

Industry Supporter Status Prospectus

January 2023



Australian
Carbon Industry
Code of Conduct



Background

Australian governments and corporations are supporting substantial investments in emission avoidance and carbon reduction activities. There are hundreds of projects that have already been invested in domestic compliance and voluntary carbon markets. As these evolve and mature, market participants, consumers, regulators, and policymakers have called for an independent framework to drive industry best practice, build integrity, ensure consumer protection and build trust with stakeholders, including Native Title holders, NRM bodies, land managers and project owners.

On the 1st of July 2018, the Carbon Market Institute (CMI) began implementation of one of the world's first voluntary domestic Australian Carbon Industry Code of Conduct, designed to promote integrity, transparency, accountability and consumer protection in the carbon market. Since then, Signatories under the Code have more than doubled. Currently this represents over half of all land-based carbon projects generating ACCUs across Australia¹.

This prospectus seeks your organisation's support to champion and sustainably resource the Code. Administered by the Code Administrator (which is hosted by CMI) and developed with input from a wide range of industry, community and government stakeholders, the Code:

- promotes best practice within Australia's carbon reduction and carbon sequestration industry and has been developed in accordance with [ACCC voluntary industry code of conduct guidelines](#);
- provides guidance and accountability for industry practitioners and service providers undertaking carbon offset projects including under the Australian Government's Emissions Reduction Fund (ERF) and other Voluntary Offset Schemes, such as the Gold Standard and Verified Carbon Standard;
- commits Signatories to developing and conducting their business in line with industry best practice and interacting with landholders, clients and other stakeholders, including native title holders, in a professional and ethical manner;
- is already a core eligibility requirement for access to the Queensland Government's [Land Restoration Fund](#), the Western Australian Government's [Carbon Farming and Land Restoration Program](#), and Tasmanian [Carbon Farming Advice Rebate Pilot Program](#). Its contribution has frequently been recognised by the Clean Energy Regulator and other states and territories with Queensland and NSW Governments officially Government Partners; and
- will be linked with Commonwealth Government considerations regarding a market duty of utmost good faith and application of fit and proper person assessments.

Importantly, the Independent Review of Carbon Credits Units: Final Report (December 2022) (Chubb Review)² recently found the Code has been very important in maintaining the integrity of carbon projects in Australia to date. The Chubb Review went beyond the current policy and recommended that not only should carbon service providers and carbon market advisors, including agents, be accredited and regulated, but that performance standards for carbon service providers, including agents should be mandatory. This would enhance market confidence and consumer protection and provide carbon project stakeholders with a level of assurance that projects are implemented with the highest possible standards.

¹ This figure does not include the projects covered by the Code that are registered under voluntary carbon credit schemes like Verra and Gold Standard.

² <https://www.dcceew.gov.au/sites/default/files/documents/independent-review-accu-exec-summary.pdf>



Implementation

The Code commenced with a “Foundation Stage” for a period of two years (mid 2018 - mid 2020). The Code underwent an independent review in 2020, that through detailed stakeholder engagement provided recommendations for a transition to the “Operational Stage”, which officially commenced in July 2021. The launch of the Operational Stage included the establishment of an independent Code Review Panel, the introduction of compliance audits, the investigation of complaints and breaches, and enforcement of sanctions.

Code Administration

The Code is managed by the Code Administrator, which is hosted by the Carbon Market Institute (CMI). The Administrator provides guidance to all Signatories about the operation and requirements of the Code and covers activities (projects) that have started from 1st July 2018. The Administrator is also responsible for:

- managing the administration process relating to Signatories;
- reviewing compliance against the Code;
- overseeing promotion of the Code;
- developing training and supporting material on the Code to assist Signatories to comply with the Code;
- handling complaints in accordance with the process for handling complaints and alleged breaches;
- preparing an annual report on the Code’s operations;
- overseeing the administration of the Independent Code Review Panel;
- undertaking compliance audits;
- initiating enquiries into compliance;
- investigating complaints and breaches; and
- enforcing sanctions.

