

Land use, land use change and forestry sector emissions reduction pledge 2026–30



VICTORIA
Australia



Minister's foreword

The land use, land use change and forestry (LULUCF) sector is central to our transition to net zero emissions by 2045.

It's the only sector that can naturally remove emissions from the atmosphere, and we're committed to accelerating this potential by planting more trees and safeguarding the future of our state's forests.

The Victorian Government is deeply committed to protecting and restoring the rich biodiversity that underpins our state's environmental health and economic prosperity. Since 2014, we've invested nearly \$800 million to manage threats to biodiversity and enhance our natural landscapes to deliver on our *Biodiversity 2037 Plan*. This is the largest investment ever made by a Victorian Government to protect and enhance the ecosystems that support our unique flora and fauna and improve our great outdoors. These landscapes are also vital carbon stores, playing a key role in our climate action. Our investment ensures they are healthy, resilient and able to store as much carbon as possible.

We're also sustainably expanding Victoria's plantation estate and supporting landowners to adopt farm forestry practices – unlocking significant timber production and economic opportunities for regional communities.

Our initiatives honour and empower Traditional Owners. Through the BushBank Program, we're enabling self-determined participation in carbon and nature markets. Through the Future Forests Program, we're partnering with Traditional Owners to embed traditional knowledge and cultural values into forest management – recognising their enduring connection to Country and their vital role in shaping a sustainable future.

This pledge builds on the ambitious action we began in 2021. We're investing in the recovery of state forests impacted by bushfires and timber harvesting and planting new habitats that support biodiversity and remove carbon from the atmosphere. We're continuing to support farm forestry and commercial plantations – strengthening the economy and ensuring a sustainable supply of timber for future Victorian homes. These efforts not only drive carbon sequestration and biodiversity gains but also fuel regional economies and create green jobs, proving that environmental stewardship and economic growth go hand in hand.



Hon. Steve Dimopoulos

Minister for Environment
Minister for Tourism, Sport and Major Events
Minister for Outdoor Recreation

Overview of LULUCF sector emissions

The LULUCF sector covers emissions from activities affecting land use and vegetation cover across Victoria, including land clearing, revegetation, regeneration, forest management, plantations and farm forestry¹.

