Australian Government
**Department of Climate Change, Energy,
the Environment and Water**

Nature Repair Methods

Workshop summary: Opportunities for Native Forests

DATE	Thursday, 21 March 2024
TIME	12:30 pm – 3:00 pm AEDT (2.5 hours)
LOCATION	Virtual meeting (Microsoft Teams)

Workshop overview

This is a department summary of a workshop held by the department about opportunities for native forests through method development under the Nature Repair Market.

This targeted workshop brought together a specific group of stakeholders within the native forest management and forestry sector to:

1. explore how a method could contribute to the protection, conservation, and management of native forests, and
2. inform next steps on the possible direction for the development of a native forest method.

Feedback

The summary reflects the views expressed by participants. Views summarised do not necessarily reflect government policy positions on scheme design and implementation nor do they reflect the views of all participants.

We are committed to providing a high level of integrity and probity to support open discussion and to learn from key stakeholders. Participants were advised that insights provided during the workshop could be de-identified and generalised to allow the information to be publicly available.

The summary reflects the views expressed by participants and does not necessarily reflect government policy positions on scheme design and implementation.

Session 1: What outcomes, activities and scope should a native forest method focus on?

This session explored how to best focus a method to support investment in protection, conservation and restoration of biodiversity in native forests. This includes how a method could provide opportunities in environmental markets as an alternative to harvesting.

Participant key points:

- Suitable activities for <u>a broad native forest method should consider a suite of intervention activities</u> including thinning, prescribed burning, spraying and baiting where suitable for a local area. Activities should not be limited to one or two key activities like feral animal and pest management.

- Some considered that a method <u>should not be limited to alternatives to harvest</u> as there are range of pressures requiring intervention across landscapes impacting native forest condition (while others considered this a priority).
- A potential method, or methods, would need to be applicable across landscapes and tenures but should <u>be focused on a forest type</u> to ensure different requirements (e.g. rainfall) can be effectively considered.

- A potential method, or methods, would <u>need to consider the different threats to biodiversity under different tenures</u> (e.g. private vs. government-run forestry) and current management requirements.

> *Insight – A broad approach to a native forest method is desired by many but the differences between forest type, local conditions and tenure would likely be a limiting factor.*

- <u>Protection of high-quality native forest and better management activities may provide outcomes sooner</u> to support issuance of a Biodiversity Certificate.

- There is <u>greater risk in the ability to demonstrate biodiversity gain through restoration activities</u>. Restoration activities would also require an agreed definition of 'restored' and approaches to baseline current biodiversity conditions.

- Despite the complexities, <u>degraded landscapes may offer a greater level of biodiversity improvement across a landscape</u> compared with protection activities.

> *Insight – Both protection and restoration activities need to be considered in method development but these activities both have different requirements which have impacts on method suitability*

- <u>Need to consider existing natural capital accounting and frameworks</u>, including emerging approaches including the Taskforce for Nature Related Financial Disclosure (TNFD) and supporting the National Biodiversity Strategy and Implementation Plan (NBSAP).

- Need to ensure methods and/or <u>supporting method guides are easy to understand to potential market participants to support access.</u>

> *Insight – Development of a native forest method should consider, align and build upon previous and existing approaches to environmental markets, including carbon markets*

- <u>Aggregating activities across multiple sites into a single project,</u> like in the ACCU Scheme, is one approach which may support ecological connectivity and enable projects to benefit from economies of scale.
- Aggregated projects would need to consider <u>tenure, forest type, Biodiversity Certificate ownership and management responsibility</u>.

- Restoration projects that <u>support landscape connectivity would be desirable to buyers</u> of Biodiversity Certificates.

> *Insight –* *There is likely to be interest in having the ability **for** multiple projects to deliver 'landscape-scale' biodiversity gain*

Session 2: What project implementation questions should be a focus in developing the method?

Design of a native forest method will need to consider a range of factors to ensure it is fit for purpose and attractive to potential investors. A method will need to encourage participation in the market by enabling projects that are feasible, practical and appealing to project proponents and landholders.

Participant key points:

- Nature Repair methods should ensure <u>free, prior and informed consent</u> is undertaken with local Traditional Owners and groups.

- Traditional Owner <u>perspectives and approaches to valuing biodiversity need to be captured</u>.

> *Insight – Method development needs to consider how the consent rights in the Nature Repair Act 2023 would be implemented in this method.*

- There are <u>many approaches to measure biodiversity outcomes</u> which need to be considered in native forest method development. Biodiversity measurement approaches could consider implementation costs, existing biodiversity monitoring arrangements and weighting to identified priority species.

