Clean Economy Jobs Bill 2024

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Parliamentary Committee Submission
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Background

The Australian Climate and Biodiversity Foundation (ACBF) advocates for the rapid protection and restoration of Australia's native forests. We are committed to establishing new opportunities for protecting, managing, and generating income from our forests that benefits communities, business, governments, and landowners.

We congratulate the Queensland Government on the *Clean Energy Jobs Bill 2024,* including the choice to enshrine Queensland's emissions reductions target of seventy-five per cent by 2035 in law. Protecting and restoring native forests is crucial to Queensland reaching this target and can deliver great economic benefits to the state. Developing new, high integrity carbon credit methods to partner with this process will contribute to Queensland's emissions reductions commitments and can provide economic benefits to the state, landholders, and regional communities.

Methods

The *Carbon Credits (Carbon Farming Initiative) Act (Cth)* (CFI Act 2011) outlines the statutory framework for carbon offsets in Australia and the assignment of Australian Carbon Credit Units (ACCUs). The CFI Act 2011 acknowledges carbon output can be reduced in various ways and a range of 'methods' suitable to different industry and community contexts should be developed to reflect this and maximise economic incentives to reduce emissions. Opportunity for economic gain is dependent on the existence of a relevant method – this is a gap the Queensland Government is in prime position to fill and consequently reap the economic and environmental rewards. Through our research in partnership with Professor Andrew Macintosh at the Australian National University, ACBF has identified two methods suitable to the Queensland context: Improved Avoided Native Regrowth Clearing (IANCR) and Improved Native Forest Management (INFM).

Agriculture plays a key role in the Queensland economy and the Australian national export market. However, according to the Federal Department of Agriculture and Fisheries, over the last two decades climate trends have driven down profitability by up to 23%. The IANCR method addresses this issue twofold by providing a financial return to landholders who choose not to clear land (through entering into the carbon projects through changed land management that can then generate ACCUs) and improving land restoration. Queensland's existing land clearing laws acknowledge the importance of maintaining native vegetation, however various exemptions within the *Vegetation Management Act 2017* (VMA) create a gap resulting in over 350,000 HA cleared during the 2020/2021 reporting period. The IANCR method creates an economic incentive for landowners to reduce clearing rates.

The INFM presents an opportunity to allow native forests currently used for wood production to be credited for the increases in forest carbon stocks upon the cessation of native forest logging. This is timely in Queensland due to the completion of the Southeast Queensland Native Forest Agreement at the end of 2024, with other similar agreements following suit in the coming years.

The Queensland Context

Queensland has more heavy emitters than any other state in Australia, and high emissions industries are central to the Queensland economic makeup. To realise a just transition with

minimal economic and social disruption across the state, the Queensland Government will need high-integrity ACCUs available to support high emitting industries through the transition process. It is only through having methods fit for the Queensland context approved that this can be achieved.

The Queensland Government is in a unique position to act as the proponent for the IANRC and INFM methods, and in doing so, create a long-term, sustainable pathway to reduce emissions by 75% by 2035. Being at the forefront of the method development (as the proponent) empowers the Queensland Government to ensure the method is prioritised through the assessment process within a timely manner and delivers maximum economic benefit for Queenslanders.

Economic returns for Queenslanders
The benefits for Queensland in developing and adopting these methods are twofold: emissions reductions and ACCU generation. ACCU generation positions the state to strategically drive Queensland's clean energy transition while minimising economic disruption. It is also beneficial to landholders in generating additional, sustainable base income from their property that is not reliant on weather and climate. Landholders will also experience improved soil quality and other ecological benefits.

Based on our research to date, we estimate the following revenue generation through the adoption of these methods, based on an ACCU price of $35.

Method	IANRC (over 25 yrs)	INFM (over 15 yrs)
Emissions Reduction	46.7 $MtCO_2$-e	7.7 $MtCO_2$-e
ACCUs Generated	1.4 million p/a	490k p/a
ACCU Dollar Figure	$49 million p/a	$17 million p/a

Next steps
The Queensland Government has an opportunity to lead the way in establishing high integrity carbon credit methods. In accordance with the 2022 Chubb Review, the Federal Government is currently establishing the Carbon Abatement Integrity Committee (CAIC), which will hold oversight of the assessment, approval and application of all methods. There is still significant work to be done in developing the details of the IANRC and INFM methods to have them submission-ready as soon as the opportunity arises with the CAIC. The sooner this action takes place, the sooner Queenslanders can reap the economic benefits of ACCUs and reach our emissions reductions target of seventy-five per cent by 2035.
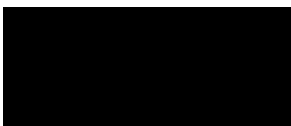
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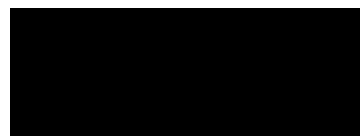
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