

Guidance for meeting the requirements of the Forest Management Plan

Purpose of this document

This document outlines the key requirements for a forest management plan (FMP) that must be submitted for projects registered under the Emissions Reduction Fund's *Carbon Credits (Carbon Farming Initiative – Plantation Forestry) Methodology Determination 2022* ('the 2022 plantation forestry method'). This document sets out the Clean Energy Regulator's (the agency) expectations on meeting these requirements, and aims to provide guidance for:

- project proponents to prepare, submit and maintain an FMP
- qualified independent persons to review and sign-off on an FMP (where relevant).

What is a forest management plan (FMP)?

An FMP is a document which sets out the management actions¹ and activities², as well as disturbance events and other relevant information for a project under the 2022 plantation forestry method.

The FMP intends to:

- set out how the project has been and will be run ('the management regime' and the 'management record')³ for modelling in FullCAM
- where relevant, set out other information about how the project has been and will be managed, including the management activities that have been or will be implemented to address identified risks.

The requirement for an FMP supersedes the requirement for a management schedule in the *Carbon Credits (Carbon Farming Initiative – Plantation Forestry) Methodology Determination 2017* ('2017 plantation forestry method') and includes additional requirements to manage the risks associated with the new activities introduced in the 2022 plantation forestry method. The requirements for an FMP will differ depending on which activity or activities the project is undertaking.

Who is a qualified independent person?

The method requires the FMP to be reviewed and signed-off by a qualified independent person. The method specifies that such a person holds qualifications, determined by the agency to be necessary to hold, to provide a review and sign off. The agency may update the list of qualifications from time-to-time following consultation with relevant stakeholders. Currently this includes active Registered Forestry Professionals under Forestry Australia's registered forestry professional accreditation scheme.

¹ **Management actions** are the actions listed in the FullCAM guidelines, which will have a specific impact on project carbon stocks.

² The 2022 plantation forestry method distinguishes between management actions (which are modelled in FullCAM) and other **management activities** (not modelled in FullCAM) such as monitoring and controlling pests and disease, which are only required to be detailed for specific project activities.

³ The **management regime** is the species grown and the set of management actions that have been or will be applied to a single rotation. The **management record** is the record of each management action and disturbance event in the CEA since the forest start date (including actions and events occurring between rotations).

In addition, the qualified independent person must have no financial interest in the project (noting that a person does not have a financial interest in the project merely because they are being paid to review the financial assessment for the project).

The qualified independent person should state their independence, qualifications and experience and confirm that the forest management plan complies with the method requirements before providing sign-off.

The project proponent and responsible landholder(s) for projects undertaking specific project activities must also sign-off on the FMP.

When does a forest management plan need to be submitted to the agency and be signed-off?

All projects are required to submit an FMP. Table 1 below outlines the times when an FMP is required to be submitted to the agency, and the circumstances under which a qualified independent person and project proponent/landholder sign-off is required. Sign-offs are required in specific circumstances for Schedule 2, 3 and 4 projects where the 2022 method has introduced new flexibilities or activities with associated integrity and potential adverse impacts that need to be managed. As such, sign-offs are not required for Schedule 1 projects.

Table 1: When does a forest management plan and sign-off need to be submitted?

| Project activity | Schedule 1 (New plantation) | Schedule 2 (Conversion from short to long rotation) | Schedule 3 (Continuing plantation forestry) | Schedule 4 (Transition to a permanent forest) |
|--|--------------------------------|---|--|--|
| Relevant CEAs | New plantation | Conversion | Continuing plantation | Ex-plantation ⁴ |
| With each application to register or vary a project | No | Yes – sign-off required ⁵ | Yes – sign-off required | |
| With each offsets report | Yes | Yes – sign-off required if there are changes ⁸ | Yes – sign-off required if there are changes | |
| If management actions or activities change or will change | No | Yes – sign-off required ⁶ | No | Yes – sign-off required ⁷ |
| Every 10 years during the permanence period | No | No | Yes – sign-off required | |

Format of the forest management plan

The agency is not prescriptive about the format of an FMP. Projects may use Table 2 as a template to organise the required information.