Benefits to Industry Supporters

As corporate net-zero and negative emission commitments continue to grow in Australia, it will be critical for corporate entities to actively ensure the quality and integrity of their carbon credit portfolios. The Code provides industry investors with a crucial platform for both the standardisation of national best practice and deeper integrity in Australia’s carbon market as it seeks global opportunities under the Paris Agreement.

Industry Supporters are expected to work with the Code Administrator to commit to best practice investment principles, aligning their procurement practices with Code principles, and commit to prioritising engagement with, and carbon credit procurement from, Code Signatories, where possible.

Support for the Code is an investment in risk mitigation. It will translate to increased project transparency, strengthened social license, and greater engagement and communication between stakeholders. Through their investment in the Code, Industry Supporters can communicate to their investors, shareholders, employees, clients and consumers that they are supporting carbon project best practice and leading communication of social, economic, Indigenous and environmental co-benefits.

The Code can also be a platform for supporting contractual and regulatory streamlining and standardisation. Industry Supporters can join with the Code Administrator, Government Partners and Code Signatories through the proposed Advisory Committee and other initiatives. Together we can build a carbon industry of the scale and enduring integrity necessary for Australia to fulfil its potential as a global leader in negative emission technologies.



Code Supporter Status

The Code Supporter Status framework below, enables industry stakeholders to endorse the Code and formally support carbon market development – as a *Code of Conduct Industry Supporter*.

Expectations of Industry Supporter under the Code:

- Alignment of procurement practices with the Code and its principles, in particular, prioritising investment in and purchase of credits from Signatories and projects covered by the Code;
- Prioritise investment in projects that uphold best practice standards and principles (as reflected under the Code);
- For all investments in land-based projects on native title lands, ensure these projects implement best practice as set out in the ‘Seeking free, prior and informed consent from Indigenous communities for carbon projects’ guidance published by the Indigenous Carbon Industry Network (ICIN) (version published February 2020), and the ‘Native title, legal right and eligible interest-holder consent guidance’ published by the Clean Energy Regulator (available on the Regulator’s website);
- Commitment to supporting the continuous improvement of best practice carbon project operation and open dialogue with the Code Administrator about how this can be best reflected in procurement practices and investment decisions;
- Support of an independent consumer protection framework which provides transparency and accountability, protecting stakeholders including landholders, Native Title holders and interests, natural resource management bodies, land managers, project owners and demand-side consumers;
- Maintaining processes that build confidence in the integrity of corporate investment in abatement activity – that they do not have unintended adverse consequences, and that they do no net harm;
- Promote confidence in and assurance of the longevity and sustainability of carbon projects and reducing risk in carbon investments;
- Support the protection and enhancement of the reputation of the carbon industry; and
- Support the protection and enhancement of community trust between the various carbon market stakeholders.

Industry Supporter Status Benefits:

- Membership of the Code Administrator's Industry Advisory Group, with inputs into:
 - High-level advice to the Administrator on:
 - i. Consumer protection needs of both demand-side and supply-side markets;
 - ii. Improvements to the application of the Code, including on Independent Review recommendations relating to standardised contract guidance/details; and
 - iii. Stakeholder education, outreach and training needs.
- Promotion of role as an Industry Supporter, including the following activities across digital/online channels:
 - Recognition of status and commitment to carbon market integrity & consumer protection;
 - Acting as a champion of best practice in the carbon market; and
 - Code channel links to examples of corporate demonstration of support for best practice carbon market integrity.
- Use of Industry Supporter brandmarks & support materials.
- Ability to promote carbon credit procurement processes as aligned to best practice market integrity standards;
- Option to contribute supporter-specific information to Code Annual Report; and
- Access to Code education and outreach materials.

Annual (FY) Code Supporter rate.....\$5,000 + GST



Current Industry Supporter



Working with the Clean Energy Finance Corporation (CEFC), the Code of Conduct, the Administrator and Signatories will play an important role in promote market integrity, accountability and display international leadership in carbon project development.

The Code will support CEFC's carbon market participation and procurement as a risk management and due diligence tool.

for more information please contact

Code Administrator

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