

AusSMC BACKGROUND BRIEFING: Farmers prepare to count carbon – but is the science up to it?

22 July 2008

TRANSCRIPT

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Just a couple of slides. Unlike agriculture the forestry sector is actually included in the Green Paper as an activity or sector that would be covered by emissions trading, or I should say carbon pollution reduction scheme. So just to go over and make it clear, the Green Paper suggests that agriculture not be included until 2015 at the very earliest. It does suggest that forestry be included as of 1 July, 2010.

If you look at the first dot point there, number one, basically the Green Paper suggests that forestry be covered and they follow Australia's current Kyoto commitment, in terms of reporting for reasons of consistency. That essentially means that only plantations that were established post 1990 and on cleared agricultural land are eligible. And that's in line with what is known as Article 3.3 in the Kyoto protocols, so they're saying we currently report back to the international framework under Article 3.3 so let's keep that going in terms of the carbon pollution reduction scheme to make it simple. The only difference is that it's also voluntary, so companies and landholders don't have to participate in the reduction scheme if they don't wish to.

Other notable points, number two there, is that when you harvest a forest you actually cop a liability in terms of emissions being perceived to be released back to the atmosphere from decomposing residues. So they're saying in the Kyoto, well if you chop it you cop it. Another point for further discussion, point number three, in terms of the whole scheme is that storage of carbon in wood products is not included. Currently the Australian government actually believes that it should be included but under the international reporting requirements and rules, any storage of carbon in harvested products isn't included and the Australian government said in the Green Paper it should be, so we're going to go out in the international arena and lobby for it to be included because it can make a big difference to the balance sheet.

Finally, the fourth point, and this was alluded to by Richard, is that how can farmers participate in the agricultural sector? Well strictly speaking they can't if it's not included at 2015, so they need to participate through the forestry sector by, for example, trying to design a carbon neutral farm where you had trees that offset your other emissions. So what that means is that anyone can participate in the carbon pollution reduction scheme and in the case of farmers it will be through the forestry sector and there are certain Kyoto rules that stipulate the area of land that you need and what constitutes a forest and so on.

Just another scientific issue and we've already alluded to these quickly. Number one, and this was also mentioned by Peter in his previous talk, it's an interesting one. When you go to a supermarket and you buy a kilogram of vegetables and you put it onto a scale and you can actually weigh it, the problem with trees and more particularly soil carbon and other emissions is how do you weigh or measure what's being traded? This could be particularly important if the price of carbon is very high, let's say getting up to \$15 per tonne of CO₂, that could make some forestry systems quite financially attractive. So the point there is how do we keep the less desirable elements, if you like, out of the system. And if you are trading a tonne of carbon how do you actually verify it and what are the rules of the game that will be acceptable to policy makers and to participants in the scheme?

Carbon and wood products is an important issue but again that's very hard to measure, particularly when the wood goes into housing frames and then it might go into landfill. If it goes

into landfill it might actually convert from CO₂ to methane, which has a higher greenhouse gas warming potential. So trying to keep track of all these things, just like in the fate of carbon in soil was actually pretty tricky. And then in terms of forests it's not just about carbon, it's actually about a whole bunch of things. This is dot point number three. It's about water security, particularly that's the big policy agenda at the moment. How does that intersect with carbon policy and biodiversity? So how can we put plantations into a landscape that actually confer multiple positive benefits?

The last one is, again going back to the farmer issue, is how do we calculate and what the net emissions are from a farm and [?] and therefore calculate the number of trees that might be needed if you did want to become carbon neutral.

Finally, just to put things in context, trees can actually make a pretty substantial difference, just simply by virtue of the fact that Australia is a big place to plant trees. Just some examples. Some recent lobbying we've done shows that 9 million hectares of trees in relatively low rainfall, that's water impacting areas, would store enough carbon to offset about 25% of our current emission. So that's when the trees are all planted overnight and you come back and they've grown up. So that assumes a sink during the active phase of growth of the trees. But if you use the products for energy substitution, say for biofuels, you actually get even more bang for your buck. So the best way the trees can actually be used to offset emissions is by harvesting them and then burning them for power generation. Well perhaps people who are looking at ethanol production at the moment.

The last one I've covered. It's not just about carbon, it's about multiple trade offs. So I will leave it there. Thanks.

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