The FMP may attach and refer to specific parts of existing documents provided for other purposes to satisfy the requirements of the method if the plantation or permanent forest is:

⁴ Including remnant plantation A and B CEAs and permanent planting (environmental) and (commercial) CEAs

⁵ A sign-off for Schedule 2 projects is only required under specific circumstances, including:

1. When an undetermined rotation species is utilised
2. When thinning or pruning has occurred during a short rotation underway before the application date

⁶ As above. This is not required if a management action or activity occurs within three months of the scheduled date.

⁷ This is not required if a management action or activity occurs within three months of the scheduled date.

- certified under a voluntary nationally recognised scheme, such as the Forest Stewardship Council Australia or Responsible Wood; or
- subject to existing regulatory frameworks and codes of practice at the federal, state and territory and local government area levels.

Key method requirements for the forest management plan

Table 2 below sets out and explains the key method requirements of an FMP.

Table 2: Key method requirements for the forest management plan

| Method provisions | Guidance |
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| Requirements for all projects | |
| Permanence plans ⁸ are required under s13(1)(p) of the Carbon Credits (Carbon Farming Initiative) Rule 2015 (the CFI Rule) as part of project registration applications and s(70)(4A) of the CFI Rule as part of the first offsets reports following years 8 and 24 of the project's crediting period. | <p><i>Optional inclusion in the FMP</i></p> <p>The agency is not prescriptive about the form a permanence plan takes. Proponents may include a permanence plan in the FMP to streamline reporting requirements or provide a permanence plan separate to the FMP. Guidance on meeting permanence obligations is available on the agency's website.⁹</p> |
| s 23 Requirement for an FMP s 26 The current management regime ¹⁰ and the default management regime ¹¹ | <p>These sections detail the required content of a forest management plan for all projects¹², including:</p> <ul style="list-style-type: none"> • complete management records detailing all the management actions undertaken within the CEA for the current rotation, and planned management actions for the remainder of the current rotation and subsequent rotations or for the life of the permanent forest • an explanation of how each management action has been or will be evidenced or documented (e.g. company records, invoices etc). These are required to be referenced but not attached to the FMP. • an explanation of any changes to the management regime set out in the previous reporting period • where relevant, a description of any natural disturbances or growth interruptions that have occurred • for conversion CEAs, the default baseline management regime (that would have been undertaken in the absence of the ERF) (as provided for in s 29) |

⁸ Permanence plans are an explanation of actions that have been or will be taken to protect the carbon sequestered and credited by a project for the permanence period.

⁹ [Permanence obligations \(cleanenergyregulator.gov.au\)](http://cleanenergyregulator.gov.au)

¹⁰ The **current management regime** is the set of management actions applied to a single rotation currently in progress.

¹¹ The **default management regime** is the set of management actions applied to a single rotation for subsequent rotations, and it is assumed for modelling purposes that an existing rotation would be replicated in subsequent rotations. The current and default management regime will only differ when a natural disturbance has occurred in the CEA during the current management regime. That is, the natural disturbance must be recorded in the current management regime, but this is not replicated in the default management regime.

¹² These requirements are similar to the management schedule requirements in the 2017 plantation forestry method.