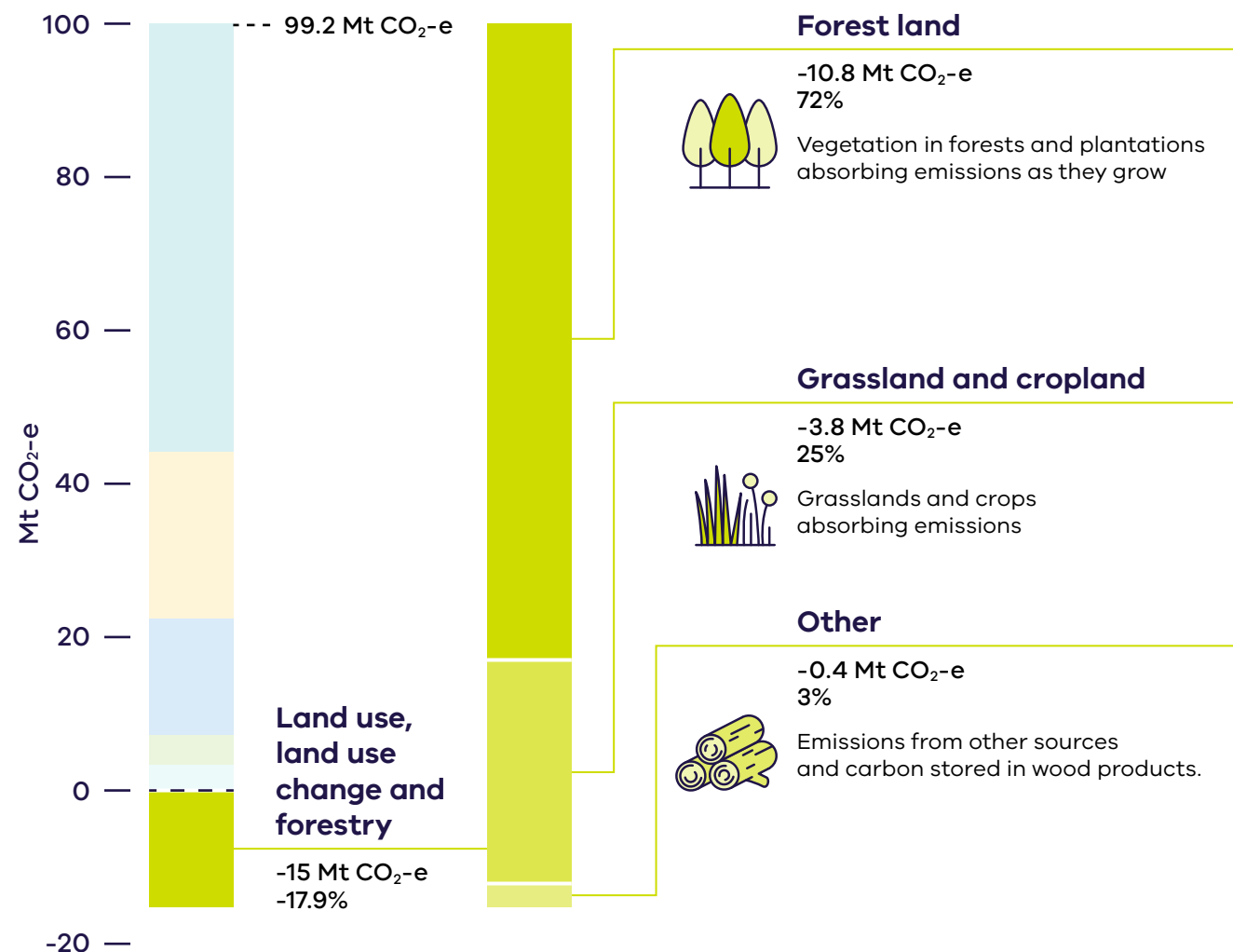
Carbon can be stored in the soil and in vegetation known as 'green carbon', in wetlands known as 'teal carbon' and in marine systems known as 'blue carbon.'

Vegetation and soil can remove carbon dioxide from the atmosphere, acting as a carbon 'sink'². The LULUCF sector can be a source of emissions or a sink depending on how land is used and conditions such as floods, droughts and fires.

The sector has been a net carbon sink since 2012, supporting Victoria's transition to net zero by removing emissions. In 2023, the sector removed 15.0 Mt CO₂-e from Victoria's atmosphere – 18% of our total emissions.

- 1 Other sources which make a smaller contribution to total net LULUCF emissions are croplands, wetlands, existing settlements, controlled burning, some wildfires and carbon stored in harvested wood products.
- 2 Climate change impacts such as altered rainfall patterns or increased temperatures can degrade, damage and reduce the effectiveness of these sinks.

LULUCF sector emissions in Victoria in 2023



Figures represent latest emissions data from 2023. Numbers may not sum to 100% due to rounding.

Achievements

The actions detailed in this pledge build on Victoria's long history of investing in programs that have direct benefits for the environment.



\$800 million

invested since 2014 in biodiversity initiatives including Landcare and community volunteering, Traditional Owner grants, landscape-scale weed and pest control and threatened species actions.



3,000+ network

of land and marine parks protecting 18% of land, 75% of wetlands and 70% of coastline.



225,000+ people

volunteered their time to support environmental causes in 2023–24. Our communities have a long history of caring for local landscapes.



\$6.6 million

to revegetate 2,500+ hectares of coastal areas and restore wetlands and marine kelp forests, including a targeted project to restore the Avalon Coastal Reserve and the UNESCO-designated Western Port Biosphere Reserve. These works have provided blue carbon outcomes, habitat for biodiversity and helped protect communities from storms and coastal erosion.



