



Growing Landscape Carbon

Online Brokerage Platform Development Workshop Report

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24 October 2018



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Executive summary

The 'Growing Landscape Carbon' Project is working to develop an online platform (the 'Platform') to facilitate investment in tree growing for economic and environmental benefits, including carbon. Additional funds will be required to develop the Platform further for widespread implementation, testing and commercial adoption.

A workshop held at University of Melbourne on 18 October engaged with key stakeholders and sought advice on their needs for such a Platform.

Victoria has opportunities for developing excellence in integrating carbon, landscape and wider regional industry development imperatives. The workshop identified that aiming for high quality assured landscape-based carbon projects to achieve multiple benefits is highly desirable and that the proposed Platform could support this wider aim.

Stakeholders expressed a strong commitment to collaborate on further development of a prototype Platform because:

- the project is timely
- it fills genuine needs for the timber industry, farmers, CMA's and carbon investors
- it will be refined through use.

Carbon benefits are emerging as a key enabler for tree planting because of:

- increasing demand for landscape carbon
- increased demand for carbon abatement and carbon neutrality. For example:
 - Victorian statutory authorities (eg water boards) are required to demonstrate that they will be carbon neutral in the near to medium term
 - Meat and Livestock Australia has indicated that the meat and livestock industry will move to carbon neutrality.
- corporations are likely to want to invest close to customers

The Platform will need to be designed to be able to:

- link to other Platforms and data sources
- be supported by institutional investors as a critical way engage prospective landholders
- allow both landholders and investors to demonstrate their interest in planting trees

The workshop identified a number of technical needs and institutional opportunities. It is timely to identify and confirm the next steps with the Platform's prototype development. A number of the needs identified by stakeholders are outside the scope of the current Project. The Project has the capacity to be expanded so investigating options for coupling additional complementary projects to build on this one are recognised as a priority.

Introduction and overview

1.1. Workshop aims

The 'Growing Landscape Carbon' project is working to develop an online platform (the 'Platform') to facilitate investment in tree growing for economic and environmental benefits, with the overarching goal of increasing carbon abatement through the integration of additional trees in rural landscapes. A stakeholder workshop was held on October 18 at the University of Melbourne (see Appendix 1 – Workshop Flyer, Agenda & Attendees).

The aims of the workshop held at University of Melbourne on 18 October were to:

- Engage key stakeholders and seek advice on their needs
- Provide input to design to ensure the platform will work to effectively link landowners, investors and carbon market places
- Identify the main technical considerations for the design of this type of platform
- Identify key information needs for landowners, investors and other stakeholders
- Identify relevant information sources and related Platforms and techniques
- Define relevant stakeholders and appropriate communication strategies.

1.2. Prototype and further development opportunities

1.2.1. Strong support for an online Platform

Professor Rod Keenan introduced the Project making it clear that it is developing a prototype platform and that additional funds will be required to develop the Platform further for widespread implementation, testing and commercial adoption (see Appendix 2 – Keenan presentation).

While there was recognition of the short time frame and limited budget for prototype development, the Project was viewed as timely. There is a need for the prototype to be designed so that it has the capacity to be expanded and, ultimately, facilitate both landholders and investors realise their economic, social and environmental ambitions. By capitalising on technical and social trends and innovations there is a clear opportunity for excellence in integrating carbon, landscape and wider regional industry development imperatives in Victoria.

Throughout the workshop, stakeholder feedback and presentations emphasised the benefits, support and strong recognition of the need for developing, and refining through use, of such a Platform. A strong commitment to collaborate on further development was expressed.

1.2.2. An online Platform as the facilitator for increasing landscape carbon

Carbon benefits are emerging as a key enabler for tree planting. Increasing demand for carbon abatement and carbon neutrality will be a driving force for engaging farmers in tree planting on their property.

The Platform should be designed to allow demonstration of landholders interest in planting trees on their property and investors interest in specific areas of geographic focus. Support from institutional investors is a critical way engage prospective landholders.

1.2.3. Prioritising development opportunities

The workshop identified a number of technical needs and institutional opportunities that suggest that it is timely to consider 'where to' with the prototype and its development. A number of these needs are outside the scope of the current Project. The Platform has the capacity to be expanded and deliver upon a number of technical requirements that are needed to realise the recognised need for increased tree planting in the Australian landscape for a range of multiple benefits. However, because these are outside the scope of the current Project, expectations will need to be managed. Investigating options for coupling additional complementary projects to build on this one is recognised as a priority.

Output from workshop activities

1.3. Making matches work

Workshop activities and discussions provided key insights to help guide the Project and realise the aims of the day.

