



Australian
Carbon Industry
Code of Conduct



2023-2024

ANNUAL REPORT

INDUSTRY DATA AND
COMPLIANCE REPORT



Acknowledgement of Country

The Carbon Market Institute through the Australian Carbon Industry Code of Conduct (the Code) recognises and pays its respects to the Traditional Owners and Custodians of Country throughout Australia and acknowledges their continuing connection to land waters and community.

We pay our respects to the people, the cultures and the Elders past and present.

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Chair's Message

I am pleased to present this year's Annual Report on the Australian Carbon Industry Code of Conduct (the Code), which highlights the growth in Signatories, the substantial market coverage they hold within the carbon project industry, the initiatives led by the Code Administrator to strengthen and protect relationships between Signatories and their clients, and the compliance performance of Signatories against the best-practice standards set out in the Code.

This year saw significant changes in the Australian carbon market, with ACCU issuance more than doubling and compliance-driven demand becoming the main driver of ACCU purchases. ACCUs with high-quality co-benefits fetched premium prices, and pricing continued to vary based on underlying methods.

Transparent, trustworthy disclosures are essential for attracting the capital needed for decarbonisation while avoiding untrustworthy projects. By promoting integrity and consumer protection, the Code discourages greenwashing and greenhushing, ensuring carbon claims are balanced. This strengthens the ACCU scheme and state-based programs that adopt ACCUs as their carbon currency. Ongoing Code compliance signals that Signatories operate with integrity.

The Code's best practices complement regulations by the Clean Energy Regulator and ASIC. The Chubb Independent Review of the ACCU Scheme recognized the Code's contribution to overall integrity, recommending further regulation of carbon service providers to enhance market confidence. We support the Government's implementation of this recommendation.

The Code remains acutely aware of the broader context in which its Signatories operate: the market forces, regulatory settings, reform pipelines, and the collective role in helping Australia meet its carbon abatement ambitions. A critical function of the Code Review Panel is the oversight, monitoring, and guidance of the Code, and to this end, the Panel provided its input to Ms. Vicki Mullen during her second Independent Review of the Code, ensuring it remains fit for purpose amid the evolving carbon market landscape.

I would like to express my deep gratitude to my colleagues on the Panel, Kim Lawrence and Ross Carter, for their invaluable counsel. A special thank you goes to Ross, who recently retired from the Panel. Ross brought a wealth of expertise in environmental regulation at both national and state levels, and his insights on regulatory capacity, compliance, and enforcement have greatly benefited both the Review Panel and the Code Administrator.

Finally, we are fortunate to work closely with the Code Administrator's team, including Samuel Dawes and Dayana Flores, who execute their compliance mandate with professionalism and have successfully onboarded numerous new Signatories. I would also like to thank John Connor, his team, and the Board of the Carbon Market Institute for their continued support of the Code, the Administrator, and the Review Panel.

Virginia Malley

Chair, Code Review Panel

Australian Carbon Industry Code of Conduct



CMI CEO's Message

The Carbon Market Institute (CMI) developed and continues to support the independent operation of the Australian Carbon Industry Code of Conduct (the Code) for companies operating in the carbon market sector. I am pleased to present the sixth Annual Report on the Code and its operations.

It's encouraging to see the Code's continual evolution. Signatories should be congratulated on adopting a higher standard of practice in their activities within the broader carbon market.

Over the year, the Administrator increased its market engagement by 16%, representing a significant step in advancing the influence of the Code. This was done through increased engagement with Signatories, regulators and stakeholders involved with carbon markets.

Over the past financial year, the Administrator received 11 complaints, representing its largest volume since the Code's inception. 8 of these have been resolved, This points to the fact that Signatories, landholders and other concerned parties are becoming increasingly aware of the

Code's complaint processes and value it as an adequate way to resolve market-based concerns. The Administrator continues to work with Signatories and the Code Independent Panel on resolving these complaints and ensure that appropriate rectification steps are implemented.