450+ offset sites

in Victoria covering 20,000+ hectares. Requirements to avoid native vegetation removal and offset biodiversity impacts of removals have reduced vegetation clearing and played a vital role in capturing and storing carbon.



117,000+ hectares

of private land under conservation covenants, government-backed programs that accelerate native vegetation management and protection – strengthening community grassroots efforts.



382,000 hectares

Victoria has the largest plantation estate in the country, producing around a quarter of Australia's plantation grown wood and providing timber for construction and paper manufacturing.



1.8 million hectares

of protected state forest. From 1 January 2024 all native timber harvesting on public land ceased – six years earlier than planned – significantly reducing carbon emissions.



4,900+ hectares

of habitat planted under the BushBank Program.



1,000+ hectares

of new on-farm plantings contracted under the Victorian Carbon Farming Program and Gippsland Farm Forestry Program.



3,630+ hectares

of land purchased and 3.5 million seedlings planted under the Gippsland Plantations Investment Program.

Emissions reduction pledge 2026–30

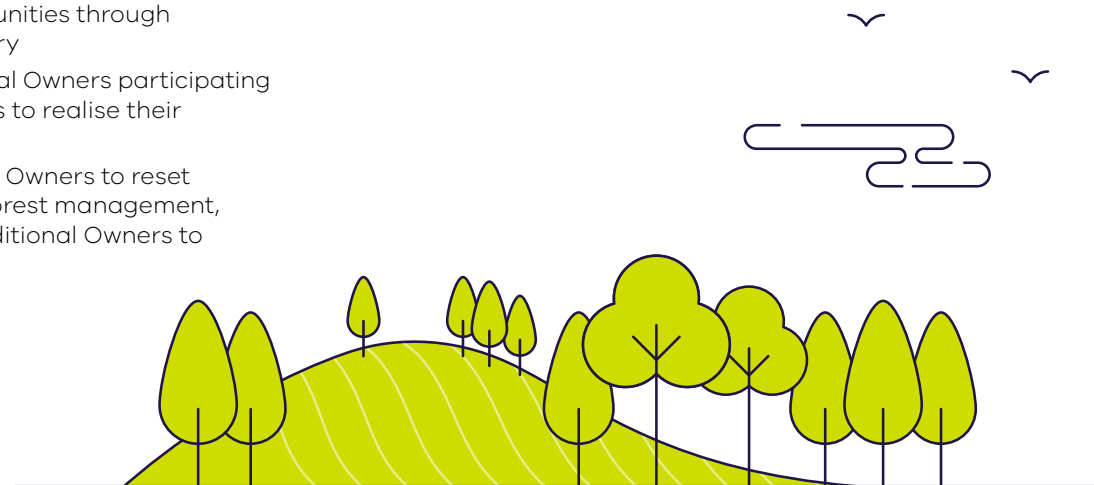
The 2021–25 LULUCF sector pledge's tree planting actions will continue until at least 2030 as we create new habitat for biodiversity, establish new plantations and support farm forestry and shelter belts on farms. Our long-term planting programs aim to plant millions of trees across private and public land, boosting our agricultural sector and restoring our great outdoors.

Actions in this pledge will reduce emissions by at least 0.3 Mt CO₂-e in 2030, noting this is a conservative estimate as it excludes emissions reductions from forest recovery and management. Pledge actions together with our ongoing action to protect native vegetation and invest in forest management will help the LULUCF sector continue to remove 12–15 Mt of CO₂-e in 2030.

Benefits of these actions include:

- providing habitat for biodiversity and places to explore and enjoy through native forests and environmental plantings
- creating essential wood products and income streams to regional communities through plantation and farm forestry
- First Peoples and Traditional Owners participating in land restoration projects to realise their aspirations for Country
- partnering with Traditional Owners to reset the strategic direction of forest management, including empowering Traditional Owners to heal and care for Country.

We'll continue to engage with the Australian Government and others to support carbon markets and the emerging nature repair market that offer opportunities and access to private funding to deliver this critical work.



Emissions reduction actions 2026–30

Actively manage forests

Victoria's impressive forests provide habitat for unique animals and plants, clean water and places for connecting with nature through bushwalking, bird watching, hiking and camping.

