hollow-bearing trees provide flowers, nectar, fruit and seeds and a complex substrate that supplies diverse habitats for invertebrate populations ²¹. The southeast region hosts many endangered hollow-dependent fauna such as the Yellow Bellied Glider and the Powerful Owl. When the fragile and defenceless Greater Glider loses its home tree it goes to ground and a predator takes it. Native forest logging and burning destroys this essential wildlife habitat. Rotation lengths are so short that hollows don't form in eucalypts younger than 100 years and some species need hollow-bearing trees older than 150 years. Whole forests are needed for wildlife preservation, not fragmented parcels.

In April 2015, the World Wildlife Fund listed Australia as "one of 11 places around the world that will account for 80% of global forest loss by 2030"²². Nearly 300,000 ha of the State's native forests in the Southern Forest Region are logged. Native forests support wildlife, store and draw down carbon, protect soil, and provide us with clean water. Logging causes emissions, compacts soil and yet also causes erosion and downstream sedimentation ^{23 24}, and "is in conflict with maximised water yields from native forests" ²⁵. This jeopardises the supply of clean water from catchments to local communities, and affects fish nurseries and aquaculture such as oyster production ²⁶. Logging also makes forests more fire prone ^{27 28}.

Native forest logging is a key threat to our native wildlife as it causes habitat destruction, modification and fragmentation and alters the natural species composition. Australia has a dismal record of species extinctions, and the number of species being declared vulnerable or threatened continues to grow. The Great Southern Forest is not a plan for a reserve system yet it would create a protected and connected landscape to help reduce loss of our unique wildlife. The GSF can protect vulnerable and threatened wildlife by safeguarding habitat and restoring connectivity. A National Parks Association study determined, "The RFAs did not achieve intended targets to protect threatened species, and the RFAs have reduced protections for threatened species as compared to protections under the EPBC Act 1999"²⁹.

CLIMATE CHANGE AND CARBON BENEFITS

The role of forests as a carbon sink was not considered when the Regional Forest Agreements of the Southern Forest Region were signed 20 years ago when no opportunities existed then to earn income from their valuable capacity to capture and store carbon and before climate change emerged as an additional and compounding threat to habitats and to biodiversity. We have the capacity to address these multiple threats by not using our native forests for extraction but enable the whole interconnected system to actively draw down atmospheric carbon and carbon storage.

Climate change compounds and accelerates threats to habitats and biodiversity, and is the single biggest global threat to human health ³⁰ and the planet's economic future. Unlogged forests contain three times more carbon than logged forests ³¹. The forests of southeast NSW store more carbon than first thought so the carbon deficit from logging is therefore much greater than first thought; thus the risks associated with logging them are also greater than previously estimated ³².

The RFAs are an anachronism in the context of current conditions and prevent Australia from meeting its optimal emissions reduction targets. "In some respects, the RFAs must be viewed as being the antithesis of economic and environmental success" ³³. In contrast, the Great Southern Forest proposal integrates global climate science and local empirical and scientific knowledge.

Ceasing public native forest logging would help Australia to cost effectively meet its carbon emission reduction targets. Carbon accounting for forests is mandatory under the Kyoto Protocol ³⁴. As a signatory, the Commonwealth of Australia is internationally bound to meet emission reduction targets. This requires that all signatories should implement protection and enhancement of sinks and reservoirs. With the planet's health in mind, and in support of these requirements, The Lancet Commissions' enquiry ³⁵ found that the greatest carbon mitigation benefit would be achieved by protecting native forests, afforestation and reforestation. The Paris Agreement, signed by 196 nations, allocated a separate Article ³⁶ to forests in recognition of the role they play as critical global carbon sinks ³⁷. As the country with the most carbon-dense forests in the world ³⁸, Australia should set a global example and lead the way in forest management for carbon by ending native forest logging.