The workshop opened with a role play where participants were assigned the respective roles as landholders, CMA biolinks builders, timber industry or carbon investors who were required to broker deals on joint investment in reforestation of defined areas on map sheets of either eastern (Gippsland) western Victoria Central Goldfields region (see Appendix 3 – Catch Carbon Forests role play rules).

The aim of the role play was to identify the key information needed by stakeholders when they're deciding to (or not to) invest in tree planting projects.

The role play identified the need for 'deal-stacking' arrangements that enable multiple investors to invest in reforestation that can deliver carbon, timber and landscape-catchment benefits. They identified issues with:

1. Complexity Current arrangements are bespoke, complex and complicated (eg from the landholder's point of view, having four different project players or participants may make it too complicated). The landowner would need to have trust in each player. The added administrative of managing multiple entities might make it burdensome and unviable.
2. Risks and obligation Need to clearly defining obligations and assigning risks. There needs to be clarity about who wears the downside and who wears the upside risks.
3. Trust and history Need to have negotiations based on trust and information that can overcome some of the history of poor plantation investment practices
4. Clear outcomes The need for clarity about landscape priorities, benefits and distribution
5. Clarity of roles Specification of roles and responsibilities regarding land management and certainty about carbon permanence
6. Information Need for quality assured information (on which to base negotiations) such as what grows best where
7. Business and partnership models How can business and partnership models be developed so as to meet the needs of all parties?



Figure 1 Presenting the outcomes of the outcomes of workshop participant discussions

1.4. Platform design considerations

The workshop identified a number of key design considerations and attributes. While some of these may be desirable they may be outside the scope of the current Project.

There were strong views expressed that the Platform should effectively link to existing platforms and data sets. In doing so it was suggested that the developers consider the capacity to interface with the following:

- Victoria Land Channel and Land Titles Registry
- Carbon abatement and wood supply forecasts (within acceptable tolerances)
- Property ownership and land value databases
- Online Victorian data sets
- Native Title Tribunal Register

In terms of functional capacity, it was suggested that the Platform would be useful if it could:

- Simplify the capacity to aggregate smallholders within a region (or carbon scheme)
- Provide property mapping of infrastructure
- Enable automated form filling
- Enable the input of quantitative features (gradient, slope, flat)
- Have capacity to identify the land available as either a % or specific area of the property

In terms of models and imagery, it was suggested the following is investigated:

- Massbio (government sourced)
- Forest productivity index
- Historical time series of satellite imagery to provide evidence of the time of tree planting
- Co-functionality so that relevant stakeholders can collaborate

The following general issues of concern were identified:

- Privacy
- Data governance
- Who will be responsible for upgrading, servicing and ongoing maintenance

1.5. Key Stakeholder Information Needs

Considerations that were identified for key stakeholder groups included:

Landowners

Landholder representatives at the workshop identified the following needs and desirable features

- Reputable companies or industry groups to provide targeted and assured information
- Use of brokers who, for a fee, can assist with connections
- Supports community engagement and has connection to local governments (eg landuse planning)
- Simplicity and ease of use
- Certainty about carbon 'permanence' – e.g. 25 or 100 year options
- Aggregation of properties to match buying power of investors and environmental managers
- Clarity about business case and models – e.g. transparency, supply chain links and clarity about who wears the planting project's risk
- One portal that provides a suite of linked platforms and information e.g. links to land channel
- Confidence in the assessments of the catchment and environmental benefits

Environmental Managers

Sector perspectives on the needs and wants of Catchment Management Authorities and environmental managers included:

- Platform provides knowledge and access and enables packaging and screening of parties interested in a region
- Finds links between the farmer and biodiversity improvements

- Links farmer to the right investor
- Good if investors can 'sell' or monetise the environmental benefits
- Need to ensure marketing and education of the Platform
- Need trust and independence from brokers who can advise farmers and others of available opportunities and bring together the carbon-timber and landscape benefits

Carbon Farmers

Carbon investors wanted a Platform that supports:

- Social negotiation – how much information is needed to start discussions
- Overcoming problems with the small size of landholdings in Victoria that are often too small to warrant investment from private carbon aggregators
- CO₂ and landscape outcomes invested in, and trusted by, institutional investors.
- Must be end cost compliant
- Better understanding of what is driving landholder interest

Timber Industry

Timber industry representatives at the workshop identified the following needs and benefits:

- A Platform that supports making links to a wider range of interested parties. The industry is already connected with people who want trees. They want to meet people who haven't considered tree planting. The timber industry is flexible in their reasoning, (biodiversity, carbon) but just want to know if they are open to having trees on their lands
- Need for clarity about who will maintain the platform after initial development
- They indicated a willingness and desire to collaborate in the Platform's development
- There is a concern that if the Platform is too complicated it won't be used or kept up to date.

