

Media release

11 August 2020 * FOR IMMEDIATE RELEASE *

Australia's carbon industry reaches critical maturity milestone

In its capacity as Code Administrator, the Carbon Market Institute (CMI) today launches the Administrator's response to the Independent Review (the Review) of the Australian Carbon Industry Code of Conduct (the Code).

The release of this report marks the transition of the Code from foundation to full operation - a key milestone for the maturity of Australia's domestic carbon market. The report establishes a pathway for how the Code will scale up to play a more active role in supporting carbon market integrity, transparency and accountability as the carbon industry expands in the coming years.

"The release of the Administrator's response and transition plan is a critical milestone for the industry, providing a clear roadmap for how industry can ensure Australia's carbon market matures and expands with the highest levels of consumer protection and integrity possible" says John Connor, CEO of the Carbon Market Institute.

The Code's Operational Stage commenced on 1 July 2020. The Administrator will take the next 12 months to implement a wide range of operational reforms that will expand the capability, reach, and powers of the voluntary consumer protection code. This includes increased audit and compliance functions, expanded complaints handling and investigation powers, and the enforcement of sanctions – overseen by an Independent Code Review Panel that will be set up and operationalised in this period. It will also include an examination of how to integrate the "utmost duty of good faith" proposed by the King Review.

"CMI accepts the recommendation of the Independent Review that it continue as the Code Administrator in the Operational Stage, and looks forward to working with Signatories, Demand-Side Supporters, Government Partners and other stakeholders as we expand to full operation of the Code over the next 12 months", says Connor.

"As Australia's market expands and matures, it is critical that consumers are protected from irresponsible and inappropriate behaviour that might arise. It is important that both demand and supply-side participants are provided with enough information to make informed commercial decisions.

It is also critical that Indigenous communities, eligible interest holders and other landholders are engaged early and appropriately to provide appropriate consents. In particular, the Indigenous Carbon Industry Network's guide on "Seeking free, prior and informed consent from Indigenous communities for carbon projects" has been adopted as best practice. The Administrator will be consulting on the best mode of implementation of the guide.

CMI will continue to work with all stakeholders to expand the multi-million dollar employment, environmental and social benefits flowing to regional communities from carbon projects since 2012. Code signatories are currently working on land-based projects, but this can expand to industrial and other projects.

"The Administrator team will continue to engage with industry and government in best-practice and streamlined application of integrity, transparency and accountability considerations. We look forward to supporting the scale up of a strong, credible and reputable industry of the future", says Connor.

CMI is an industry association and centre of excellence for business and climate action. The CMI has over 75 corporate members and speaks for business leading the transition to a net-zero emissions economy.

To interview CMI CEO John Connor contact Clare Price 0490 252 743 clare.price@carbonmarketinstitute.org