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Feedback on the consultation draft: Reducing emissions through management of introduced hooved animals method draft

Dear Professor Lovelock and Dr Perry,

The Carbon Market Institute's (CMI) Integrated Farm and Land Management (IFLM) Taskforce welcomes the opportunity to provide feedback on the current draft of the Reducing emissions through management of introduced hooved animals method (Ungulates Method) proposal for the Australian Carbon Credit Unit (ACCU) Scheme.

This submission reflects the views of Taskforce members who have reviewed the draft method and its alignment with the objectives of the Australian Carbon Credit Unit (ACCU) Scheme and the Offsets Integrity Standards (OIS).

The Taskforce recognises the social, economic and environmental benefits of the Ungulates Method, particularly for Traditional Owner groups across the north of Australia. However, to ensure that this method makes a robust contribution towards Australia's emissions reduction targets, we suggest that there are several refinements and considerations that could be taken into account before submitting a method draft to the Emissions Reduction Assurance Committee (ERAC).

We believe the method requires further work and refinement to address some gaps in its approach in consideration of:

1. Utilising a taxonomy that is consistent with existing and future ACCU Scheme methods and Nature Repair Method.
2. How the Ungulates Method could integrate with the broader IFLM Method or Savanna method as a module.
3. The need for additional guardrails to support robust alignment with the Offset Integrity Standards.
4. Incorporating field data for baseline and project emissions with the national inventory.
5. Potential for future national application by aligning or incorporating aspects of Teal Carbon, to include inland wetlands and dams.

This response was informed by Taskforce technical expert input and feedback from the IFLM Taskforce Technical Working Group. Due to time constraints, the whole of Taskforce has not had the chance to review this submission.

Thank you for considering our input into the draft Ungulates method. We welcome the opportunity to discuss the content with the team and to further contribute to improving the integrity, applicability of the method and consistency and alignment across ACCU methods.

About the IFLM Taskforce

In 2021, the Carbon Market Institute (**CMI**) formed the Integrated Farm and Land Management method Taskforce (**IFLM Taskforce**). The IFLM Taskforce is made up of a broad cross-section of CMI members and stakeholders that are committed to a high-integrity, fit-for-purpose carbon market in Australia.

Since its creation, the IFLM Taskforce has sought to develop and provide technical advice to the Australian Government on the creation of an IFLM method for the Australian Carbon Credit Unit Scheme (**ACCU Scheme**), including as part of the initial method prioritisation process.

The IFLM Taskforce also wants to see widespread consultation and clear development timelines in a way that ensures adequate public consultation and expert input from a wide range of experts and stakeholders.

The views of the IFLM Taskforce do not necessarily represent the views of CMI, nor any individual CMI member.

Summary of the IFLM Taskforce feedback on the proposed Ungulates Method

To progress to ERAC Consideration, CMI's IFLM Taskforce believe the method needs to address the below feedback. The following sections outline the Taskforce's detailed feedback on these issues and provides recommendations for improvement.

1. **Utilise a taxonomy that is consistent with existing and future ACCU Scheme methods, as well as Nature Repair Market Methods to support interoperability between schemes.**

Following a two-day technical workshop held in June 2023, the IFLM Taskforce along with several independent experts developed an iterative taxonomy intended to provide a set of consistent terms across ACCU Scheme, and also Nature Repair Market projects. To reduce the potential for market and industry confusion, we suggest that terms used in the draft Ungulates Method should align with the CMI IFLM Taxonomy. For example, the Ungulates Method draft includes a "project operations and maintenance plan" on page 12, which appears to be the same concept as a "Land Management Strategy (LMS)", which according to the Taxonomy "describes the current state of the ecosystem and the natural and human processes impacting on carbon storage in the ecosystem, including a list of barriers preventing the ecosystem moving to a higher carbon state and planned land management interventions to address these barriers." This term was added to the Taxonomy to align with other methods, such as the 2021 Soil Carbon Method (and prior soil carbon method versions). Use of an LMS could synthesise project activities and the demonstration of regulatory additionality into a singular document, increasing interoperability of methods and opening up possibilities for more modular approaches.

Furthermore, the Department of Climate Change, Energy, Environment and Water (DCCEEW) is undertaking work to develop a living taxonomy with the ERAC secretariat. The Taskforce is also sharing its efforts mentioned above and CMI has engaged with the ERAC Secretariat on the need for guidelines on method content and taxonomy. We recommend contacting the ERAC Secretariat to discuss how taxonomy could be aligned with the draft Ungulates method.