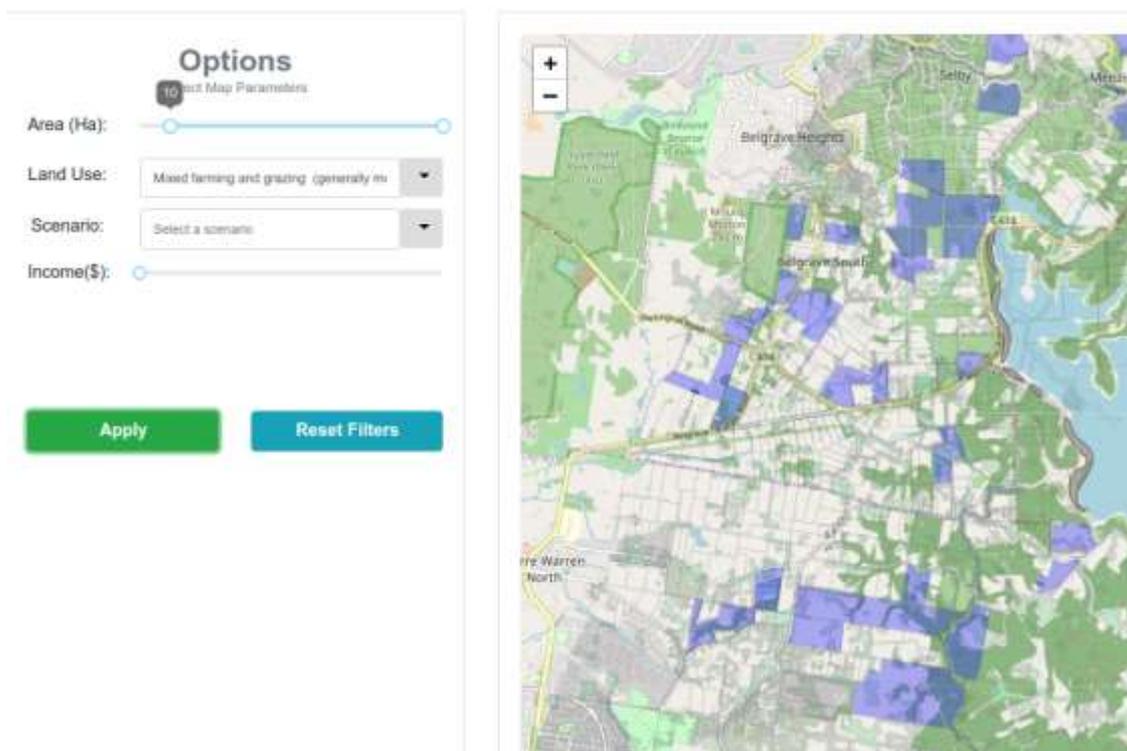


Figure 2 Screenshot of Platform prototype under development

1.6. Platform success criteria

Workshop participants were asked to define success by writing a note on success criteria. These were analysed and clustered into the following:

1. The Platform is:
 - a. Complementary with other Platforms and systems in use
 - b. Simple and effective to use
 - c. Adds value by facilitating investment in landscape change
 - d. Provides and is backed by quality assured information
 - e. Makes matches and match making easy
 - f. Is invested in, sustained and maintained by trusted parties
2. The Platform results in landscape outcomes that are:
 - a. Scalable and transferable to all landscapes
 - b. Supported through investment by institutional investors – eg Victorian Statutory Authorities
 - c. Trusted and underpinned by as much scientific certainty as possible
3. In terms of forestry and carbon outcomes the Platform generates:
 - a. Lots of viable deals and projects
 - b. A backlog of interested parties
 - c. Capacity for aggregating multiple plantings, management and harvesting needs
4. With regard to social and business outcomes, the Platform supports outcomes that result in:
 - a. Forestry investments that are trusted and have earned respect
 - b. Landowners are proud to have trees on farms
 - c. Victorian landscape carbon regarded as a premium product