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| | <ul style="list-style-type: none"> • how the above are modelled in FullCAM, with the date of the action or event used as the modelled date and • an explanation of how records of monitoring and evidence of management actions, natural disturbances and forest development are being maintained (as provided for in s 59). <p>While FullCAM plot files may be submitted to meet these requirements, these should be supplemented with other information and evidence where necessary.</p> |
| <p>s 24 Updating an FMP s 25 Requirement to provide an FMP to the Regulator</p> | <p>These sections set out the circumstances under which an FMP needs to be updated and provided to the Regulator.</p> <p>The FMP needs to be updated:</p> <ul style="list-style-type: none"> • before modelling is undertaken for an offsets report • if a proposed action is inconsistent with the current management regime (before the inconsistent action is taken) • if a management action is applied or a disturbance event occurs • for Schedule 4 projects, if a proposed management activity is inconsistent with the forest management plan. <p>The first 3 requirements ensure that the modelling is as accurate as possible. The 4th requirement ensures that the permanent forest is being managed in a way that mitigates identified risks.</p> <p>When an FMP is updated in relation to the s 24 requirements, it is required to be provided to the Regulator for certain Schedule 2 projects, and all Schedule 4 projects within 15 months unless an offsets report is provided earlier. If the same action or activity occurs as planned within 3 months of the scheduled date, an updated FMP is not required to be provided to the Regulator until the next offsets report.</p> |
| <p>Requirements for Schedule 2 projects</p> | |
| <p>s 29(1) This section applies to a forest management plan in relation to a conversion CEA. (2) If either the default baseline management regime or the current management regime includes a UR¹³ species, the forest management plan must also:</p> | <p>An FMP signed by a qualified independent person is required to be submitted for Schedule 2 projects if the project:</p> <ul style="list-style-type: none"> • includes an undefined rotation (UR) species in the default baseline or current management regime (the FMP must outline and evidence how the management of the plantation will change or has |

¹³ An **undetermined rotation (UR) species** is a species that is not listed in either Part 1 (short rotation species) or Part 2 (long rotation species) of Schedule 6 for that region, i.e. it is a species that can be grown as either a short or long rotation and requires additional evidence to demonstrate that the intentions was to grow it as a short rotation in the baseline scenario and/or to grow it as a long rotation in the project scenario.

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| <p>(a) outline how the management of the plantation forest will change or has changed since its establishment as a conversion CEA; and</p> <p>(b) provide evidence that demonstrates that all management actions to be undertaken or that have been undertaken in relation to the CEA are consistent with the current management regime; and</p> <p>(c) include a statement made by an independent person that certifies that the person is of the opinion that the management actions and other management activities to be undertaken in relation to the CEA are consistent with paragraph (b).</p> <p>(3) If thinning or pruning to which subparagraph 3(1)(c)(ii) and clause 5(2) of Schedule 2 applied was undertaken within the CEA before the eligibility date, the forest management plan must include a statement by an independent person that certifies that the person is of the opinion that the thinning or pruning conducted was necessary for ecological purposes or drought resilience purposes.</p> <p>(4) If subparagraph 3(c)(iii) of Schedule 2 applied, the forest management plan must include the evidence and statements mentioned in clause 6 of that Schedule.</p> | <p>changed since it converted to a long rotation plantation), or</p> <ul style="list-style-type: none"> • thinning or pruning was undertaken within the CEA before the application date (the FMP must provide evidence as per clause 5(1) of Schedule 2). <p>The qualified independent person must declare that it is in their professional opinion that (where relevant):</p> <ul style="list-style-type: none"> • the information and evidence provided in the FMP is consistent with a plantation being managed as either a short or long rotation as specified in the relevant management regime, and/or • the thinning or pruning was conducted for the health of the plantation, was necessary for ecological or drought resilience purposes and was not to prepare the plantation for a long rotation. |
| <p>Schedule 2 Requirements for thinning and pruning</p> <p>Schedule 2 s 5(1). For subparagraph 3(1)(ii) of this Schedule, this subclause applies if, while the thinning or pruning was being undertaken, the land was within a region:</p> <p>(a) declared to be a drought affected region by a state or territory body; or</p> <p>(b) recorded on the Bureau of Meteorology’s 24-month recent and historical rainfall map as having a rainfall percentile ranking as:</p> <ul style="list-style-type: none"> (i) serious deficiency; or (ii) severe deficiency; or (iii) lowest on record. <p>(2) For subparagraph 3(c)(ii) of this Schedule, this subclause applies if the thinning or pruning conducting was necessary for ecological purposes or drought resilience purposes.</p> | <p>If a short rotation was underway on the date of application, and had been thinned or pruned during the rotation, the land is not eligible for the conversion project activity unless the land was in a declared drought-affected or rainfall deficient area. This is because thinning is typically undertaken in plantation forests to enhance timber quality and value for long rotation plantations which are not eligible to undertake a Schedule 2 project. However thinning can also enhance a plantation’s drought resilience. Proponents must provide either a record of the state or territory’s drought declaration or BOM records as evidence that the thinning was undertaken to improve drought resilience.</p> |
| <p>Schedule 2 Requirements for UR species</p> <p>Schedule 2 s 6(1). For subparagraph 3(c)(iii) of this Schedule, the requirements are:</p> <p>(a) one of the following requirements are met:</p> | <p>For a UR species for the rotation underway or subsequent rotations, additional evidence must be provided to demonstrate that the original intent was to manage the</p> |