2. **Consider integration of the Ungulates Method with the broader IFLM Method as a module.**

The Taskforce notes the option given of a "framework method" that incorporates ungulate management with other blue carbon options. Similarly to other methods currently under development through the proponent-led EOI process, this method could become an expanded stand-alone method (see Point 5); or it could consider a potential quicker timeline as a module-only of the proposed Integrated Farm and Land Management method and/or with the savanna method.

Integrating multiple carbon pools into a singular framework method requires a robust architecture, the design of which has been underway between industry and government (first with the Clean Energy Regulator, and now with DCCEEW) in a co-design process since 2019. Rather than suggesting a framework method based on the Ungulates Method, the proponent team could consider developing a module for inclusion in the IFLM method, which may increase uptake of the Ungulates Method in smaller landholdings with eligible wetlands on a property that has a suite of carbon

abatement activities, but does not have a viable ACCU Scheme project opportunity under the standalone Ungulates method.

3. **Consider further method guardrails to support robust alignment with the Offset Integrity Standards.**

ACCU Scheme integrity is assured by robust guardrails included in methods to ensure that they align with the OIS. There are several additional guardrails that could be incorporated into the draft method to further enhance its robustness:

- Further clarify how non-lethal feral animal management would address leakage (i.e. how would the proponent prevent displacement of feral animals to neighbouring wetlands outside the project area?), including through identifying required exclusion activities.
- Noting this is an avoided emissions method, consider whether any permanence provisions might be warranted. i.e. could the avoided emission simply be deferred, if ungulates that have been removed from the area, return to the area following the project's crediting period? The LMS should also cover maintenance of any fences constructed as part of the project for this period.
- Consider reducing the crediting period to seven years in line with other emissions avoidance methods (we do note the alignment here with savanna fire management methods in the preference for a 25-year crediting period, but query ongoing additionality for a period of that length). This would bring forward review of projects' effectiveness and additionality. However, if the method was revised to consider sequestration – the crediting period would be able to be expanded.
- The draft method notes that cycles of degradation and disturbance from ungulates fluctuate in response to specific climatic conditions, and that as climate change intensifies, this fluctuation is likely to correspondingly intensify. To provide confidence in the accuracy of baseline and project emission calculations, it would be useful to understand whether seasonal variables are taken into account. Similar climate and time scales are considered and applied under the work happening in teal carbon emissions calculations. A recent paper by Odebiri et al (2024) (https://doi.org/10.1016/j.scitotenv.2024.175420) sets in accounting for emissions from inland wetlands.

4. **Clarify process of incorporating field data for baseline and project emissions with the national inventory.**

The Taskforce understands that the proponent team has been engaging with the national inventory team to determine a process of accounting for emissions from wetland degradation due to ungulates. To assure alignment with the OIS, and the requirement for emissions avoided as a result of projects under this method to contribute to Australia's emissions reduction targets, there should be a clear process for how field data from project areas is verified and incorporated into the national inventory. This will be critical to ensure that any emissions avoided and credited as a result of projects under the Ungulates Method are able to be counted towards Australia's Nationally Determined Contribution, and that the method itself remains compliant with the OIS.

Furthermore, the Taskforce will continue to push DCCEEW to meet its commitment to develop a national environmental database, as per the Chubb Review Recommendation 4. This national database will help provide the pathways for methods, such as the ungulates, to meet alignment with the inventory, track outcomes and improve trust and transparency across the sector.

5. Consider expanding national application and impact by aligning or incorporating aspects of teal carbon, to include inland wetlands and dams

The Taskforce believes there is an opportunity to broaden the scope and national application of this method in the near future, by incorporating Teal Carbon pools and proposed methodology approaches. This could include inserting equation structures and cross-references in the method now, that could allow emissions factors from inland wetlands to be plugged in at a future time.

There are numerous important inland wetland systems, floodplains, environmental water holdings and even on-farm wetland and dam systems that are also being impacted by feral and domestic animals.

Broadening the method to incorporate degraded inland wetlands would appears to be highly aligned with the objectives of ERAC to achieve nationally applicably methods, and is aligned with the emission reduction architecture of the Ungulates Method.

Conclusion

The Ungulates Method has the potential to increase opportunities for Traditional Owner and land manager participation in the ACCU Scheme. However, as a standalone method in its current form, the contribution is likely to be relatively small. Further consideration could be given to how the Ungulates Method could be included as a module in the IFLM, savanna or other framework methods and or expanded to include teal carbon pools, for greater national applicability. There should also be further consideration given to the demonstration of additionality, prevention of leakage, and contribution of emissions avoided to Australia's national inventory. The Taskforce welcomes the opportunity for further engagement throughout the development process for this method.