

19 December 2017

AUSTRALIAN FIRST FOR FORICO PLANTATIONS

In a first for the Australian plantation forest sector, Forico and CO2 Australia have secured the opportunity to enter into a long-term contract to sell carbon credits generated from plantation forestry activities to the Australian Government under its \$2.55 billion Emissions Reduction Fund (ERF).

“This is a significant milestone for the plantation forest sector in Australia as the carbon market is recognising the ability of Australian timber plantations to be a part of the country’s response to climate change. This also adds carbon credits to the balance sheet of plantation forests, supporting Forico in how we manage our forests for multiple values and providing economic incentives for increasing carbon sequestration,” said Bryan Hayes, CEO of Forico.

The Australian Government recently approved a Plantation Forestry Method under the ERF, which, for the first time in the history of federal Australian climate change policy, allows for the recognition of carbon sequestration in new and longer-rotation plantation forests as well as the carbon stored in wood products. “Once a project complies with the eligibility criteria of the methodology, and you are establishing new plantations, or converting from short-rotation to long-rotation management, then there can be some real opportunities to generate additional revenue through carbon credit sales,” said James Bulinski, Managing Director for CO2 Australia, an experienced ERF project operator that worked with Forico to secure the opportunity for this first-of-its-kind plantation project.

Forico is the first forest manager in Australia approved under the ERF, with an application to register a project in north-east Tasmania approved by the Clean Energy Regulator and a Carbon Abatement Contract secured at the latest ERF auction. The project will see Forico assign 630 hectares into a new project based on developing long-term pine plantations – which means a greater volume of carbon dioxide is removed from the atmosphere and stored in the plantation and ultimately in the wood products it produces. In total the project is expected to deliver up to 68,959 tonnes of CO₂e climate abatement over 10 years.

“Forico is pleased to have achieved project registration so quickly after the release of the method earlier this year. The collaboration with CO2 Australia is an important pilot project for Forico to demonstrate proof-of-concept, and we look forward to seeing what other carbon opportunities we might develop across the Forico managed estate,” said Bryan Hayes.

Forico is Tasmania’s largest private forest management company and manages a 180,000-hectare certified forest estate on behalf of New Forests, a Sydney-based timberland investment manager. Forico manages this extensive plantation forest estate throughout Tasmania with processing facilities in the north of the state, delivering a mix of wood fibre products. 80,000 hectares of natural vegetation within the forest estate, is managed for conservation and biodiversity values.

CO2 Australia has been operating carbon projects since 2004 and has been active developing projects under the ERF across the past two years. “The Emissions Reduction Fund is really changing the way people think about land and vegetation management across Australia, from systems as diverse as savannah in the north and now to plantation forests in Tasmania,” said James Bulinski. “It’s really great to see this translate into innovative approaches to tackling climate change and I congratulate Forico on the leadership they have shown in this area.”

Contacts for media enquiries

Forico Pty Limited
Bryan Hayes
Chief Executive Officer
Ph: (03) 6335 5201
E: bryan.hayes@forico.com.au

CO2 Australia
James Bulinski
Managing Director
Ph: (03) 9928 5111
E: james.bulinski@co2australia.com.au