Figure 3 Workshop facilitator consolidates participant's success criteria

Conclusion: Workshop insights

Insight	Comment
<p>The Platform will need to be driven from institutional investors as a critical way engage prospective landholders</p>	<p>The Platform should be designed to allow both:</p> <ul style="list-style-type: none"> • Landholders to demonstrate their interest in planting trees on their property; and • Investors to proactively demonstrate their interest in specific areas of interest
<p>The Project is funded to develop a prototype only. Additional funds and support will be required to develop and test the Platform further with widespread implementation, adoption and its long-term sustainability</p>	<p>The workshop identified a number of needs that are outside the scope of the current project. Expectations of the current Project will need to be managed. The Project has the capacity to be expanded and deliver upon a number of technical requirements that are needed to realise the recognised need for increased tree planting in the Australian landscape for a range of multiple benefits</p>
<p>There are a number of existing technical resources and we- based platforms that could be integrated into the development of the Platform</p>	<p>A critical component of the Project will be to engage with the appropriate organisations to ensure that the Platform builds and potentially integrates (and does not replicate) existing Platforms. A specific activity will be identified in the Stakeholder Strategy to ensure this takes place</p>
<p>There are a wide range of stakeholders who might take a critical interest in this Platform. It is important that they are identified and the Platform is socialised with them</p>	<p>Stakeholders relevant to this Platform will be identified in the Stakeholder Strategy. Relevant extension activities to integrate their considerations into the Platform’s development will be planned for</p>
<p>The Platform may be viewed as ‘an enabler’ for effective collaboration between stakeholders</p>	<p>The Project will need to consider in the Platform’s design how it facilitates collaboration</p>
<p>Carbon benefits are emerging as a key enabler for tree planting. The likely increased demand for carbon abatement and carbon neutrality will be a driving force for engaging farmers in tree planting on their property.</p> <p>There are multiple reasons why landscape carbon may see a significant upswing in interest and demand</p>	<p>Increasing demand for landscape carbon is occurring. Victorian statutory authorities (eg water boards) are required to become and demonstrate that are carbon neutral. Meat and Livestock Australia has indicated that the industry will move to carbon neutrality. Corporations are also likely to want to invest close to customers. The Platform has the capacity to be a key enabler to meet this demand</p>

Project next steps

Step	Detail
1. Development of Stakeholder Engagement Strategy	This will include engaging with: <ul style="list-style-type: none"> • Landholders and industry stakeholders in regions of interest in Victoria • Socialisation of Platform with key stakeholders to test the prototype
2. Confirmation with technical team the design parameters for the prototype and options for linking to existing spatial Platforms and platforms	<ul style="list-style-type: none"> • Technical workshop to ensure that existing resources are integrated as appropriate and not replicated
3. Prototype testing with key stakeholders	Identify cost effective ways of testing the prototype – eg regional or another state-wide project workshop Determine interest from key stakeholders such as statutory authorities in testing the Platform in their areas of interest
4. Develop approaches for further development and implementation (i.e. beyond the scope of the current Project)	Socialisation with key parties to build support for further development of the Platform for wide spread implementation Identification of specific projects that can be coupled to the Platform that meet defined needs – eg developing governance model for future development
5. Brainstorm or consult on business and investment models that would drive the Platform’s long term use and development	Seek out options for financing longer term project that includes consideration of long term financing and ownership arrangements Seek out Meat and Livestock Australia and others to determine interest in scaling to Australia wide

Appendices

1.7. Appendix One: Workshop Flyer, Agenda and Attendees



STAKEHOLDER WORKSHOP INVITATION

Participate in the development of an Online Brokerage Platform for Integrating Trees in Rural Landscapes

DATE:	Thursday 18 October 2018
TIME:	9.30am—2.30pm
VENUE:	University House at the Woodward Centre, 185 Pelham St, Carlton
REGISTRATIONS:	https://www.trybooking.com/XQFI
FURTHER INFO:	lyndall@lynea.com.au or rkeenan@unimelb.edu.au

- *What is the biggest impediment to increasing trees in the landscape?*
- *Are we optimising the potential that trees offer to abate carbon, meet our timber needs and realise a range of other environmental benefits?*
- *How can technology help landholders, tree growers and investors work together?*

This Project will develop an online brokerage platform to facilitate investment in tree growing for various economic and environmental benefits, harnessing a range of policy incentives, including those under the ERF, with the overarching goal of increasing carbon abatement through the integration of trees in rural landscapes.

The Platform will be based on national datasets and industry data. It will be used to target the right types of plantings for the right location to maximise potential benefit for land owners and investors. This includes opportunities to achieve emissions reductions, areas of high productivity potential and areas of revegetation priority.

We want you to help us ensure that the Platform's user interface is logical, accessible and user friendly and is able to realise its goal of linking landowners, investors and carbon market places.

This project is managed by the University of Melbourne. It is administered by the Virtual Centre for Climate Change Innovations Grants project funded by the Department of Environment, Land, Water and Planning. The Project is working in collaboration with Greening Australia, Carbon Markets Institute, Corangamite Catchment Management Authority, Midway Ltd and the Department of Environment, Land, Water and Planning.



