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BRIEFING NOTE

Improved Native Forest Management Method (INFM Method)

Prepared by: Forestry Australia

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The *Improved Native Forest Management* (INFM) Method allows state governments to earn Australian Carbon Credit Units (ACCUs) by reducing timber harvesting in multiple-use public native forests.

Forestry Australia supports credible carbon methods that recognise improvements in forest management and does not dispute that avoiding native forest harvesting can generate genuine abatement in some circumstances.

However, in its current form, the INFM Method cannot be relied upon to contribute to Australia's emissions-reduction objectives.

The INFM Method will not deliver genuine carbon outcomes because it is structurally biased toward over-crediting.

Over-crediting occurs when a project issues more ACCUs than the actual amount of carbon it has saved or removed from the atmosphere.

This occurs under the INFM Method because:

- The Method prescribes a 15-year accounting window that is too short, meaning that most of the forest regrowth occurring after timber harvesting is not factored into the carbon calculations.
- The INFM Method relies on new 'no harvest' areas being progressively added to a project throughout the 15-year crediting period to generate ACCUs
- The FullCAM settings prescribed by the INFM Method for modelling timber harvesting events are inappropriate and incorrect, adding to the over-crediting of projects

Forestry Australia's testing indicates that the INFM Method contains accounting and modelling choices that cumulatively act to overstate carbon benefits by 40 to 100%. i.e. genuine carbon outcomes are, in reality, 30-50% lower than currently claimed.

This result *does not* factor in leakage or harvested wood products, meaning the true extent of over-crediting may be much higher.

This matters because ACCUs are used to offset real emissions elsewhere in the economy. If ACCUs are issued that don't represent genuine carbon savings:

- offsetting will not deliver any actual climate benefit
- confidence in the ACCU Scheme will be weakened, damaging other higher-integrity carbon methods
- and the Safeguard Mechanism will not work as intended.

Based on current available evidence, the INFM Method should not be relied upon for ACCU issuance until the accounting and modelling issues have been resolved.



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What does the INFM Method do?

The INFM Method is intended to calculate the carbon benefit of not harvesting a native forest.

To do this, it compares the difference in carbon between two forest scenarios:

- The **project forest** is a forest that is not harvested, so it retains its carbon and may continue to capture carbon.
- The **baseline forest** is a forest with a hypothetical timber harvesting event that causes an initial loss of carbon followed by forest regrowth that captures carbon, noting that young regrowing trees generally capture carbon at a higher rate than older trees.

Under the INFM Method, the calculated difference between the project forest and baseline forest at the end of 15 years is counted as the carbon benefit of avoided harvesting and can be used to generate ACCUs.

The carbon (and ACCU) outcome of the INFM Method fundamentally depends on how both the immediate effects of timber harvesting and subsequent forest regrowth are calculated.

Forestry Australia's assessment is that the INFM Method does not calculate these critical processes accurately or appropriately.

The accounting window is too short

While timber harvesting causes an initial loss of forest carbon, this loss is followed by forest regrowth that captures carbon over many decades. Because the INFM Method ends its carbon accounting at 15 years, it does not factor in most of the forest regrowth that occurs in the baseline forest scenario.

This short accounting window means that the baseline forest appears to store less carbon than it really would, exaggerating the project forests carbon benefit. As a result, the INFM Method may issue more ACCUs than a project's actual long-term carbon benefit can justify.

A fixed 15-year accounting period is significantly shorter than what is commonly used in forest carbon accounting.

For example, the Plantation Forestry Method uses a 100-year accounting period which ensures that the ACCUs generated reflect genuine carbon outcomes over the long term.

Forestry Australia's testing shows that:

- if the accounting window of the INFM Method was to be lengthened to capture more of the regrowth effect in the baseline forest, the number of ACCUs generated by the project would be substantially reduced.
- correcting this accounting window issue could reduce the INFM Method's estimated carbon outcome by more than 40% alone.

In general, taking a longer-term view should never reduce the amount of ACCUs that would be generated by a method i.e. a project's claimed carbon benefit should not shrink simply because it is assessed over a more complete timeframe.

There is a structural reliance on new areas being added

The Method allows ACCUs to be issued for the difference between carbon in the project forest and carbon in the baseline forest immediately after timber harvesting.

This carbon benefit is not permanent, because it does not yet factor in that the forest will regrow and capture more carbon. As such, the INFM Method over-credits projects up front.



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As the forest regrows, the accounting framework of the INFM Method starts to make deductions in later reporting periods to claw back some of what was over-credited up front.

The Method only maintains the appearance of carbon benefit by continually adding new areas of 'no harvest' forest and repeating the same over-credit and deduction cycle throughout the 15 year crediting period.

If the flow of new areas of avoided harvest slows or stops (for example due to bushfires, new regulation or other unplanned events that change the timber harvesting assumptions in the baseline forest), the over-crediting becomes visible, creating an unplanned liability for the proponent that was previously masked.

If the flow of new areas continues as planned to the end of the 15 year crediting period, any over-crediting that hasn't been able to be fully deducted is never reconciled, it is just ignored when the accounting stops at the end of the 15 years.

As far as Forestry Australia are aware, no other method in the world deliberately over credits then claws back in this manner.

FullCAM is applied incorrectly

Because the INFM Method needs to compare the difference between the project forest and a hypothetical baseline forest where timber harvesting occurs, carbon benefits need to be modelled.

To do this, the INFM Method uses FullCAM, which is the Australian Government's tool for estimating greenhouse gas emissions and carbon stored in forests and land.

