



Australian
Forest
Products
Association

AUSTRALIAN FOREST PRODUCTS ASSOCIATION

Submission to the Climate-related Financial
Disclosure – 2nd consultation
July 2023



28 July 2023

Climate Disclosure Unit
Market Conduct Division
The Treasury
Langton Crescent
PARKES ACT 2600
via email: climatereportingconsultation@treasury.gov.au

To whom it may concern

RE: Feedback and comments to the climate-related financial disclosure: second consultation

AFPA welcomes the opportunity to formally provide feedback and comments on the climate related financial disclosure second consultation document and thanks the Climate Disclosure Unit for granting an extension of time for AFPA to submit its response.

This feedback builds on AFPA's first submission to the initial round of consultation on climate-related financial disclosure – copy of AFPA's first submission can be found [here](#).

AFPA supports Australia's Nationally Determined Contribution to achieve net zero by 2050 via an economy-wide aspiration. This aspiration needs to ensure that sectors such as sustainable forestry and forest product manufacturing which have real and meaningful potential to increase carbon sequestration are recognised and considered as part of the overall global ambition to keep 1.5 Alive. The sustainable forestry and forest products manufacturing sector contributes to mitigation in several, it has large sequestration potential, and its renewable products can play a leading role to avoid and substitute carbon emissions as Australia transitions to a low-carbon circular bioeconomy.

AFPA is pleased to see that this second phase of consultation is seeking to ensure that the new requirements are streamlined, proportionally targeted and provide sufficient clarity as to the requirements of the regime.

It is in this context that AFPA provides the following feedback.

- AFPA welcomes the decision to develop land sector guidance based on the National Greenhouse Gas Inventory (NGGI) which will therefore utilise Australian Tier 2 and 3 methods. This will ensure quantification is accurate for Australian conditions and systems and will facilitate alignment with existing measurement and reporting frameworks.
- However, this guidance will need to cover details not covered in the NGGI such as how entities along the value chain count removals, and traceability requirements.
- AFPA strongly recommends that further consultation is undertaken via a technical working group with representation from the forestry sector and researchers with relevant technical expertise, to develop this quantification guidance.

- In addition to the development of land sector guidance, the Government should develop or identify a set of downscaled 1.5°C-consistent climate change projections for Australia, for optional use by entities. This would reduce the burden of scenario analysis, enhance consistency and comparability in reporting and reduce cherry picking of data.
- Further consideration should be given to structuring the reporting assurance and compliance framework to minimise the initial and ongoing cost burden for entities.

AFPA is aware that there is also deep concern from other land sector stakeholders who are seeking immediate land-specific consultation to better understand the issues and impacts raised in the second consultation paper. AFPA supports this position to ensure landholders are confident as to what this new regime means in real terms for their business reporting requirements, particularly with regards to farm forestry.

Thank you for providing AFPA with opportunity to provide feedback and comments on the climate related financial disclosure second consultation document. If you have any queries regarding this submission, please contact [REDACTED], Climate Policy Manager via email [REDACTED]



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AFPA is the peak national industry body representing the resources, processing, and pulp and paper industries covering the forest products value chain.

AFPA represents all elements of the value chain from the sustainable harvesting of plantations and multiple use natural forest resource including forest establishment and management, harvesting and haulage, processing of timber resources and manufacture of pulp and paper.