Pastoral Partners Australia

Native forest regeneration in Balonne and Maranoa

A Drought and Climate Adaptation Program case study

Property overview

Pastoral Partners Australia manage 12 grazing properties spanning 150,000 hectares across the Balonne and Maranoa regions of Queensland. Their business is primarily cattle grazing with a small proportion of sheep, as well as 10 ACCU projects, 9 of which are Native Forest from Managed Regrowth Projects (NFMR) and 1 Human Induced Regeneration (HIR).

The rainfed properties span a mix of soil and land types including Poplar Box woodlands (red soil), Brigalow with melonholes, Cypress Pine on duplex soils and soft Mulga, with annual rainfall of about 450-500mm.

Involvement

Pastoral Partners Australia have 10 ACCU projects, 9 are NFMR (Native Forest from Managed Regrowth) and 1 HIR (Human Induced Regeneration). All are 25 year crediting periods and 100 year permanence. The dates of registration range from 2014 (the earliest) to 2024.

Regional benefits and challenges

The ability to grow both native forests and improved pastures is a benefit of the region, while rainfall variability is considered a major challenge.

The ACCU projects are seen as a path to financial resilience - providing a more consistent income during drier periods that isn't correlated to livestock production.

The additional income stream from our carbon projects provides us with confidence in the drier months and takes the pressure off our grazing enterprise.

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Land Management Changes

Approximately 67,000 hectares are included in the carbon project areas. The management changes included ceasing the clearing in the projects areas and removing any livestock that were suppressing the regrowth (e.g. goats).

These changes work in well with other activities on the properties – the main effort is to ensure grazing in the carbon areas does not interfere with the regrowth of the forest.

How it started - weighing up the benefits and risks

Pastoral Partners Australia saw the net financial gain as the main deciding factor in taking on carbon projects, as well as the decarbonisation and biodiversity benefits. In addition, the extra revenue generated from the carbon credits has enabled Pastoral Partners Australia to reinvest in new property infrastructure which has significantly increased stocking rates and overall production.

The risks in undertaking carbon projects were the potential negative impact on the properties' valuations, however these risks were quantified through the use of a valuer along with the careful calculation of the costs of maintaining these projects. The overall net financial result is very positive, with the additional revenue from carbon credits and improved productivity far outweighing project maintenance costs and any future impact on property valuations.

Pastoral Partners Australia have developed an in-house capability to design, register and manage the carbon projects and found access to information to be adequate during the initial project setup. They were also able to access training and advice to build skills internally and still access advice when required.

They decided on using the Australian Carbon Credit Unit (ACCU) scheme as they believe it provides the greatest certainty for carbon credit sales, particularly in the Australia market. The Safeguard Mechanism is the key driver of demand and it is protected by Commonwealth legislation, meaning it has strong Government backing and a transparent marketplace for volume and pricing.

Long-term vision

Pastoral Partners Australia say the projects work very well and are the key to improving their parallel grazing productivity through paying for improved infrastructure and also increasing the financial returns and resilience of the operations overall, particularly in dry periods where grazing revenue is severely curtailed.

Impact

Pastoral Partners Australia now view their business as an agricultural and carbon business with an evolving biodiversity restoration activity in their carbon project areas. They note that there have been no major unexpected costs that would threaten the viability of their projects - in fact, the carbon projects have effectively doubled the returns of the property.

These financial resources have been used to improve all aspects of their properties and also provide support into the local community. Regrowing forests generates significant income and they note that they need to ensure they are protecting this asset through fire track development and maintenance, more sophisticated grazing planning and management, and ensuring they communicate well with the community, government and influencers.

This communication management is important to Pastoral Partners Australia so that they are considered to be not just carbon developers but are instead seen as high quality grazing operators that are focussed on improving their assets in all areas.

> *"We would like to see more graziers and farmers engage in carbon projects on suitable areas of their properties as they can generate strong financial returns, alongside the maintenance of productive pastoral land."*

Future plans & learnings

Pastoral Partners Australia have commenced an Accounting for Nature (AfN) method implementation to measure the increase in biodiversity in their carbon project areas. These measures will be stapled to their ACCUs and increase their attractiveness in the market.

Key takeaways

- The projects have unlocked climatic resilience - providing steady income through drier periods.
- The projects have provided significant financial returns, effectively doubling the profitability of the land.
- The additional revenue has allowed for significant investment back into the properties, improving infrastructure and grazing management practices – enabling positive production and sustainability outcomes.

Summary

This case study demonstrates the impact native forest regeneration projects can have on a farm business financially, reputationally, operationally and environmentally. All of these considerations should be measured to ensure successful long-term outcomes.

QUEENSLAND
FARMERS'
FEDERATION

P 07 3837 4720
E qfarmers@qff.org.au
W www.qff.org.au