In FullCAM, modellers can represent how forests respond to different timber harvesting scenarios through dedicated events and forest recovery functions. These options exist because forests regrow (and capture and store carbon) differently depending on the timber harvesting regime applied.

Yet, the INFM Method prescribes a modelling approach that ignores this suite of available options.

Instead, the INFM Method universally assumes clearfall harvesting of various patch sizes to represent the baseline, rather than using the FullCAM settings that exist to more accurately model the effects of different partial or selective timber harvesting.

The vast majority (>80%) of native forest timber harvesting in Australia is implemented as some form of selective or partial harvest. As such, the INFM Method delivers a result that is inconsistent with scientific principles of forest growth and recovery in these forests and is inconsistent with on-ground reality.

The settings adopted by the INFM Method are also inconsistent with those applied in Australia's National Greenhouse Gas Inventory.

This misapplication of the model in FullCAM exaggerates the difference in carbon between the project and baseline forests, resulting in more ACCUs being credited than the genuine carbon benefit justifies.

Testing by Forestry Australia indicates that correcting the model could reduce the estimated carbon benefits generated by the INFM Method by more than 50%, depending on the forest type, timber harvesting system and version of FullCAM applied.



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There is also an unaddressed risk of double-counting that results from application of the INFM Method

The INFM Method has been designed for a whole of government implementation. This design creates a material double counting risk: the State (as the project proponent and legislated decision-maker on forests) can:

- implement policies that reduce emissions,
- generate ACCUs from those same outcomes,
- sell the credits to others, and
- continue to count the emissions reduction toward their own reporting and targets.

Private landholders are explicitly prevented from this form of double counting through accounting processes, yet equivalent constraints are not on state proponents. This asymmetry undermines ACCU scheme integrity.

All these issues could have been resolved had there been sufficient consultation, transparency and scrutiny in the proponent-led process. The Chubb recommendations to enhance ERAC powers would also work to address this.

The INFM method has not received the level of transparent, reproducible and technically informed scrutiny expected for a high-integrity ACCU Scheme method.

Forestry Australia raised all our concerns, including the material risk of over-crediting, more than 12 months ago through the proponent-led consultation process and repeatedly requested access to FullCAM files and sufficient modelling detail to reproduce the claimed abatement outcomes of the INFM Method.

Those materials have not been released by the proponent and no issues log or public response to stakeholder concerns has ever been provided.

This lack of transparency runs in contrast, for example, to the process managed by the Commonwealth for the *Integrated Farmlands Management Method* (IFLM).

Further, several material changes to the INFM Method were introduced after public consultation. These were not minor technical details, but central to the architecture of the INFM Method. Changes of such significance should have been exposed for further consultation and independent expert testing before the Method was made.

Given the complexity of the modelling framework underpinning the INFM method, and the lack of transparency, Forestry Australia considers it likely that further technical issues with the INFM Method may yet be identified.

The lack of transparency and compressed timelines associated with this proponent-led INFM Method development is highly concerning and weakens confidence not just in the INFM Method and the ACCUs it may generate, but also the credibility of future proponent-led methods.

Beyond over-crediting, broader concerns with the INFM Method remain

The accounting, modelling and transparency problems sit alongside several broader concerns held by Forestry Australia:



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Leakage is not adequately addressed: The INFM Method places an arbitrary 40% cap on indirect leakage, which applies even if an independent assessment were to conclude that it was substantially higher. International timber leakage from avoided harvesting has been reported as high as 95%. The leakage cap therefore creates a likelihood that projects may be credited for carbon benefits that have not occurred globally, exacerbating the over-crediting caused by the modelling and accounting framework of the INFM Method.

Additionality is not adequately demonstrated: The INFM Method does not provide sufficient safeguards to ensure the additionality test is met. The eligibility provisions of the Method focus heavily on whether harvesting reductions are new or have formally commenced, and rely substantially on declarations by the project proponent that the activity would not occur without the Method. “Newness” is not the same as additionality and self-declaration is not an adequate substitute for an objectively demonstrated and independently verifiable additionality test.

Impacts have not been comprehensively assessed: There is no clear evidence that the INFM Method's environmental, social and economic consequences, including impacts on forest health, biodiversity, Traditional Owners, recreational forest users, regional communities, jobs or timber supply, were comprehensively examined or addressed, creating a high risk of significant unintended harm.

Project liabilities remain unclear: Fires, regulatory changes, revisions to sustainable yield or reductions in eligible project area could generate substantial negative abatement. It remains unclear how such potentially significant liabilities would be managed under the INFM Method.

About Forestry Australia

Forestry Australia is an independent, not-for-profit professional association representing more than 1,150 forest scientists, managers, professionals and growers. Our members work across native forests, plantations, farm forestry and environmental services, and bring deep scientific knowledge and practical experience in forest, fire, carbon, tree-growing and landscape management. Through their work, they study, manage and care for Australia's forests and are committed to delivering positive environmental, social, cultural and economic outcomes across all forest types and land tenures.

For further information

Forestry Australia has prepared a detailed technical paper that underpins this briefing note. Forestry Australia is also available to answer questions about the issues raised.

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Submission: [Response to the Emissions Reduction Assurance Committee \(ERAC\) on the proposed Improved Native Forest Management in Multiple-use Public Native Forests Method \(INFM Method\)](#), January 2026

Submission: [Response to the NSW Government on the proposed Improved Native Forest Management in Multiple-use Public Native Forests Method \(INFM Method\)](#), July 2025