This year, the Independent Review of the Code, led by Vicki Mullen of Finity Consulting, concluded with recommendations aimed at enhancing the Code's influence, market integrity, and support for Free, Prior and Informed Consent (FPIC) processes on Native Title Land. A key recommendation was to establish an independent entity for Code administration to enable stronger compliance monitoring and enforcement activities. The CMI is finalising the launch of a wholly owned subsidiary focused on administering the Code and increasing oversight of its activities.

Findings in the report highlight the importance of Signatory engagement with First Nations people. The Code has sought to support this engagement with workshops and guidance. The Administrator will continue to work with governments and First Nations stakeholders in progressing amendments to the CFI Act and other reforms to ensure appropriate engagement and maximise benefits for First Nations people.

The Administrator will continue to work with Signatories and the Australian Government on stage 3 of the Chubb Review recommendations, and how the Code could play a role in supporting carbon market participants and future possible accreditation of carbon service providers.

I want to thank the Independent Review Panel, ably chaired by Virginia Malley, and acknowledge the tireless and significant efforts of the Code administration team led by Samuel Dawes and Dayana Flores. Further, I'd like to thank the Independent Reviewer of the Code, Vicki Mullen.

John Connor

CEO

Carbon Market Institute



Snapshot of 2023-2024

Administrator Activities



- Independent Review of the ACI Code of Conduct 2023
- Compliance reporting improvements
- Monitoring systems and process improvements
- Market and stakeholders' engagement

Code Statistics



3

Government
Partners

45

Code Signatories
at 30 June 2024

12

New Signatories
onboarded

Compliance Results



37

Annual Reports
submitted

33

Fully Compliant
Signatories

4

Materially Compliant
Signatories

Market Engagement



2.2K

Stakeholders,
Signatories and
consumers reached

11

Internal and
external Events

15

Meetings with
Partners and
stakeholders



Overview



About the Code of Conduct

The Australian Carbon Industry Code of Conduct (the Code) is a voluntary industry code administered by the Carbon Market Institute.

The Code aims to define industry best practices for project and advisory service providers within Australia's carbon industry and represents the minimum standards that all Signatories agree to meet.

This voluntary Code aims to:

- 1) define industry best practice standards for carbon service providers, project owners, agents, aggregators and advisers in Australia's carbon industry.
- 2) promote consumer protection and appropriate and open interaction between project owners, Native Title and Traditional Owners, other stakeholders and landowners.
- 3) provide best practice guidance for carbon service providers and
- 4) promote market integrity and accountability and display international leadership in carbon project development.

Our role and framework are further explained in [the Code](#).

About this Report

This Annual Report covers the Administrator's operations from 1 July 2023 to 30 June 2024. It summarises the Administrator's work in monitoring and confirming Signatories' compliance with the Code during this period.

This report's key focus is to raise awareness of emerging issues of concern in the broader carbon market and highlight examples of best practice engagement.

Note: All information shared in this report has been de-identified.

Companies, organisations and individuals are referred to as Signatories.



Administrator Activities



Our Activities in 2023-2024

Independent Review of the Code of Conduct



The Independent Review of the Code

Under the Code framework, there is a three-yearly independent review of the Code, functioning as a critical transparency and accountability mechanism.

Why we do this

Section 3.10 of the Code stipulates that the Code and its reporting function, the role of the Administrator, the Code Panel, and the Panel Terms of Reference are independently reviewed every three years by a suitably qualified, independent person/body.

Key facts

The first Independent Review was undertaken in 2020 and reviewed the

The Foundation Stage enabled the consideration and implementation of the requirements for an appropriate transition from the foundation to the entire operation. This first Review provided 47 final recommendations to the Administrator.

The second Independent Review of the Code was undertaken in 2023. The Independent Review engaged with diverse stakeholders, and the consultation period was open for ten weeks.

Ms Vicki Mullen of Finity Consulting undertook this second Independent Review. It was conducted according to the Code's requirements and the review's Terms of Reference and to reflect policy changes and evolving industry concerns. This Review aimed to ensure that the Code remains relevant and consistent with current best practices.

