



CUTTING VICTORIA'S EMISSIONS 2021–2025

Land use, land use change and forestry sector emissions reduction pledge

Minister's foreword

Preserving and enhancing our natural environment is an essential function of the Victorian Government. We cherish the natural environment not just for its intrinsic beauty and value, but also for the indispensable resources that it provides to our community and our economy – from the basic essentials of water and food, to the delights of outdoor recreation and the spiritual enrichment that it provides to so many.

The land use, land use change and forestry (LULUCF) sector pledge comprises two primary elements: restoring degraded landscapes and planting millions of new trees. These initiatives will not only remove emissions from the atmosphere, but deliver a range of social, economic and environmental benefits including enhanced biodiversity, reconnection and healing of Country for Traditional Owners, improved water and air quality, and a strengthened capacity to adapt to and manage the impacts of climate change.

This pledge builds on our ambitious plan to improve biodiversity over the next 20 years by supporting the restoration of 100,000 hectares of habitat by 2030. It will also help us secure a sustainable, long-term future for the Victorian plantation forestry industry.

New funding will support Traditional Owner participation in land restoration initiatives, and deliver a long-term income stream for rural landholders to restore habitat, improve on-farm productivity and capture carbon.

Importantly, pledge measures will boost investment in regional Victoria, support jobs in land management and agriculture-related fields and contribute to the post-coronavirus (COVID-19) pandemic recovery across the state.



The Hon. Lily D'Ambrosio MP
Minister for Energy,
Environment and Climate Change
Minister for Solar Homes

Emissions are released when vegetation is decomposed, removed, permanently damaged in bushfires¹ or degraded due to climate change

Overview of land use, land use change and forestry sector

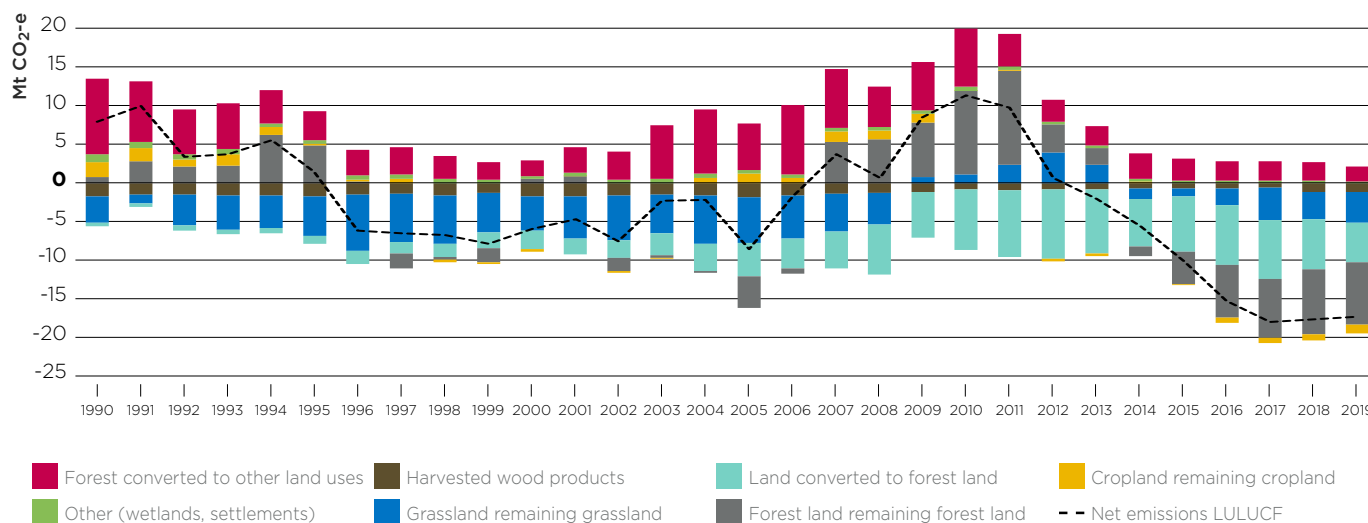
The land use, land use change and forestry (LULUCF) sector covers emissions resulting from activities affecting land use and vegetation cover, including land clearing and regeneration, forest management and plantations on public and private land.²

The sector is both a source of emissions and a means of sequestering (removing) emissions from the atmosphere.

When sequestration is greater than emissions, the sector operates as a 'net sink' for emissions – storing more carbon than it emits. In 2019, the sector emitted 2.1 Mt CO₂-e but sequestered 19.5 Mt CO₂-e, thereby providing a net sink for greenhouse gases of 17.4 Mt CO₂-e. This was equivalent to around 19 per cent of Victoria's total emissions in that year.

The LULUCF sector fluctuated between being a net source and a net sink of emissions between 1990 and 2012. Since 2012, LULUCF emissions have consistently declined and the sector has been a net sink, thus playing an important role in Victoria's emissions reductions.

LULUCF sector emissions (1990–2019)



Source: State and Territory Greenhouse Gas Inventories 2019 (DISER 2021)

¹ Bushfires release significant amounts of carbon dioxide, but forests generally recover over time, generating a significant carbon sink in the years following the fire.