Online Brokerage Platform Development Workshop Agenda 18 October 2018

9.30am	Registration - <i>includes arrival tea and coffee</i>
10.00am	Welcome and Introduction
10.10am	Workshop Exercise - <i>Identify key Platform decision making considerations</i>
10.40am	Stakeholder Presentations
11.10am	Platform Prototype demonstration
11:50am	Reflections on Platform needs and critical success factors
12.30pm	Lunch
1.00pm	Sector Strategies - <i>What is needed from your sector to connect key parties to invest and grow trees?</i>
1.40pm	Workshop Exercise & Discussion - <i>Agreement on Platform needs and characteristics</i>
1.50pm	Next Steps - <i>Feedback and Wrap Up</i>
2.00pm	Workshop Close

List of Attendees

Name	Affiliation
Jason Alexander	Alexander & Associates
Nerida Anderson	University of Melbourne
Kate Brunt	Goulburn Broken CMA
Lyndall Bull	Lynea Advisory
Peter Devonshire	Devtree
Natalie Dorgan-Browne	University of Melbourne
Vivek Dugar	We Act
Lisa Gervasoni	Victorian Farmers Federation
Dave Gibb	Sussex Farm
Sara Gipton	FSC Australia
Mitchell Gorman	Latrobe City Council
Janet Hallows	Carbon Market Institute
Rod Keenan	University of Melbourne
Alison Kelly	Dairy Australia
Phil Lacy	PF Olsen Australia
Alexander Lewis	Carbon Market Institute
Matilda Manning	Melbourne Water
Peter Merritt	DELWP
Luca Morandini	University of Melbourne
Tim Morrison	VAFI
Amy Moulton	Midway Limited
Philippa Noble	Brimin Lodge
Sean O'Malley	Planet Ark
Simon Penfold	We Act
Chris Pitfield	Corangamite CMA
Zoe Ryan	Climate Friendly
Jane Ryan	DEDJTR
Dean Severino	University of Melbourne
Danny Spring	University of Melbourne
Mark Wooton	Jigsaw Farms

1.8 Appendix Two: Professor Rod Keenan’s presentation



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Growing landscape carbon

Design workshop

Rod Keenan
School of Ecosystem and Forest Sciences





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Funded by the Virtual Centre for Climate Change Innovations Grants project funded by the Department of Environment, Land, Water and Planning

Project managed by the University of Melbourne

Working in collaboration with Carbon Markets Institute, Greening Australia, Corangamite Catchment Management Authority, Midway Ltd and DELWP



Regulating and preparing Australia's landscapes for global change. Why we must do much more.

Landscapes are a vital part of local, regional and national identity; all our futures depend on them - many industries, resources and communities would benefit from expanded landscape revegetation and regeneration

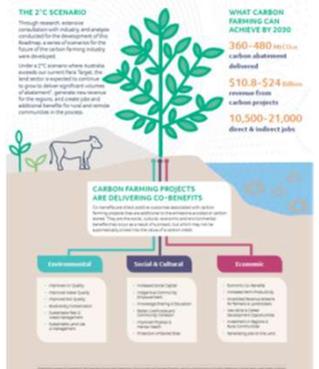
For all the policy developments and practical achievements of the past 20 to 30 years we are not closing the gap between the magnitude of the challenge and the scale of our response

A new vision would:

- Embrace all Australian landscapes and all Australians, rural and urban alike.
- Acknowledge climate change as a 'game changer'
- Move beyond a 'regreening' conservation ethic to embrace multiple functions and values
- Build on the synergies and convergences between these functions, while acknowledging potential tensions and conflicts



Carbon and other environmental benefits



THE 2°C SCENARIO
Through increased investment in landscape revegetation and landscape management for the development of the Resilience, a series of measures for the benefit of the global farming industry will be adopted.

Under a 2°C scenario where Australia exceeds our current Paris Target, the landscape revegetation and landscape management measures will generate an additional 360-400 million tonnes of carbon sequestration, generate new revenue for the region, and create jobs and additional benefits for rural and urban communities in the region.

WHAT CARBON FARMING CAN ACHIEVE BY 2030

- 360-400 million tonnes carbon sequestration delivered
- \$10.8-\$24 billion revenue from carbon projects
- 10,500-21,000 direct & indirect jobs

CARBON FARMING PROJECTS ARE DELIVERING CO-BENEFITS

Environmental	Social & Cultural	Economic
<ul style="list-style-type: none"> • Improved soil quality • Increased water storage • Increased biodiversity • Improved landscape aesthetics • Increased resilience to climate change • Improved water quality • Improved water quantity • Improved water security • Improved water sustainability 	<ul style="list-style-type: none"> • Increased rural jobs • Increased rural income • Increased rural resilience • Increased rural sustainability • Increased rural security • Increased rural stability • Increased rural vitality • Increased rural vibrancy • Increased rural vitality • Increased rural vibrancy 	<ul style="list-style-type: none"> • Increased rural jobs • Increased rural income • Increased rural resilience • Increased rural sustainability • Increased rural security • Increased rural stability • Increased rural vitality • Increased rural vibrancy • Increased rural vitality • Increased rural vibrancy

CMI 2016



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Next Generation Plantation Investment Project

There's never been a better time to be a forest grower..