It is hoped that the key recommendations of this Review encourage further market engagement with the Code, thereby increasing its influence and impact. More excellent industry support for and recognition of the Code across the value chain will increase confidence in the market's integrity and provide more consumers with the essential protections available under the Code. Moving forward, these recommendations will be reviewed and prioritised, with a clear implementation plan to foster wider adoption and recognition of the Code throughout the Australian carbon industry.

Operational Update

The Code has continued its steady growth, closing financial year 2023-2024 with 45 Signatories and three Government partners: the New South Wales, Queensland, and Western Australian Governments.



Despite the withdrawal of 3 Signatories at the start of the 2023-2024 financial year, the Code team successfully onboarded 12 new Signatories during this period, exceeding the internal key performance indicator (KPI). This achievement demonstrates the increasing recognition of the Code's value in fostering responsible engagement within the carbon market. The Administrator continues to receive a steady flow of interest from prospective Signatories, signalling strong potential for further growth.

In addition to new Signatories, the Administrator has monitored signatory withdrawals and overall retention. While growth remains positive, understanding the dynamics of signatory engagement—including reasons for withdrawal—helps the Administrator refine outreach and support strategies. The following graphs show the increase in net Code Signatories since its operational stage.



Market Coverage

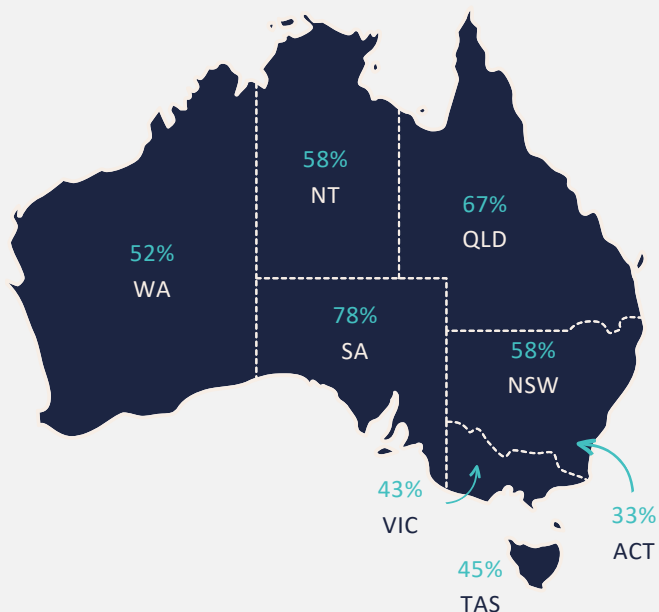
The Administrator has monitored Signatories' engagement in ACCU Scheme projects and the broader voluntary carbon market as part of the compliance reporting process. Only data from July 2018 onwards is reported for the Code, as this marks the commencement of the Code's operation. Projects registered before this date or non-land-based are excluded from the Code's coverage.

As of June 30, 2024, the Code covers at least 65% of land-based ACCU Scheme projects (including agriculture, savanna burning, and vegetation methods) registered after July 2018.

This coverage highlights the Code's growing influence in governing land-based carbon projects. A substantial proportion of eligible projects adhere to its standards. The infographic below shows the Signatories' national market share. The number of Signatory ACCU projects per state was calculated through ERF data and self-reported ACCU projects through the Administrators annual audit.



Code Signatories' Market Share (ACCU projects per state)



65%



of land-based ACCUs
projects registered since
2018 covered by the Code.

12



Signatories' engagement
in Voluntary Carbon
Market.

Note: As of June 30, 2024, there were 2,201 projects registered under the ACCU scheme, with 294 projects revoked. Additionally, 1,302 projects were registered after July 2018—source: Clean Energy Regulator, ACCU Project and Contract Register, June 30, 2024.