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| <p>(i) spatially explicit data demonstrates there has been at least one previous rotation of a plantation forest on the land using the same species and that rotation was a short rotation; or</p> <p>(ii) spatially explicit data demonstrates that:</p> <p>(A) the same species has been harvested from a plantation forest within 50km of the land; and</p> <p>(B) the rotation for that plantation forest was a short rotation; or</p> <p>(iii) a qualified independent person certifies in a statement that the person is of the opinion that growing a long rotation of that species is not commercially viable in the baseline scenario; and</p> <p>(b) if the project proposes to utilise a UR species in a following rotation,</p> <p>(i) spatially explicit data demonstrates that:</p> <p>(A) the same species has been harvested from a plantation forest within 100km of the land within the previous 10 years; and</p> <p>(B) the rotation for that plantation forest was a long rotation; or</p> <p>(ii) a qualified independent person certifies in a statement that the person is of the opinion that growing a long rotation of that species is not commercially viable in the baseline scenario</p> <p>(c) the chief executive officer or chief financial officer (however described) of the project proponent provides a signed declaration confirming his or her intended management regime for the default baseline management regime and current management regiment, as applicable, which is using a UR species.</p> | <p>plantation as a short rotation, and/or the new intent is to manage the plantation as a long rotation.</p> <p>The spatially explicit data may include time-stamped and geo-referenced remotely sensed imagery, as well as other evidence to demonstrate that the rotation was growing the same species (e.g. company reports, management records).</p> <p>If paragraphs 6(1)(a)(ii) or (iii) or 6(1)(b)(i) or (ii) are relied on, the FMP must also contain a statement signed by the CEO or CFO of the project proponent (however described)¹⁴ as required in s 30.</p> |
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Schedule 3 requirements

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| <p>s 30(1) This section applies to a forest management plan in relation to a continuing CEA.</p> <p>s 30(2) The forest management plan must also:</p> <p>(a) provide evidence that demonstrates that all management actions to be undertaken in relation to the CEA are consistent with that of a viable plantation forest with ongoing cycles of harvesting and planting over the permanence period; and</p> | <p>These provisions intend to minimise the risk of supporting plantations that are economically or environmentally not sustainable.</p> <p>The FMP should outline and explain how the historical and planned management actions and activities are consistent with that of a viable plantation forest with ongoing cycles of harvesting and planting over the permanence period. Evidence could include historical yields or time-stamped and</p> |
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¹⁴ The CEO/CFO of the project proponent is the individual who is primarily responsible for financial matters in relation to the project proponent. This definition allows individuals such as landholders, or agents or carbon service providers to sign the declaration, in the instance that they are the project proponent.

