

## NT Greenhouse Gas Emissions Offsets Policy

### A review by FIAN T

#### **Introduction**

The Forestry Industry Association of the NT (FIANT) supports the NT Government's efforts to achieve a net zero greenhouse gas emissions economy by 2050. The NT Government policy is a positive and much needed step towards creating an emissions free and green economy. The local forestry industry will potentially benefit from this policy in conjunction with appropriate regulation that fosters the development of industries that sequester carbon.

The NT has the potential to lead Australia forward in the transition to net zero emissions. Forestry can play an important role in generating long term sustainable and 'green' jobs for the NT's clean economy. The Territory industry already has a gross value of over \$10 billion, with further investment driven by the global push to offset emissions, the industry will continue to grow.

The opportunities for forestry in the Territory are significant, growing conditions are favourable for many plantation species and global demand for timber is rapidly expanding. The price of Australian Carbon Credit Units has been strongly appreciating, consequently this will help to encourage investment in Territory plantations.

The synergies of promoting forestry in the Territory and the push to reduce emissions by 2050 are clear. FIAN T believes that the policy will be positive for the industry and the long-term development of the Territory economy. However, it is essential that DEPWS are sufficiently resourced to implement the policy and to support businesses to adhere to it. FIAN T will work with the NT Government, including DEPWS, to tweak the emissions policy and assist with its implementation for the benefit of all Territorians.

#### **Application and impact on the NT Forestry Industry**

In the policy's current form, it applies mainly to industrial greenhouse gas emitters and large scale land clearing applicants. It is highly unlikely that the policy will directly impact forestry operations as they generally do not clear large tracts of land nor do they emit large volumes of greenhouse gases.

FIANT does not anticipate plantations will clear land due to the demands placed on the industry by the Forestry Stewardship Council and investors to utilise historically cleared land. If plantations directly clear land they are not eligible for environmental accreditation and consequently investor returns will be significantly lower. Future plantations in the Territory will most likely convert former cleared farms to forestry operations. Therefore the land clearing component of the policy does not directly impact upon the existing forestry industry in the Territory.





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FIANT strongly supports and applauds the government's decision to give preference to Territory generated Australian Carbon Credit Units (ACCUs). This well considered aspect of the policy will help to stimulate demand for Territory ACCUs and encourage investment into the local industry. It is hoped that the department is strict in ensuring that all available measures are taken by emitters to purchase Territory generated ACCUs.

Currently the two largest plantation species in the Territory cannot access the Emissions Reduction Fund (ERF) and sell carbon credits due to outdated Commonwealth legislation. This is set to soon change however, FIANT expects that the NT Government supports Territory plantations to access the ERF if it becomes an issue again in the future.

In order for the policy to be successful and to make the approvals process easier for industry, DEPS must be appropriately resourced. Territory forestry plantations wishing to sell ACCUs could miss out on higher prices if emitters are bogged down in red tape. A transparent and efficient approvals system is needed to ensure that plantations and emitters can work together to reduce emissions and create jobs for Territorians.

FIANT is also pleased with the requirement to invest the equivalent of 50% of the required indirect emissions offsets into R&D activities based in the Territory. The R&D focus of the policy may potentially enhance our understanding of the carbon sequestering capacity of the industry and unlock additional sequestering efficiencies. FIANT will strongly encourage and call for R&D into local sequestration activities.

### **Conclusion**

The NT Government policy offers the chance to enhance the Territory economy and to create additional opportunities for the forestry industry. Forestry provides a foundation for the Territory to transition to a clean and green economy.

This policy will play a small but important role in encouraging investment and development in the local industry. FIANT looks forward to proudly supporting the NT achieve its net zero emissions target.