Compliance Reporting Improvements

Since 1 July 2023, the Administrator has focused on developing targeted resources to support Signatories through the compliance reporting process. Key developments in this process include an updated set of questions for the Annual Compliance Report and additional guidance materials for Signatories.

Signatories responded to 27 questions for the reporting period, compared to 36 in the previous financial year. Therefore, the administrator's vital focus was verifying Signatory governance information to determine that each Signatory was accurately categorised under the Code.

Additionally, the Administrator introduced two new Fact Sheets to aid Signatories in meeting compliance requirements:

- Fact Sheet: Glossary for Compliance with the Code; and
- Fact Sheet: Guidance to Support Compliance with the Code.

These improvements aimed to streamline the reporting process while ensuring that the compliance framework remained robust and aligned with the industry's dynamic nature.



Education and Training 2024: Annual Compliance Review Process 2023-2024

In June 2024, the Administrator held an education and training session focused on presenting to Signatories the updated Annual Compliance Report (self-audit report) for the financial year and providing guidance on how Signatories could submit their compliance reports through the online portal, which became available on 1 July 2024.



37
Signatories and their team members participated

Example Contract Clauses

The Administrator collaborated with the broader CMI to develop a series of example contract clauses for carbon farming. This initiative was driven by the significant variability, inconsistency, and complexity identified in third-party contract agreements used by financial institutions interacting with the Australian carbon market.

The [example contract clauses](#) aim to harmonise these discrepancies across the industry, providing standardised guidance for two primary types of agreements with the owner or perpetual lessee of land (Landholder) in carbon farming projects:

1. **Project Development Agreement:** Where a carbon project developer acts as the project proponent.
2. **Services Agreement:** Where the Landholder serves as the project proponent.

These documents have notably improved contract literacy among Signatories and are available for Signatories in their Portal, offering a valuable resource for ensuring consistency and clarity in contractual engagements.

Our Participation in International Development

The rapid expansion of carbon projects, particularly within the voluntary carbon market (VCM), has raised concerns about some carbon market initiatives' environmental and social integrity. In this evolving landscape, there is an increasing demand for projects that can demonstrate high integrity, such as projects that adhere to robust carbon measurement methodologies and prioritise community-led, transparent, and equitable practices.

In response to these emerging challenges, the Administrator was invited to contribute to a learning program organised by WWF Australia as part of the Climate Resilient by Nature (CRxN) initiative. This program focused on exploring the characteristics of high-integrity carbon projects in the Pacific. Our involvement provided an opportunity to share insights on promoting best practices in



the Australian carbon market and highlight the role of the Code in supporting integrity within this context.

A knowledge document was produced after the workshop, which captured vital findings and lessons learned. The Administrator emphasised the importance of codes of conduct in setting best practice standards, particularly in areas like Free, Prior and Informed Consent (FPIC) and community engagement, which are critical yet not fully standardised practice(s). A key learning from this workshop was the role of codes and how they can offer additional protection for local communities and help streamline regulatory requirements for smaller project developers.



Key Lessons Relevant for Pacific VCMs Raised in the Code Case Study in the Document:

- Codes can help address gaps in existing regulatory systems, raising standards where policies are inadequate.
- While codes promote best practices, they must be adapted to the unique contexts of the Pacific, especially in terms of FPIC and community engagement.
- Building a code that supports high-integrity VCMs should begin with engaging Pacific stakeholders in discussions about how best to involve and benefit local communities.

For further insights, please refer to the WWF document: [*Demand for High Integrity Carbon Projects in the Pacific: lessons from the CRxN workshop - 12 July 2023*](#)



 ***Market Engagement***



Our Engagement Role

Stakeholder and partner engagement is integral to the Administrator's work in determining the Code's coverage and influence, thereby supporting greater integrity in the market.

Strengthening our Government Partnerships

Partnerships between the Code and government are essential to ensuring the integrity of the carbon market. Throughout the financial year, the Administrator team and the Independent Code Review Panel Chair met with various state and federal government partners to promote the Code's activities and learn how the Code can best support existing regulatory processes.