² Other sources (croplands, wetlands and existing settlements) make a smaller contribution to total net LULUCF emissions and were relatively stable between 1990 and 2019.



Emissions reduction opportunities

Protecting and enhancing Victoria's natural sources of carbon storage will be essential to achieving our legislated target of net-zero emissions by 2050. This sector will also play an important role in meeting interim targets along the way.

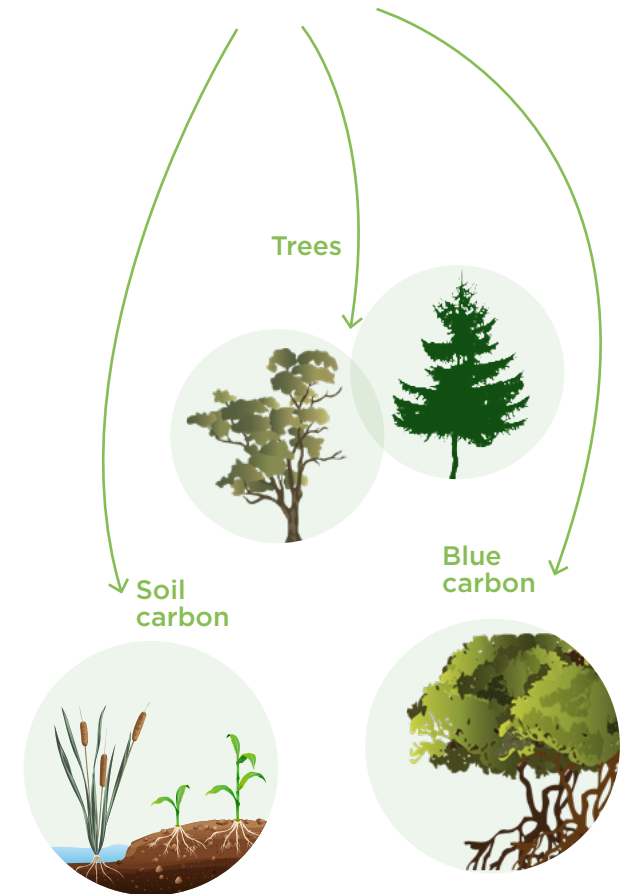
Current emissions reduction opportunities for the LULUCF sector in Victoria include:

- / Improved forest and land management
- / Revegetation and restoration of public and private land
- / Support for timber plantations
- / Working with landholders to increase on-farm forestry, shelterbelts and environmental plantings.

There is also emerging emissions reduction potential in soil and coastal and marine ecosystems.

Activities to enhance emissions reductions in this sector also deliver multiple benefits including revitalising Victoria's landscapes, increasing on-farm productivity, enhancing biodiversity, improving water and air quality, and healing Country.

CARBON EMISSIONS



Emissions are sequestered and stored as carbon in vegetation and soils, and as 'blue carbon' in coastal and marine ecosystems. Carbon is also stored temporarily in wood products made from harvested forests.

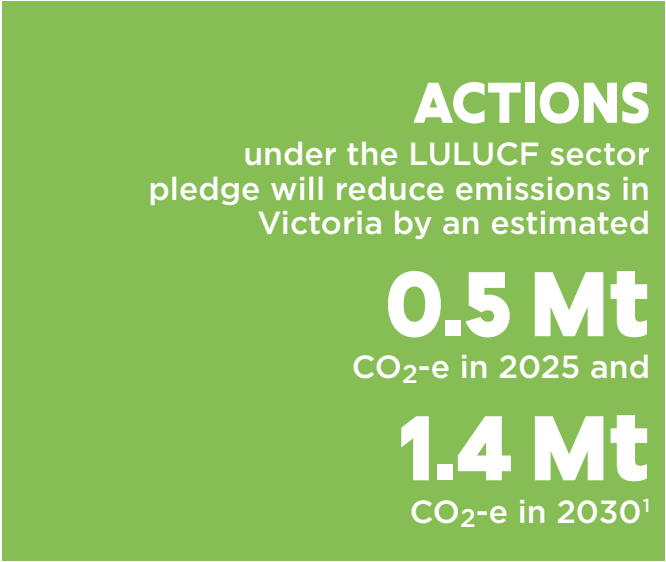


Emissions reduction pledge 2021–2025

Actions to be taken under the LULUCF sector pledge will help protect and add to existing sources of natural carbon storage. These actions will work alongside our existing ambitious plan to stop the decline of our native plants and animals and improve our natural environment – *Protecting Victoria's Environment: Biodiversity 2037*.

The pledge also complements other plans for Victoria's recovery from the devastating 2019–20 bushfires as we move into longer-term rebuilding and recovery for our communities and biodiversity. Bushfire recovery is essential to ensuring the future health of our forests. Our main focuses in this pledge are:

- / Investing in low-carbon landscapes through sustainable plantations and incentivising plantings of shelterbelt trees and agroforestry
- / Restoring natural habitat on public and private land to enhance carbon storage
- / Caring for our forests.