THE GREAT SOUTHERN FOREST PROPOSAL RECOMMENDS

- 1. The Commonwealth and NSW Governments recognise <u>ceasing public native</u> forest logging is a cost effective and environmentally valuable way to reduce carbon dioxide emissions.
- 2. The Commonwealth and NSW Governments <u>agree on protocols</u> for the cessation of public native forest logging to be eligible for Emission Reduction Fund credits.
- 3. The NSW State Government <u>change the management focus</u> of public native forests from logging to carbon capture before NSW's Regional Forest Agreements for the Southern Forest Region expire between 2019 and 2021, and to immediately commence negotiations to secure carbon credits from the Australian Government's Emission Reduction Fund.
- 4. The NSW Government <u>links such carbon credit</u> revenue with regional tourist infrastructure, wildlife protection and forest restoration, to generate long term, sustainable jobs in the region and to protect public native forests and endangered wildlife.

See supplementary materials of the Great Southern Forest proposal at: http://www.greatsouthernforest.org.au/resources.html

Great Southern Forest – forest management for jobs, wildlife and carbon

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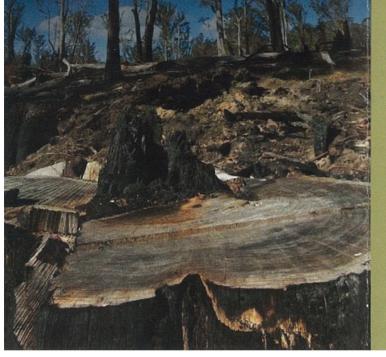
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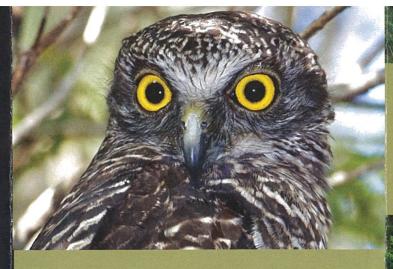
Why is the GSF an important new initiative for forest management?

Industrialised logging of native forests has severely degraded biodiversity.

The GSF is a new concept for the management of public native forests in southeast NSW. Through a new unifying land management approach, the GSF intertwines nature conservation with climate change action by maintaining forests as natural carbon stores

The GSF will protect and connect unprotected public forests. It is not a proposal for a national park. Its area extends from Nowra in the north to Eden in the south and inland to the Tumut region, comprising 430,000 ha.





The GSF: A win-win for southeast NSW

The GSF and the preservation of 430,000ha of native forest across southeast NSW will be a win for secure regional jobs, conservation of koala and threatened hollow-dependent species, and the climate emergency now facing the planet.

Forest custodianship for carbon and conservation will build a more resilient future across the region for our ancient forests and iconic flora and fauna. The GSF heralds a new era in forest ecosystem management for future generations.

www.greatsouthernforest.org.au



NATIONAL TRUST

GREAT SOUTHERN FOREST



A revolution in forest custodianship, climate and wildlife protection, and regional jobs for southeast NSW



A fresh approach to managing integrated forests across southeast NSW

Why is the GSF vital for combating climate change?

Logging native forests releases carbon. Ceasing logging of Australia's native forests is likely to be amongst the lowest cost ways of reducing Australia's C02 emissions.

Were governments to include native forest carbon in Australia's emission reduction program, researchers have estimated that ending logging in the GSF area, would result in between 1.2 and 1.5 million tonnes of avoided carbon emissions per year. This could currently generate annual revenue up to \$19.5 million. This would fund future GSF management.

Will the GSF aid Koala recovery?

Land clearing, logging and the past fur trade have decimated the koala population across southeast NSW. Over recent years scientists have recorded a tentative recovery for this iconic Australian marsupial.

The GSF will protect large areas of interconnected forest, including most already identified koala populations and key potential habitat. This will ensure existing coastal and tableland populations are conserved, making a further recovery and expansion of the species more secure.

Will the GSF cost jobs and hurt the local economy?

Over the last few decades mechanisation, competition from overseas hardwood plantations, falling global woodchip demand and commodity prices have all contributed to a loss of competitiveness and logging industry jobs, whist the softwood plantation industry continues to show good profitability.

Carbon custodianship of these forests will provide revenue streams from carbon credits, creating up to 200 jobs in the management of the GSF, building secure employment and resilient local economies in diverse tourism, forest and wildlife protection industries.