The following carbon farming funding programs require recipients of government funds to have Code Signatory status to ensure best practice standards are upheld:

- Queensland's Land Restoration Fund (LRF).
- Western Australia's (WA) Carbon Farming and Land Restoration Program.
- Tasmania's Carbon Farming Advice Rebate Pilot Program.

Engaging with Regulators

During the reporting period, the Administrator had several meetings with the Clean Energy Regulatory (CER), the Australian Securities and Investments Commission (ASIC), and the Department of Climate Change, Energy, the Environment and Water (DCCEEW) to discuss various topics. These topics included the Independent Review of the Code, DCCEEW's ACCU Review Implementation Plan (for progressing the 16 recommendations made by the 2022 Independent Review of ACCUs), and discussing the possibility of updating existing requirements for carbon service providers to obtaining an Australian Financial Services License (AFSL) when providing financial services, advice or dealings in ACCUs.

Number of meetings in 2023-24

15 

Partners and
stakeholders

8 

Panel and CMI
Board

8 

Government
agencies

6 

Complainants



During FY24, the Administrator increased engagement with ASIC to support their work updating Regulatory Guide 236 (RG236), ‘Do I need an AFS License to participate in carbon markets?’ The CMI and Administrator engaged with ASIC’s consultation on the draft updates to RG236 and provided several case examples as feedback. It is expected that the new RG236 will be released later in 2024, and it will clarify when a signatory requires an AFSL to conduct their activities in the broader market.

Engaging with First Nations Groups and Landholders

In seeking to align the Code with best practices in the carbon market, the Administrator focussed on listening to First Nations and community representative groups to understand their perspectives on proper and ethical behaviour and engagement in the Australian carbon market.

The Administrator met with First Nations and consumer associations through meetings and forums to discuss their concerns with carbon farming projects in their communities. Critical discussions centred on the Code’s FPIC considerations, where Signatories must have regard to the United Nations [Declaration on the Rights of First Nations Peoples](#) (UNDRIP), the Indigenous Carbon Industry Network’s guidance, [‘Seeking free, prior and informed consent from First Nations communities for carbon projects’](#) (ICIN Guidance), and the Clean Energy Regulator’s guidance, [‘Native title, legal right, and eligible interest-holder consent guidance’](#) (CER Guidance). These materials are designed to support compliance with the Code and mitigate project risks that may occur due to improper or unethical engagement with First Nations stakeholders.

The Administrator had a series of conversations with like-minded associations representing landholders. The Administrator learned that some landholders in their regions needed help understanding the risks and opportunities of carbon farming projects, particularly as land competition and revenue diversification become topical.

Independent Review of the Code: Engagement with Stakeholders

The Administrator and Independent Reviewer conducted Signatory and stakeholder engagement workshops on January 30 and February 6, 2024. These workshops detailed the Terms of Reference for the independent review and articulated how Signatories could engage in the Independent Review process.



Consultation Sessions and Engagement with Stakeholders on the Independent Review of the Code of Conduct

These consultation sessions were designed for Signatories and other stakeholders to engage directly with the Reviewer about the Terms of Reference used to define the review of the Code.



66 Organisations and individuals consulted and engaged by the Independent Reviewer



Engaging with Industry and Market Stakeholders

The Administrator actively participates in various events organised by the CMI and other key stakeholders. These engagements include:

- **Carbon Farming Industry Forum (May 20-22, 2024)** - The Code team and Chair of the Code Review Panel sat several panels at this event, including High-Integrity Credit Generation; Connect Country, Community & Climate – Communicating Benefits & Building Capacity and First Nations Partners: Best Practice.
 - **2023 CMI Corporate Climate Masterclass Series** - Presented with the CER and CMI, the Code team presented on best practice integrity within carbon markets.
 - **2023 Australasian Emissions Reduction Summit (AER Summit) and Masterclass—** The Code team participated in different sessions to enhance integrity and best practices in the carbon market.
 - **Carbon Conversations—Example Contract Clauses (March 22, 2024)**—The Administrator participated in a Carbon Conversation to discuss how standardised agreements allowed Signatories to better engage their customers by supporting consistency in contract terminology.
- External events participation:**
- **Making Carbon Markets Work in the Pacific – WWF Australia** - The Administrator presented at an event on voluntary carbon markets hosted by WWF Australia. The presentation covered developments regarding the growing demand for high-integrity Pacific credits.
 - **Nature-Based Solutions Conference 2023 (July 17-19, 2024)** - This regional conference was dedicated to supporting the carbon farming industry through the National Carbon Farming Conference & Expo. The Administrator team was pleased to be invited to present on the Code's role and Signatories' commitments at this event.



 ***Compliance in 2023-2024***



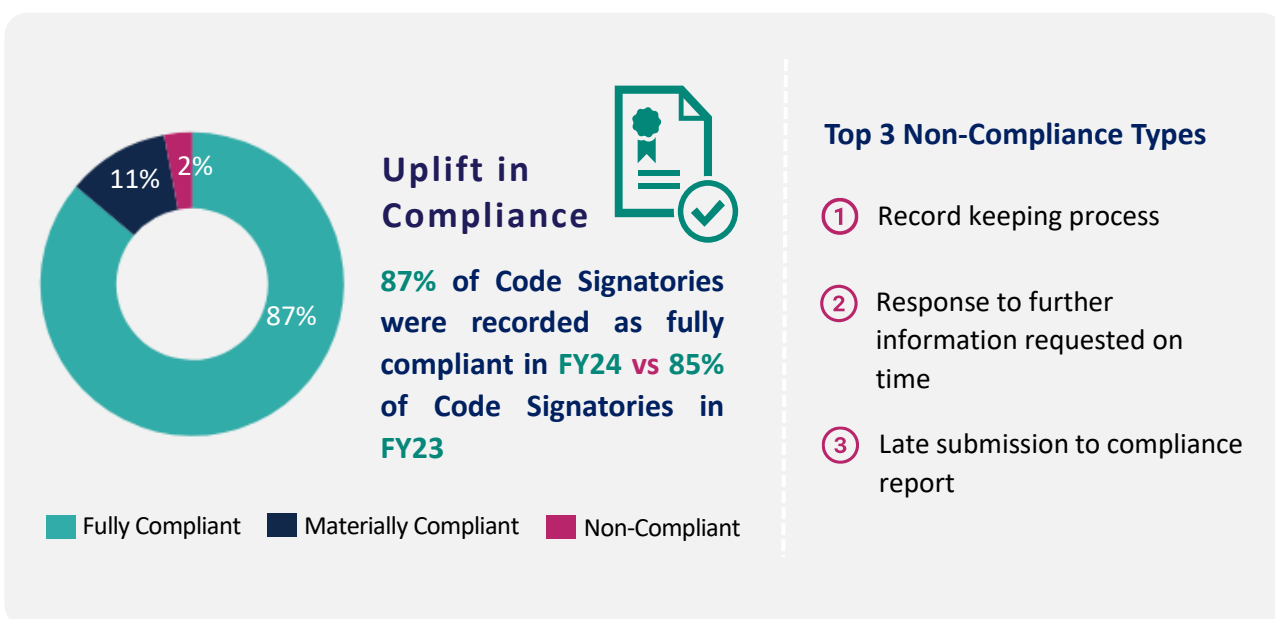
Compliance Summary

In FY24, the Administrator recorded an uplift in compliance, with 87% of Signatories meeting their obligations under the Code—an improvement from the 85% recorded in the previous year. This increase reflects the Administrator's proactive engagement with Signatories, particularly new members, to help them better understand the reporting requirements and implement effective compliance processes.