BUT
Australia producing more wood than ever but not the species, regimes or locations processors need

Pilot regions

Next Generation Plantation Investment Project Goals

- Understand the needs and experiences of landowners, industry and the investment community
- Learn from past experiences to design more sustainable models
- Design and test new models for planted forest investment
- More integration of trees in rural landscapes
- New types of partnerships providing benefits to a wider range of stakeholders

Social research

1. **Farm foresters:** Keen to grow trees for harvesting but typically on a small scale. Prefer control over species selection, management, and products. 'niche' approach for 'high end' outcomes. Not sympathetic to 'vanilla' species radiata pine or bluegum pulpwood.
2. **Cautiously supportive:** Positive about growing trees for commercial purposes, on-farm benefits. Barriers are time (establishment, maintenance), lack of appropriate land, and perceived risks (future market, establishment).
3. **Not core business:** Relatively supportive of trees for non-commercial purposes, but commercial plantings are 'not their core business'. Concerned about loss of production/cash flow (opportunity cost) from land allocated to trees. Discount on-farm benefits but interested in trees established on less productive land or more difficult to manage sites.
4. **Lifestyle:** Time-poor and not reliant on farm for primary income. Interested in commercial returns but do not have the time, machinery or skills to establish or manage trees. Motivations for land management include aesthetics, connection to the land, or a sense of rejuvenation from being on the land. Interested in trees providing multiple benefits e.g. habitat, erosion control, carbon outcomes.
5. **Successional life stage:** older farmers who see plantation lease as a potential guaranteed yearly return to fund semi-retirement and reduce work load. Time commitment and implications for future owners are major concerns.

Project Partners

- AKD Softwoods
- Australian Paper
- Hancock Victoria Plantations Ltd
- Midway Ltd
- One Forty One Plantations

Commonwealth Government Voluntary Matching Program administered by FWPA
Plantations 2020 Funds (AFPA, Aust Govt, State Governments, AFG)
And...
CSIRO
Other interested stakeholders
VAFI, Victorian Government, Greening Australia, Aust. Agroforestry Foundation, Climateworks

Finance Sector Research

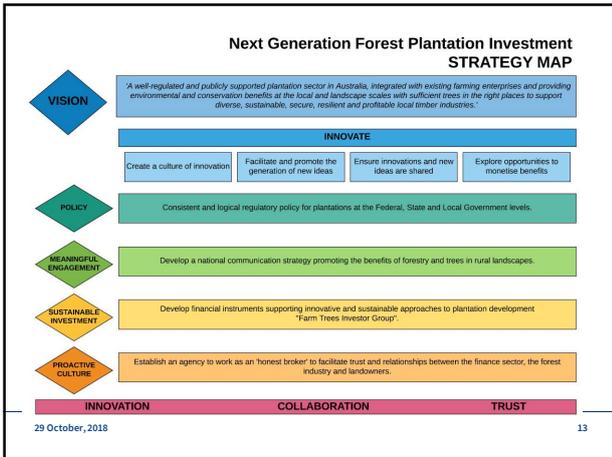
Low awareness of forest investment

- 41% have little to no awareness 16% high awareness
- 62% no experience with forest investment, including 71% of superannuation funds

Interest is hesitant

- no respondents had zero interest, but they are 'curious' rather than actively interested
- suggests they would be open to positive stories and they need more exposure to the sector

Infrastructure or asset managers those with first-hand experience with forest investment



THE UNIVERSITY OF MELBOURNE | **Farm forestry: a new theory of change**

We assumed that if we give landowner information on:

- Which tree species
- Where to grow
- How to manage
- Market prices

They'll do it!



↓

Little success at scale

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What's missing?



- Capital
- Trust

canstockphoto0152815.jpg

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Timber and wood products focus

?

