

Tasmanian Policy Exchange Submission to the Public Release of the Updated 2024 Full Carbon Accounting Model (FullCAM)

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Feedback on draft FullCAM Methodologies

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The Tasmanian Policy Exchange (TPE) welcomes the opportunity to provide a brief submission on the 2024 FullCAM public release, focussing in particular on the Draft ACCU Scheme FullCAM Guideline updates.

The Tasmanian Policy Exchange is an impact-focussed applied public policy research centre at the University of Tasmania. The TPE was established in 2020 as a strategic initiative to enhance the University's capacity to make timely and informed contributions to policy issues and debates which will shape Tasmania's future.

The TPE and the University are deeply committed to ambitious climate action and emissions reduction policy. Although Tasmania is one of the few jurisdictions on the planet to have already attained a net-negative greenhouse gas emissions status, our performance relies almost exclusively on removals and sequestration in our vast forest estate. As a result, unless we can achieve significant emissions reduction in other sectors, maintaining Tasmania's emissions profile depends very heavily on our ability to minimise land-clearing, sustainably manage native forest resources, and grow the size and output of our forest estate. One of the key incentives currently available to help land managers achieve these outcomes is the Australian Carbon Credit Unit (ACCU) Scheme.

In July of this year, the TPE, in partnership with the Tasmanian Forestry Hub, convened an expert stakeholder workshop on forest-based carbon sequestration ACCU projects in Tasmania. Participants from the forestry and forest products and agriculture sectors along with carbon market and policy specialists discussed the perceived and real barriers to forest sector participation in the ACCU Scheme, as well as future opportunities.

Workshop participants identified several barriers to ACCU scheme participation ranging from scheme complexity and audit requirements through to project approval delays and ACCU issuance timeframes. One of the key concerns voiced consistently by land managers running plantation forestry method ACCU projects concerned the suitability of FullCAM to emissions modelling in Tasmanian hardwood plantation forest projects. Several specific issues were raised by workshop participants on this point:

¹ This submission reflects the views of the authors' and not the University of Tasmania

- The growth parameters and usage assumptions underpinning FullCAM's treatment of some plantation types and products are inaccurate or insufficiently nuanced. In particular, participants noted that the model mischaracterises long-rotation hardwood sawlogs grown in Tasmanian *E. nitens* and *E. globulus* plantations as export pulplogs, resulting in a significant underestimation of their lifespan and sequestration potential as harvested wood products (HWPs).
- The existing rules that govern crediting for carbon storage in HWPs do not account for products in landfill, even though carbon stored HWPs can remain sequestered in landfill for many decades (or even indefinitely, depending on the landfill system) before being emitted. Recent research has shown that carbon loss via decay for HWPs in landfill is as low as 1.4%, meaning that the inclusion of an 'end-of-life storage' pool for HWPs in FullCAM modelling of ACCU projects could increase their credited abatement by as much as 15%.
- FullCAM is subject to more or less constant revision of assumptions and parameters as scientific understanding of tree growth, decay, fire, and various other factors improves. While revisions typically have a very modest impact on year-to-year carbon estimates, their cumulative impact can be very significant. The fact that a project's modelled likely abatement at year one will almost certainly be subject to change throughout its life due to model revisions introduces uncertainty and increases risk for project proponents.

If Tasmania and other jurisdictions are to increase carbon sequestration in forests and soils and sustainably meet growing demand for forest products, it is essential that these barriers be addressed.

The TPE endorses and supports the changes to product specification parameters of long-rotation Tasmanian hardwood plantations proposed in Sustainable Timber Tasmania's submission. Namely, that DCCEEW either adopt a 'nearest neighbour' approach which applies parameters currently in use in Victoria, or else engage an independent expert to develop revised and more accurate forest product parameters for Tasmanian eucalypt plantations.

The TPE's final report on barriers and opportunities for Tasmanian forest sector ACCU scheme participation, which provides further detail on all points addressed above, is appended to this submission and is also [available online](#).