- A method should <u>allow for a high level of innovation in undertaking project activities</u> that deliver on the agreed biodiversity outcomes.

- A large amount <u>of biodiversity prioritisation work has been done</u> by private organisations, governments and universities that can inform method development.

- It is likely some projects will not be able to demonstrate biodiversity gain in the short term. <u>Consideration needs to be given to intermediary targets that go to achieving the long term outcomes</u> to enable the issuance of a Biodiversity Certificate to support market participation.

> *Insight – Native forest method development needs to be clear on the biodiversity outcomes required to inform suitable measurement approaches.*

- Projects would <u>need certainty around frequency of monitoring relative to project risk level</u> and regional context.

- <u>Different reporting periods may be required for certain projects</u> with a slower rate of change to demonstrate biodiversity outcomes are achieved. Consideration of high and low risk projects would also influence the type of monitoring required.

- <u>Baselines to compare biodiversity gain and to track against targets (local, national and international)</u> would support adaptive management needs. For example, if certain biodiversity targets were not met, this could also trigger reviews and inform necessary actions.

- <u>Transparency and data sharing</u> would support monitoring and market integrity.

> *Insight – Accessible high-quality monitoring would give confidence biodiversity outcomes are being achieved and support adaptive management.*

Session 3: What would give high confidence in meeting biodiversity outcomes?

The *Nature Repair Act* has several provisions to support the integrity of projects and their biodiversity outcomes including the Biodiversity Integrity Standards (the integrity standards), biodiversity assessment. Where a method sets requirements for measurement and assessment these would need to comply with the integrity standards and an applicable Biodiversity Assessment Instrument.

- Consideration needs to be given to the potential of a native forest method to create 'leakage' by pushing native forest timber harvest offshore where environmental laws and management are less robust.

- Approaches that would 'Lock out' access may not be well received for publicly managed land and the services they may provide to the local community (e.g. horse riding and 4x4 clubs).

- A passive management method would provide the lowest cost regeneration but may not deliver the best biodiversity outcome. Consideration needs to be given to approaches to ensure passive, low cost, methods don't reduce the value of methods which require more active management approaches.

- Some considered heavily modified landscapes may require ongoing native forest management activities to continue to support forest restoration, conservation and protection.
- Ensure the method specifies how a biodiversity project would demonstrate that it is 'additional'.

> *Insight – There are several potential risks to a native forest method that need to be navigated. Critical risks include questions around 'additionality' and 'leakage'.*

Workshop attendance

DCCEEW Biodiversity Markets Branch	Australian Government
DCCEEW Carbon Crediting Branch	Australian Government
Department of Agriculture, Fisheries and Forestry (DAFF)	Australian Government
Department of Prime Minister and Cabinet (PM&C)	Australian Government
CSIRO	Australian Government
Clean Energy Regulator (CER)	Australian Government
NSW Biodiversity Conservation Trust (BCT)	State government
Department of Environment, Parks and Water Security (NT)	State government
Department of Natural Resources and Environment (NRE TAS)	State government
DCCEEW (NSW)	State government
Department of Environment, Science and Innovation (DESI) (QLD)	State government
Department of Energy, Environment and Climate Action (DEECA) (VIC)	State government
Environment, Planning and Sustainable Development Directorate (ACT)	State government

Department of Water and Environmental Regulation (DWER) (WA)	State government
Forico	Industry
PF Olsen Australia	Industry
Northern Territory Ord Valley Forestry Hub	Industry
Wespine Industries	Industry
Responsible Wood	Industry
Timber NSW	Industry
Strategic Forests and Renewables Partnership	Industry
JC Forestry	Industry
Private Forests Tasmania	Industry
Kurrumbene Projects	Industry
Anthesis	Industry
Sustainable Timber Tasmania	Industry
Sandalwest	Industry
NatCapPlus	Industry
FLINTpro	Industry
The Pew Charitable Trusts	eNGO
Trees For Life	eNGO
Australian Climate and Biodiversity Foundation	eNGO
Bush Heritage Australia	eNGO
Accounting for Nature	eNGO
The Nature Conservancy	eNGO
WWF	eNGO
Trust for Nature (Vic)	eNGO
Business Council of Australia	Peak Body
Australian Forest Products Association	Peak Body
Australian Land Conservation Alliance (ALCA)	Peak Body
Forest Industries Federation of Western Australia	Peak Body
Federation of Victorian Traditional Owners	First Nations
Aboriginal Carbon Foundation	First Nations
Australian National University (ANU)	University
University of Melbourne	University
La Trobe University	University
Climate Friendly	Services
Carbon Market Institute	Services
GreenCollar	Services