

Australian Government
Department of Climate Change, Energy, the Environment and Water

Submission via the Department's Consultation Hub

7 October 2024

RE: Consultation on proposed ACCU Scheme transparency changes

Rio Tinto welcomes the opportunity to make a submission to the Department of Climate Change, Energy, the Environment and Water (the **Department**) on the proposed amendments to the Carbon Credits (Carbon Farming Initiative) Rule 2015 to strengthen transparency of the Australian Carbon Credit Unit (ACCU) Scheme.

Rio Tinto supports the introduction of additional data and information publication requirements as set out in the Exposure Draft *Carbon Credits (Carbon Farming Initiative) Amendment (2024 Measures No. 2) Rules 2024*. In particular, we support greater transparency in relation to project activities, suppression mechanisms, estimation approach, timing of modelling, project permanence and crediting periods, information on enforceable undertakings and identification of key project personnel. Such additions will improve the ability of ACCU purchasers and their stakeholders to get reasonable assurance of the credibility of the credits and confidence in their use towards decarbonisation efforts.

Increased transparency will strengthen the integrity of the overall ACCU Scheme and help align the Scheme with the Core Carbon Principles¹ (CCP) and other global carbon offset registries. Many multi-national companies covered by the Safeguard Mechanism (SGM) already hold themselves to the CCP standards across their global carbon offset activities. Aligning the ACCU Scheme to the CCP will support the market to align with global best practice.

In addition to the proposed measures set out in the Exposure Draft, we encourage the Department to consider including the following information requirements to further improve transparency:

- Expected timing for and/or results of gateway audits
- Results of section 215 audits
- Expected timing and results of revegetation checks
- Complete history of carbon estimation areas (CEAs) over project life, including growth pauses and re-stratification of a CEA
- Estimated forest cover assessment dates
- Permanence plans.

Rio Tinto's strategic focus is on delivering emissions abatement solutions and decarbonising our operations in our 20 facilities covered by the SGM. However, due to the acknowledged hard to abate nature of some operations including alumina processing, aluminium smelting and remote heavy haulage operations there will be a lag between the delivery of these solutions and the emissions reductions required under the SGM. This will need to be met using ACCUs. It is therefore imperative that the ACCU Scheme is conducive to the development of a liquid market of high-quality ACCUs at the scale that will be required by Australia's harder

¹ <https://icvcm.org/core-carbon-principles/>

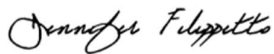
to abate sectors. This must be underpinned by transparency and the required governance to give purchasers and their stakeholders, including investors, reasonable assurance of the credibility of the credits and confidence in their use towards decarbonisation efforts.

We support the implementation of recommendations to improve the governance, transparency and scale of the ACCU Scheme and to accelerate the development and approval of new methods to increase the supply of high-quality ACCUs, including under the proponent-led method development approach. We encourage the Department to consider the resourcing and systems required to best support the pace required to meet Australia's ACCU demand while also meeting the need for increased publication of data and information.

We thank the Department for the opportunity to engage on proposed ACCU Scheme transparency changes and look forward to continuing to engage with you as implementation of recommendations from the independent review of the ACCU Scheme progresses.

We would welcome the opportunity to discuss this submission with you further. In the interim, if you have any questions, please contact Joel Hernaman (joel.hernaman@riotinto.com).

Yours sincerely,

A handwritten signature in cursive script that reads "Jennifer Filippetto".

Jennifer Filippetto
Commercial Manager, Offsets and Nature Solutions