<p>Landowner driven</p> <p>Small-scale distributed plantings Sunk land costs Higher value niche products High unit costs Cooperative ownership of processing assets Relationship-based markets with brokers and aggregators</p>	<p>Corporate driven</p> <p>Large scale plantations High cost assets (plantations/mills) Economies of scale/Low unit costs Commodity products Consolidation of ownership Market oligopolies (few/one buyers and sellers)</p>
<p>Landowner driven</p> <p>Landowner designed assets Dispersed and diverse plantations Landowner investment plus some government and philanthropy Benefits not traded, realised by the landowner</p>	<p>Corporate driven</p> <p>Large-scale offset plantings Large-scale aggregators Low unit costs Corporate offset investors Large government funds Market-based approaches Market oligopolies (few/one buyers and sellers)</p>

Environmental services and co-benefits focus

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Competing visions for planted forests

<p>Landowner driven</p> 	<p>Corporate driven</p> 
<p>Environmental services and co-benefits focus</p>	

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Timber and wood products focus



<p>Landowner driven</p> <p>Small-scale distributed plantings Sunk land costs Higher value niche products High unit costs Cooperative ownership of processing assets Relationship-based markets with brokers and aggregators</p>	<p>Corporate driven</p> <p>Large scale plantations High cost assets (plantations/mills) Economies of scale/Low unit costs Commodity products Consolidation of ownership Market oligopolies (few/one buyers and sellers)</p>
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Environmental services and co-benefits focus

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Timber and wood products focus

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Environmental services and co-benefits focus

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The way forward?



<p>Farmers</p> <ul style="list-style-type: none"> - Land - Labour - Local knowledge 	<p>Foresters & industry</p> <ul style="list-style-type: none"> - Markets - Technical expertise
<p>Financiers</p> <ul style="list-style-type: none"> - Capital - Business model - Risk management 	<p>Government</p> <ul style="list-style-type: none"> - Enabling policy and regulations - R, D and E - Investment in public benefits

Build trust
Long-term relationships



How can we use digital technology to bring the different actors together?

25

Yan Yan Gurt West – Stewart family (near Dean’s Marsh)



26



To develop an online platform to facilitate investment in tree growing for economic and environmental benefits, with the overarching goal of increasing carbon abatement through the integration of trees in rural landscapes

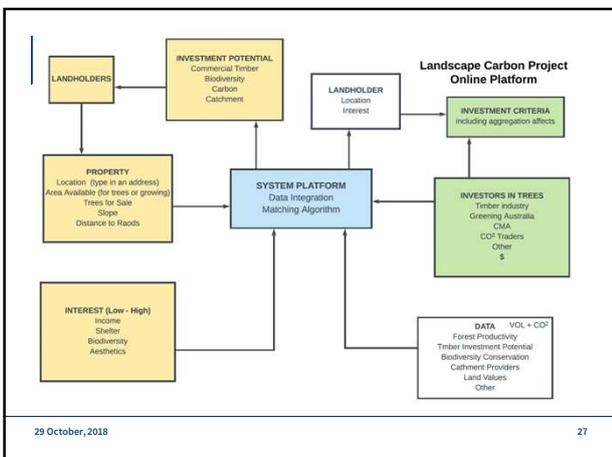
Project aim



Project timelines

Milestone	Description	Date
1	Establish Project Control Group and finalise Project Plan	1 July 2018
2	Draft Stakeholder consultation and communication strategy	31 January 2019
3	Develop Statewide Forest Investment Index and initial platform	31 March 2019
4	Testing of prototype platform	30 Sept 2019
5	Final project report, evaluation and compile financial report on entire project	31 January 2020

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Aims for today

1. Input to design to ensure the platform can realise the goal of linking landowners, investors and carbon market places
2. Identify the main considerations for the design of this type of platform
3. Identify the key information needs for landowners, investors and other stakeholders
4. Identify relevant information sources
5. Define relevant stakeholders and appropriate communication strategies

Have fun!

30



Agenda

9.30am	Registration - includes arrival tea and coffee
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1.50pm	Next Steps - Feedback and Wrap Up
2.00pm	Workshop Close

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1.8. Appendix Three: ‘Catch Carbon Forests’ role play rules

The Catch Carbon Forests Role Play is designed to identify the key decisions that key stakeholders need to make when deciding whether or not to invest in tree plantings.

Each group has a high rainfall agricultural landscape that has been zoned into 5 zones from least to most desirable for extra benefits from reforestation.

The participants are randomly allocated into the following roles:

1. Landholders – who decide on land use on private land
2. Carbon and timber investors – who are seeking to maximise returns and minimise risks from investments in tree plantations
3. Catchment Management Authority staff – who are seeking to get additional environmental benefits – for biodiversity and water catchment from trees
4. Timber industry processors and exporters who want more trees to put through their processing and harvesting plants for export and domestic markets

The aim of the role play is to identify the key planting considerations for the different zones within each map. Participants are assembled around a map of high rainfall country.