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| <p>(b) include a statement made by an independent person that certifies that the person is of the opinion that the management actions and other management activities to be undertaken in relation to the CEA are consistent with the matters in paragraph (a).</p> | <p>geo-referenced time-series ground-based photography or remotely sensed imagery. Factors such as site suitability for the species should also be considered.</p> <p>An FMP signed by a qualified independent person is required to be submitted. The qualified independent person must declare that it is in their professional opinion that the qualified independent person is consistent with that of a viable plantation forest with ongoing cycles of harvesting and planting over the permanence period and where applicable, the specified management regime.</p> |
| <p>s 30(3) If a rotation was in progress in the CEA on the eligibility date of a species to which subclause 3(3) of Schedule 3 applies, the forest management plan must include a statement made by an independent person that certifies that the person is of the opinion that the rotation was a short or a long rotation, as the case may be, for the purposes of paragraph 3(1)(b) or (2)(b) of that Schedule.</p> | <p>This provision only applies to projects where a rotation was in progress and eligibility relies on a default clearfell age for a species where both short rotation and long rotation ages are available from the commercial species list (Schedule 6 Part 3).</p> <p>The FMP should outline and explain how the historical and planned management actions and activities are consistent with the specified management regime associated with the default clearfell age used to determine eligibility. For example, if the clearfell age for a short rotation species was used to determine eligibility, the FMP should contain information and evidence (such as company reports, management records, etc) that are consistent with this.</p> |
| <p>Schedule 4 requirements</p> | |
| <p>S33(1) For each ex-plantation CEA other than a remnant plantation B CEA, the FMP must also:</p> <p>(a) provide evidence that demonstrates that all management actions and other management activities to be undertaken in relation to the CEA:</p> <p>(i) will minimise the risk of adverse impacts from a permanent planting</p> <p>(ii) will ensure the ecological health and viability of the permanent planting over the permanence period</p> <p>(iii) are consistent with the management of a permanent planting.</p> | <p>Please note that information provided to meet the requirements of s 33(1)(b), (c) and (d) may also address these requirements. Where this is the case, there is no requirement to duplicate these.</p> <p>(i) This requirement intends to minimise the risk of adverse impacts associated with permanent plantings. The FMP should set out and evidence the historical and planned management actions and activities to manage the risk of adverse impacts where required. These plans should consider how the risks will be monitored and controlled, and sufficient detail is required to ensure that the planned actions and activities are clearly scoped, timed and resourced.</p> <p>(ii) This requirement intends to minimise the risk of supporting permanent plantings that are not ecologically viable. The FMP should outline and explain how the historical and planned management actions and activities ensures the ecological health and viability of the permanent planting over the permanence period. Factors such as site suitability for the species should also be considered.</p> <p>(iii) This requirement intends to minimise the risk of harvesting the permanent forest at the end of the permanence period. The FMP should set out and evidence</p> |

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| | <p>how the management of the forest has changed or will change as a result of participating in the ERF. Evidence could include demonstrating that thinning that would typically be undertaken at certain ages for that species have not occurred.</p> <p>Explanations should be provided where actions and activities, such as thinning and pruning, which are typically undertaken in plantation forests to enhance timber quality and value, are undertaken to support the ecological health and viability of the permanent planting.</p> |
| <p>(b) identify and assess the risks of adverse impacts arising from the permanent planting, including the risks associated with:</p> <p>(i) weeds, pests, diseases and fire</p> <p>(ii) trees in the CEA invading adjacent lands</p> <p>(c) outline all management actions and other management activities that will be undertaken in the CEA to mitigate those risks.</p> | <p>The FMP must:</p> <ul style="list-style-type: none"> • List all reasonably anticipated hazards that are present in the CEA, project area and relevant adjacent lands to the project area. This should include the consideration of wildings, weeds, pests, floods, access, social licence, fuel accumulation and genetic pollution risks. • Contain an assessment of the risks associated with each hazard, including consideration of the likelihood and severity impacts of the hazards. <ul style="list-style-type: none"> » The risk assessment for wildings should consider the risk of spread to adjacent lands and consider factors such as species growth, siting of the planting, downwind land use and downwind vegetation cover. • Describe the management actions and activities that have been or will be implemented to mitigate the risks. The management actions and activities should have a high probability of successfully mitigating the identified risks. |
| <p>(d) outline, with supporting evidence, how management actions have been or will be undertaken in the CEA in accordance with section 32.</p> | <p>Where management actions other than the permitted actions listed in s 31(2) are undertaken, project proponents must provide an explanation with supporting evidence of why and how it was undertaken to fulfil one of the purposes listed in s 31(3). For example, if thinning or pruning has occurred for the purposes of drought resilience, a record of the state or territory's drought declaration or BOM records could be provided as evidence.</p> |
| <p>(e) where the CEA is a permanent planting (environmental) CEA that relies on s 15(5)(a)(ii)—provide evidence that it satisfies that provision.</p> <p>s 14(5)(a)(ii). A permanent planting CEA is classified as a permanent planting (environmental) CEA if both the following apply to it:</p> <p>(A) all species planted are native to the local area</p> | <p><i>Only for Schedule 4 projects with permanent planting CEAs in which there is a monoculture but evidence shows that it can also be considered to be an environmental planting</i></p> <p>Schedule 4 projects which contain a monoculture will not be subject to the additional discount for permanent planting (commercial) CEAs if evidence can be provided that the permanent forest is representative of the structure and composition of a native forest in the region. Evidence could include aligning IBRA bioregion data with time-stamped and</p> |

