INPEX Operations Australia Pty Ltd
ACN 150 217 262

22/100 St Georges Terrace Perth
Western Australia 6000

Tel +61 8 6213 6000

INPEX.com.au

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Department of Climate Change, Energy, the Environment and Water
GPO Box 3090
Canberra, ACT

Email: ACCUSecretariat@dcceew.gov.au

RE: Sunsetting of Reforestation and Afforestation 2.0 method

INPEX welcomes the opportunity to participate in the consultation by the Department of Climate Change, Energy, the Environment, and Water (DCCEEW) on the scheduled sunsetting of the Reforestation and Afforestation 2.0 method. We support and strongly encourage the remake of this method, as we believe it to be a critical methodology for the creation of carbon credits where alternative modelling methods are potentially restrictive.

INPEX CORPORATION (INPEX) is an international energy company, listed on the Tokyo Stock Exchange. We have been an active member of the Australian business community since 1986 and, as operator of Ichthys LNG, are the largest Japanese investor in the country. INPEX aims to provide a stable supply of diverse energy sources including oil and natural gas, hydrogen, and renewable power.

The Reforestation and Afforestation 2.0 (R&A) currently provides rules for crediting emission reductions to forest growers and landholders who establish and maintain trees, native or otherwise, on land previously used for agricultural purposes. Given DCCEEW's published information, there are currently nine projects registered using this method and as outlined below, we believe there is likely to be an increasing demand for the use of this method– therefore, an R&A method remake should be strongly considered by the department.

This has direct relevance to INPEX's carbon farming project; Wheatbelt Connect, a joint venture between INPEX Australia, ANZ and Qantas, focussed on establishing native revegetation to generate carbon credits. The project aims to achieve sustainable land use, primarily in the Western Australian Wheatbelt region, through a combination of revegetation and rehabilitation efforts, while sharing and aligning with the current agricultural land uses. The project recognises the unique nature of each revegetation opportunity and adapts proposed plantings to best suit partnering landowner's needs and farm conditions. Maximising optionality of land use systems for carbon abatement and complementary outcomes (e.g. salinity management, biodiversity protection) is vital for achieving regional scale adoption.

Later this year, Wheatbelt Connect will register a project under the R&A method – prior to its sunsetting. This project equates to roughly 500 hectares in the Shire of Wickepin in Western Australia and is on land that has been heavily affected by dryland salinity due to

the clearing of the native vegetation. Most of the site has low or no agricultural value and is perfectly suited to salt tolerant species of Eucalyptus, Casuarina, and Melaleuca. Currently, we are also assessing several thousand hectares of similar land.

The Reforestation and Afforestation 2.0 (R&A) method is currently the only direct measurement method available for use by projects like Wheatbelt Connect, following the sunsetting of the 'Measurement based methods for new farm forestry plantations method' in 2024.

INPEX wish to highlight that alternative ACCU Scheme revegetation methods underpinned by the FullCAM model, whilst having wide applicability, are not suitable or optimal for the full suite of land use systems envisaged by farmers and other land managers.

From our experience, there are certain situations where FullCAM modelling can underestimate the actual carbon sequestered in a project. This is because key input parameters in the model (e.g. the 'M' value) invariably lack the spatial resolution necessary for accurately simulating growing conditions for various combinations of species, planting layouts and site types.

INPEX considers that a key strength of the R&A method is the fact that credits issued are based on the direct measurement of the standing biomass. Therefore, the R&A method offers project proponents the scope to engage in the carbon market where a FullCAM output would make a project uncommercial.

The other unique aspect of the R&A method is that it is less restrictive with respect to species options and planting configurations compared to the ACCU Scheme revegetation methods underpinned by the FullCAM model. This reflects the constrained availability of species performance data used to calibrate the FullCAM model, and other methodology restrictions such as a requirement to use local, native species. We agree that it is advisable to plant local species for biodiversity benefits; however, in the highly modified landscapes of the Australia's agricultural regions sometimes local species are not the most suitable for a particular site. For example:

- Where the farming history has resulted in the degradation of the land, for instance, when the clearing of the land has altered the hydrology of the area resulting in secondary salinity[1]. In such cases, salt tolerant species are required that are known to perform well in the region. On occasion, species that are proven performers in salty areas are not local species.
- Where the local dominant tree species are in decline or at risk of decline due to climate change. There is evidence that this already happening to some significant species in Western Australia, for example, Eucalyptus marginata in the Northern Jarrah Forests[2]. In such instances, it is advisable to plant a species that is better suited to the probable future climatic conditions of a particular site, especially if the permanence period is 100-years.

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[1] Peck, A. J., & Hurle, D. (1973). Chloride balance of some farmed and forested catchments in southwestern Australia. Water Resources Research, 9(3), 648-657.

[2] IPCC, 2022: Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Löschke, V. Möller, A. Okem, B. Rama (eds.)]. Cambridge University Press. Cambridge University Press, Cambridge, UK and New York, NY, USA.

- When rehabilitating a site which has been infected with a soil-borne pathogen such as Phytophthora cinnamomi[3]. In such situation the local plant communities may include a high proportion of sensitive species which should not be planted.

The R&A method therefore constitutes a keystone methodology within the overall set of ACCU Scheme revegetation methods because (1) it is currently the only non-harvest method that does not have stringent species restrictions and is based on direct measurement of carbon abatement and (2) owing to non-reliance on calibration datasets, it provides greater flexibility with respect to planting designs for integration into agricultural land use systems.

In conclusion, a potential remake of the R&A method would provide project proponents with greater optionality for engaging collaboratively with land managers. In addition to delivering carbon abatement at scale, this would help to drive important complementary benefits such as biodiversity protection, salinity amelioration, economic diversification, and increased resilience of rural communities.

Please contact John Williams, Government Affairs and Regulatory Approvals Manager, on 0412 422 636 or at john.w@inpex.com.au for further information, or to arrange a briefing with INPEX's Senior Revegetation Specialist Dr Beren Spencer-Grayling.

Yours sincerely,

Cameron McPhie
General Manager Decarbonisation
INPEX Australia

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[3] Weste, G. (1994). Impact of Phytophthora species on native vegetation of Australia and Papua New Guinea. Australasian Plant Pathology, 23, 190-209.