Victoria's public land covers approximately 8 million hectares of state forests, parks and conservation reserves, holding more than 1 billion³ tonnes of carbon. Forested areas are the largest carbon sink in Victoria, providing around 70% of Victoria's annual carbon sequestration.

The end of native timber harvesting presents new opportunities for how to manage over 1.8 million hectares of state forest. The Victorian Government is partnering with Traditional Owners to embed traditional knowledge, values and the rights of Traditional Owners in this management, while also responding to forest management challenges including climate change, population growth and changing community needs.

From 2024 to 2028 the **Future Forests Program** will provide approximately \$40 million to:

- actively regenerate 1,200 hectares of degraded native forests
- manage forests for biodiversity and carbon outcomes
- manage weeds and pest threats
- improve fire ecology and forest modelling knowledge
- support research and trials into ecological thinning, and apply this to improve ecological values, support biodiversity and increase the resilience of forests to climate impacts.

Restore nature for a greener, cooler, more biodiverse Victoria

Well-planned tree planting can deliver co-benefits for the economy, biodiversity, agriculture, water, Traditional Owners and regional communities. The Victorian Government will continue to leverage existing carbon and nature repair markets and explore opportunities such as new Crown land carbon sequestration agreements to attract private investment for nature restoration.

BushBank Program

The \$77 million, 16-year **BushBank Program** provides incentives to restore and protect natural habitats, helping remove emissions, diversify income streams, heal Country and improve biodiversity, soil, air and water quality. The BushBank Program aims to restore more than 20,000 hectares of land across Victoria by 2035 by leveraging private investment – delivering up to 2 Mt CO₂-e emissions reductions by 2045.

We're investing \$3 million through the BushBank Program to support the upscale of seed supply while also supporting Traditional Owner nursery expansions and the Traditional Owner-led 'Right Plant Right Way' forum focused on overcoming challenges in the sector.

More Trees for Melbourne's Suburbs

The Victorian Government has committed \$11.95 million to deliver the **More Trees for a Cooler, Greener West Program**. More than 500,000 trees will be planted by Traditional Owners, local councils, public land managers and others by late 2026, creating cooler spaces and more liveable environments for communities in Melbourne's western suburbs.

In addition, a new \$9.5 million initiative will deliver another 500,000 trees across Local Government Areas with below-average tree canopy cover and high heat vulnerability under the **More Trees in Melbourne Program**.

Community Action

We also support nature restoration through several funding programs to Landcare and catchment management authorities. This funds action to improve native vegetation, waterways and wetlands to enhance habitat for biodiversity, improve water quality and ensure vegetation is resilient and continues to sequester carbon.

Support plantations and farm forestry

Programs to store more carbon in trees and wood products can also help landowners reduce farm emissions and generate new revenue streams from timber, carbon or natural capital values. Integrating trees into farms (farm forestry) can also improve soil, water and biodiversity, provide shade and shelter to livestock, and rehabilitate unproductive land.

Victorian Plantations Support Program

Victoria already has the largest plantation estate in the country and a new \$10 million program will support plantation expansion by up to 5,000 hectares by leveraging Australian Government and private investment. These plantations can generate Australian Carbon Credit Units (ACCUs), providing additional revenue to landowners, and supporting domestic wood supply.

³ Department of Energy, Environment and Climate Action unpublished weighted average carbon per hectare per bioregion and forest cover data

Trees on Farms Program

The **Victorian Trees on Farms Program** commenced in August 2025. This program provides grants to farmers and small plantation growers to integrate trees on their land. The aligned **Trees on Farms Incubator Program** will be delivered in parallel supporting rural landowners to receive in depth training and planning advice to strengthen their technical knowledge and inform decision-making.

Trees on Farms Utilisation Program

We're investing \$4.5 million over three years to support mid-rotation thinning in farm forestry plantations – a practice that improves productivity but can be financially challenging at smaller scales. This support will help avoid early clear-felling for low-value products, promoting the production of high-quality sawn timber that stores carbon longer.