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| <p>(B) the CEA contains a mix of trees, shrubs and understorey species that reflect the structure and composition of the local native vegetation community</p> | <p>geo-referenced time-series ground-based photography or remotely sensed imagery.¹⁵</p> |
| <p>(g) include a statement made by an independent person that certifies that the person is of the opinion that:</p> <p>(i) the management actions and other management activities to be undertaken in relation to the CEA will achieve the outcomes in paragraph (a)</p> <p>(ii) the risk assessment undertaken for paragraph (b) has considered all relevant risk factors in assessing the risks of adverse impacts arising from the permanent planting.</p> | <p>By making and signing the statement, the qualified independent person should be confident that the FMP adequately demonstrates and provides sufficient evidence that the project minimises the risk of adverse impacts from a permanent planting, will ensure the ecological health and viability of the permanent planting over the permanence period; is consistent with the management of a permanent planting; and that the risk assessment undertaken has adequately considered and assessed all risk factors.</p> |
| <p>(i) include a statement signed by the project proponent and each responsible landholder¹⁶ agreeing to take reasonable steps to implement the forest management plan until the end of the permanence period.</p> | <p>An FMP signed by the project proponent and each responsible landholder is required to be submitted. The project proponent and each responsible landholder must agree to take reasonable steps to implement the forest management plan until the end of the permanence period.</p> |
| <p>s 34(1) For each remnant plantation B CEA, the forest management plan must also:</p> <p>(a) set out the management actions that will be undertaken or have been undertaken to maintain the plantation for a period without harvest</p> <p>(b) specify when the period will end (which must be no later than the end of the rotation period originally planned for the plantation), or the criteria that will be used to set the end</p> <p>(c) set out the management actions for conducting a clearfell at the end of the period (with or without harvest)</p> <p>(d) set out, in accordance with section 33, the management actions that will be undertaken or that have been undertaken after conversion to a permanent planting (environmental) CEA under section 17</p> <p>(e) provide evidence that the planting to be conducted after the conversion will result in or have resulted in an environmental planting that is a permanent planting.</p> | <p>Schedule 4 projects may choose to gradually transition to an environmental planting over a specified period. This involves retaining plantation trees at the start of the project and gradually clearfelling these and fully replanting these with environmental plantings, such that carbon stocks are maintained over the permanence period.</p> <p>The FMP should set out the management actions and provide evidence of the proposed transition from remnant plantation trees to a permanent environmental planting.</p> <p>These requirements allow the intended management actions throughout the crediting period to be modelled and long-term project scenario net carbon stock to be calculated at project registration.</p> |

¹⁵ <https://www.awe.gov.au/agriculture-land/land/nrs/science/ibra>

¹⁶ A responsible landholder means any person who, whether by reason of ownership or otherwise, has operational control of the relevant land.