

# *Industry Supporter* Prospectus

*February 2024*



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 and over \$2.8 billion<sup>1</sup> already invested in compliance and voluntary carbon markets. As these markets matured, participants, consumers, regulators, and policymakers 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, farmers, 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 carbon Codes of Conduct, designed to promote market integrity and consumer protection. Since then, the Code has expanded rapidly with 40 Signatories to the Code. This signatory base represents the majority of land based ACCU issuance across Australia.

This prospectus seeks your organisation's support to champion and sustainably resource the Code. Led 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 clients and other stakeholders in a professional and ethical manner;
- is already a core eligibility requirement for access to the Queensland Government's [Land Restoration Fund](#), Western Australian [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 can play a role in assuring integrity in other states and territories; and
- will be linked with Commonwealth Government considerations regarding a market duty of utmost good faith and application of fit and proper person assessments.

**The Code's current Industry Supporter is the Clean Energy Finance Corporation and current Government Partners include the Queensland Government, Western Australian Government, and the New South Wales Government.**

## Implementation

The Code commenced with a "Foundation Stage" for a period of two years. The Code and CMI as Administrator, has recently undergone an independent review, that through detailed stakeholder engagement provided recommendations for a transition to the "Operational Stage". Now, the Code is undergoing its second independent review. This review is commencing at a vital time for the carbon industry in Australia. Major policy developments, including the federal Government's response to the recommendations of the ACCU Review and the Safeguard Mechanism reforms have placed a strong spotlight on the carbon industry and the ACCU Scheme.

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<sup>1</sup> Source: The world needs carbon markets. Here's how to make them work better. (n.d.). Deloitte Insights. Published on Oct 18, 2023. Retrieved February 2, 2024, from <https://www2.deloitte.com/us/en/insights/industry/financial-services/future-of-carbon-market.html#>



## Code Administration

*The Code is administered by CMI who 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 CMI 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/alleged breaches;*
- *preparing an annual report on the Code's operations;*

*Now fully operational, the Administrator's responsibility extends to establishing and funding an independent Panel, supporting a three yearly Independent Review, undertaking compliance audits, and 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 commit to aligning their procurement practices with Code principles, and commit to prioritising engagement with, and carbon credit procurement from, Code Signatories.*

*There is an increased focus on corporate directors and boards to actively engage with the impacts of climate change-related risks to satisfy their duty of due care and diligence under the Corporations Act. Support for the Code is a step in supporting these duties and acts as an investment in risk mitigation. It translates 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 also acts as 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.

### **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.

### **Industry Supporter Market Benefits:**

- Provision of an independent consumer protection framework which provides transparency and accountability, protecting stakeholders including Native Title holders, natural resource management bodies, land managers, project owners and demand-side consumers;
- Enabling 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;
- Transparency and accountability around the operating standards of carbon project developers and carbon service providers to both supply and demand sides of the market;
- Alignment of procurement practices with the Code and its principles, in particular:
  - Purchasing credits from projects that follow best practice standards relating to aspects such as: pre-project and project activities; seeking of Eligible Interest Holder consents; and engagement with Indigenous stakeholders; and
  - Prioritisation of engagement with, and carbon credit procurement from, Code Signatories;
- Reduced risk of regulatory and legislative non-compliance;
- Confidence and assurance of the longevity and level of risk of carbon investments;
- Protection and enhancement of the reputation of the carbon industry;
- Protection and enhancement of community trust between carbon market stakeholders; and
- Commitment to supporting the continuous improvement of best practice carbon project operation.



## Current Industry Supporter

*The Code's current formal Industry Supporter include the Clean Energy Finance Corporation.*



for more information please contact

*Code Administrator*

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