ACTIONS
under the LULUCF sector
pledge will reduce emissions in
Victoria by an estimated

0.5 Mt
CO₂-e in 2025 and

1.4 Mt
CO₂-e in 2030¹

¹ These emissions estimates represent the difference between projected emissions with these actions in 2025 and in 2030 compared to projected emissions without these actions.

Emissions reduction actions

Low carbon landscapes

The Victorian Forestry Plan and the Gippsland Plantations Investment Program

Timber harvesting has ceased in 90,000 hectares of Victoria's remaining old growth forest, and all native forest timber harvesting will be phased out by 2030.

The Victorian Forestry Plan will assist the forestry industry as it manages its gradual transition away from native forest harvesting to a plantation-based timber supply. Under this long-term plan, a \$120 million package will ensure workers, businesses and communities have the certainty and support they need during the transition.

The \$110 million Gippsland Plantations Investment Program will provide incentives for plantation investors to undertake industrial-scale planting to bolster Victoria's timber supplies.

The Victorian Carbon Farming Program

This \$15.33 million program will be delivered over 10 years to provide incentives for private landowners to plant shelterbelt trees and engage in agroforestry. The program will also support private landholders to access existing incentives and carbon markets, enabling them to realise productivity benefits and new income streams.

Victorian Forest Nursery

A \$2 million grant has been provided to VicForests to establish the \$10 million Victorian Forest Nursery in Nowa Nowa in East Gippsland to increase the eucalypt seedling supply chain and create 30 new jobs, as part of the Gippsland Plantations Investment Program. The nursery will produce up to 5 million seedlings each year, which will support planting and reforestation of around 5,000 hectares annually.

These programs
will plant up to

30M

trees



Nature Restoration for Carbon Storage

BushBank Program

This \$76.98 million program will incentivise private and public landowners to restore and protect natural habitats and diversify income streams. Revegetation and restoration will reduce net emissions while improving habitat, healing Country and improving soil and water quality.

New economic opportunities will be available for Traditional Owners in land restoration and carbon markets. Traditional Owner involvement in this program will be consistent with the Victorian Government's approach to self-determination.

There will be opportunities for Traditional Owners to identify priority values and locations for restoration, pursue training and capacity building opportunities, investigate new emissions-reduction methodologies for cultural practices, and seek out natural-resource related economic opportunities.

Carbon Sequestration Agreements

Since 2016, reforestation has been happening on parcels of Victorian Crown Land under pilot Carbon Sequestration Agreements (CSAs).

The Government will explore CSAs as a mechanism for land restoration under the new Nature Restoration for Carbon Storage Program.

Emerging soil and blue carbon opportunities

We will continue to explore emerging opportunities in soil carbon and blue carbon, including supporting collaboration with the national Clean Energy Regulator and engagement with the Australian Government to improve access to Commonwealth funding for these activities.

The Victorian Government has invested \$600,000 in establishing science standards and trialling the development of blue carbon restoration techniques for coastal wetlands.

Victorian expertise has been instrumental in finalising the forthcoming national guidelines for including blue carbon ecosystems in the Emissions Reduction Fund. The guidelines are expected to be published in mid-2021 and will enable public and private sector investment in blue carbon.

Caring for our forests

Future forests

The Victorian Government is undertaking a major program of forest management reform in response to challenges including climate change, population growth and changing community needs.

The Victorian Cultural Landscapes Strategy, written by Traditional Owners, will set out how they can lead planning and management of Country in line with cultural obligations to care for Country. The aspirations outlined in this strategy will underpin two key and complementary land management strategies currently in development – Parks Victoria's Land Management Strategy and the State Forest Management Strategy. In combination, these three strategies will guide forest and parks management decisions across the state.

Regional Forest Agreements

Regional Forest Agreements (RFAs) are agreements between the state and the Commonwealth that provide for sustainable management and use of Victoria's forests. The Australian and Victorian Governments have modernised and extended the Victorian RFAs until 30 June 2030, bolstering protections for the state's unique forest biodiversity and threatened species, and adding new commitments to work with Traditional Owners to protect Country.

Bushfire recovery

The Government has established a permanent dedicated agency, Bushfire Recovery Victoria (BRV), to work directly with local communities impacted by Victoria's devastating bushfires of 2019–2020. We continue our support for BRV with a further \$123.8 million to be invested over four years.

The Bushfire Biodiversity Response and Recovery program is also continuing following publication of the report *Victoria's bushfire emergency: Biodiversity response and recovery*. An additional \$29 million has been committed by the Victorian Government, bringing the total investment by government to support biodiversity response and recovery to \$51.5 million (in addition to \$9.8 million from the Australian Government). This program continues to guide priorities as we coordinate and deliver actions to support and protect Victoria's plants and animals following the fires.

Acknowledgement

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

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ISBN 978-1-76105-537-9 (pdf/online/MS word)

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This instrument has been made to give effect to the requirements in Division 3 of Part 5 of the *Climate Change Act 2017*.

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