This program is backed by Australian Forestry and Wood Innovations which will evaluate carbon and natural capital benefits of hardwood plantations and investigate innovative processing, new markets and industry growth opportunities for the nascent hardwood plantation sector across Victoria.

Gippsland Plantations Investment Program

The \$120 million **Gippsland Plantations Investment Program** continues to support industrial-scale plantations and is expected to plant 16 million softwood trees over the life of the program.

Leverage emerging blue carbon markets

We've invested \$1.84 million to prepare us for participating in emerging blue carbon markets by mapping the health of our coastal ecosystems, identifying restoration opportunities and trialling restoration techniques.

A **Blue Carbon Statement** will support coordinated action and help attract private investment for blue carbon.



Supporting tree planting on private land

The **BushBank Program** provides several pathways to plant trees to restore native habitats. Cassinia Environmental, the Victorian Government's delivery partner on private land is securing large tracts of land through a revolving fund. It's also working with private landowners helping them deliver large scale restoration projects and seeking private co-investment. Landowners can sell their carbon rights up front or receive support from BushBank to deliver biodiverse carbon farming projects under the ACCU Scheme. Land is restored to its historical vegetation type and permanently protected by a Trust for Nature Conservation Covenant.

The **Trees on Farms Program** supports integrated tree planting such as the "Wilandra Farms" organic dairy located in Clydebank that established 11 hectares of trees for timber production into agricultural landscapes. This supports the business's emissions reduction goals and delivers a range of other benefits, including shade and shelter for cattle, wildlife habitats and forage plants that support animal health. Tree species were selected for their timber qualities and are being managed to produce high quality timber that will store carbon in long-lived products such as furniture or flooring.

Traditional Owner self-determined participation

With a unique connection to land and cultural responsibilities to protect and heal Country, Traditional Owners and First Peoples groups across Victoria have their own distinct aspirations for Country and People.

We recognise the rights of Traditional Owners and value their cultural knowledge. As part of our commitment, we've:

- allocated \$14.5 million in grants through the **BushBank Program** for Traditional Owners to heal Country and participate in habitat restoration and carbon markets, including support for Traditional Owner nurseries and seed businesses
- funded the development of the **Traditional Owner Cultural Landscapes Strategy** to support Traditional Owner rights and interests in managing Country according to their Lore and Customs.

The Victorian Government continues to enable Traditional Owner participation in land management including:

- supporting economic and employment opportunities on Country
- land restoration and carbon farming opportunities
- genuine partnerships with public land managers
- increasing the influence of Traditional Owners on climate action
- strengthening culture and incorporating cultural knowledge into management practices.

Traditional Owners caring for Country and climate



We are supporting Traditional Owners to advance their self-determined priorities for Country, People and the climate.

Eastern Maar Aboriginal Corporation (EMAC) is delivering a Resilient Forests Project for the Otway forest foothills in partnership with the Conservation Ecology Centre. This partnership is embedding biocultural landscapes, obligations to Country and climate vulnerability assessment into forests management. BushBank has also supported an EMAC ACCU Project near Beech Forest. The project will enable Eastern Maar People to practise their cultural responsibilities to manage their Country and provide important carbon and biodiversity outcomes for Victoria.

BushBank has supported several groups to increase their ability to supply plants or seed including the First People of the Millewa Mallee Aboriginal Corporation (FPMAC), Taungurung Land and Waters Council (TLWC), Wurundjeri Woi-Wurrung Cultural Heritage Aboriginal Corporation (WWCHAC), Barengi Gadjin Land Council (BGLC), Dja Dja Wurrung Clans Aboriginal Corporation (DJAARA) and Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC).

WTOAC has examined the use of ecological thinning in the Ross Creek and Bamganie State Forest under a Joint Management trial. The trial will assess whether ecological thinning can enhance carbon storage, climate and fire resilience, and biodiversity by promoting tree growth in the long term.



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Acknowledgement of Country

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 have 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.