Role play requires a base map and an optional set of wild cards

1.9. Appendix Four:

Summary of guest presentations

Rod Keenan – introducing an Online Brokerage Platform for Integrating Trees into Rural Landscapes

This project has been funded by the Virtual Centre for Climate Change Innovations Grant Program, and is managed by DELWP.

Looking around the Australian landscape, we know there is extensive tree clearing. There are many challenges including cultural, biophysical, social and financial.

Our future depends on landscapes, many resources and communities' benefit from increasing vegetation. The common themes are embracing rural and urban landscapes and looking into opportunities that may exist. How can we prepare Australia's landscapes for global change?

This Carbon Landscape Project is about bringing people together who have an interest. It partners with the Next Generation Forest Plantation Investment project. Research conducted for the Next Generation Forest Plantation Investment project has shown that the two missing factors within the market are capital and trust. People don't consider trees as an investment class. Capital and Trust are missing factors within the market: many people often don't trust trees as an investment class.

There has never been a better time to be a forest grower in Australia. Demand for timber is high and international demand is increasing.

There are two competing visions in regards to planted forests. The first is timber and wood products, and the second is the environmental services and co-benefits (shade, shelter etc). A similar model has emerged for carbon investment.

The way forward is to work together with farmers, financiers, foresters, industry and government.

The key question for this project is: How can we use digital technology to bring the different players together? The aim is to develop an online platform to facilitate investment in tree growing for economical and environmental benefits.

PRESENTATION: Corangamite Catchment Management Authority, Chris Pitfield & Goulburn Broken Catchment Management Authority, Kate Brunt

Corangamite Catchment Management Authority (CMA) is currently trying to encourage revegetation in priority areas. Natural Resource Management (NRM) investment is decreasing and CMAs need to be smarter about where to invest. They are looking at cost effectiveness and the most effective way to achieve revegetation.

It is becoming harder to source funding for NRM works. As a result, Goulbourn Broken CMA is looking into how carbon funding may be able to assist with NRM works.

The Catchment Carbon Offsets Trial Program, run by the Goulburn Broken CMA that identifies multiple benefit outcomes. A scorecard has been created to assist with determining the multiple benefits and how they may work for different organisations.

The case study has been published. It looks at opportunities to bring these complicated issues together.

PRESENTATION: Midway Ltd, Amy Moulton

Midway Limited are currently exporting 1.3 million tonnes out of Geelong but their resource base has declined and are therefore pulling wood from SA to ship out of Geelong. Because of this, they are running their own campaign to get more trees into their catchment.

Midway Ltd are looking for a collaborative approach, via an honest broker system that will create a one stop shop to help a landowner to get trees on their properties. Whilst they may not be planting for commercial purposes, it does get the conversation started. Midway Ltd are not expecting a lot of broad scale or commercial investment out of this activity, but smaller plantings that are located within the vicinity of equipment and machinery still have the potential to be viable.

Midway Ltd believe that the farmer / landowner wants a nice streamlined approach i.e. a full broker service. Farmers don't want to have to deal with three different companies, different agreements etc. The easier the process is for the farmer, the more success we will have.

PRESENTATION: Carbon Market Institute, Janet Hallows

The Carbon Market Institute is a peak industry body bringing together actors across the carbon market.

They are the creators of the Carbon Farming Industry Roadmap.

This national vision for Australia on carbon farming identifies the potential of carbon farming, not only for the environmental benefits but also the increase in jobs and revenue.

With a lot of industries beginning to aim for carbon neutrality, demand is growing. There is a large international demand and Australia could be a significant exporter of carbon credits.

PRESENTATION: WeAct Carbon, Simon Penfold

There are large amounts of capital available. EU and US Super funds are becoming much more interested in forestry investment in Australia, with the minimum fund size being about 400 million dollars, therefore aggregators of projects are required.

Planting trees, fence line to fence line is not an effective use of the land or effective for investors. The most beneficial is when it is used for multiple purposes.

PRESENTATION: Climate Friendly, Zoe Ryan

Climate Friendly is a carbon project developer running projects with 85 farmers and 3 million hectares of land, growing natural regeneration trees for carbon. Most of the projects involve growing trees in the Mulga lands of North Western NSW and South Western QLD. The method of revegetation uses natural regeneration so it is an opportunity cost (reduced grazing) rather than a cash planting cost. This way the project can coexist with existing business.

Carbon Friendly make it easy for the landowners, with \$0 upfront spend, the landholder retains ownership of the land, full project control and Carbon Friendly owns the carbon and project. Climate Friendly handles all the paperwork, and takes on all the risk.

The Project generates ongoing revenue for farmers including during a drought period. Climate Friendly can provide an abatement forecast with a reasonable level of certainty. They have 10-year government contracts with bipartisan support.