Despite this positive compliance trend, four Signatories were recorded as materially non-compliant but have committed to rectifying the issues by the Administrator's deadlines. The primary non-compliance issues identified were internal record-keeping improvements, failure to respond to requests for additional information within the given timeframe and late submission of compliance reports. A notable 32% of Signatories requested extensions to submit their compliance reports, resulting in their submissions being received outside the deadline. Further, the Administrator sent 12 requests for further information.

Six Signatories received complaints during this financial year. Of the 11 complaints submitted, 8 have been resolved positively, while 3 are still in the process of being resolved.

Additionally, five Signatories chose to withdraw from the Code and will not continue as Signatories for the 2024-2025 financial year. Of these, three were required to submit an annual compliance report, and only one failed to do so before withdrawing. The main reasons for withdrawal from the Code were market-related, including cessation of market activities, adverse conditions for project development in the livestock sector, shifts in company direction, inability to justify the prescribed fee, and cessation from the broader carbon market. The infographic below shows the increase in compliance from the previous financial year.





Key Compliance Findings

Code Awareness



Providing Clients with a Copy of the Code of Conduct (Section 2.5(3))

Code requirements for Signatories are designed to ensure that clients and stakeholders are dealing with trusted and accountable industry participants.

What does awareness under the Code mean?

Clients must understand the meaningful protections afforded to them under the Code. This, in turn, builds confidence in the industry and supports the reputation and standing of individual Signatories.

To ensure that clients understand the benefits of dealing with a Code Signatory

and the accountability mechanisms under the Code, section 2.5(3) of the Code stipulates that Signatories' clients must be *given* a fact sheet that describes the Code, outlines the process for providing feedback and lodging complaints under the Code, and includes a link to further information at the Code of Conduct website. Find the Code Fact Sheet [here](#).

What we found

- *Distribution of Code Fact Sheets:* Signatories have actively integrated the Code Fact Sheet into various client interactions, including onboarding processes, website resources, and ongoing communications. This ensures that all clients, including less sophisticated entities, Native Title Holders, and other Eligible Interest Holders, are well-informed about the Code and understand their roles, responsibilities, and the complaints handling procedure.
- *Onboarding Enhancements:* Signatories are upgrading their client onboarding processes to ensure that all clients, including less sophisticated entities, receive and understand the Code Fact Sheet and associated documentation. This includes adding references to the Code in key client-facing documents and active discussions during initial meetings.
- *Commitment to Continuous Improvement:* Some Signatories plan to enhance their processes by December 2024, including updating their websites and client onboarding procedures to improve accessibility and understanding of the Code.

What to expect

- *Enhanced Market Presence:* The Administrator will continue to amplify the role of the Code and its Signatories through various public channels, increasing visibility and reinforcing the Code's importance in the carbon market.
- *Promotion of Best Practices:* In response to feedback from Signatories, the Administrator will focus on showcasing the voluntary efforts made by Signatories to achieve best practices.



These efforts will be promoted to the industry, particularly to the demand side of the market, which seeks high-integrity carbon credits.

- *Strategic Communication Initiatives:* The Administrator will develop and implement communication strategies to streamline and promote the achievements of Signatories. This includes highlighting their commitment to best practices and integrity in the carbon market.

Complaint Handling Procedure and Record-keeping



In-house Procedures and Complaints Handling (Section 2.5(4))

As a Signatory to the Code, if you receive a complaint, you must be responsive and deal appropriately with clients and other stakeholders promptly.

What does it mean to have a complaint handling procedure under the Code?

Clients have the right to expect that any services supplied by a Signatory will always comply with the Rules.

Signatories' internal complaints handling procedures must comply with relevant legislation and standards on handling complaints in organisations, e.g., AS/NZS

10002:2014: Guidelines for complaint management in organisations.

Record keeping (section 2.3(4))

Signatories must maintain appropriate records of internal complaints investigations and applicable outcomes. Records must be kept in a manner that is easily accessible for audit or other purposes.

What we found

- *Accessibility and Documentation Integration:* Signatories have ensured their complaints handling procedures are readily accessible through various channels, such as website footers and critical project documents like feasibility reports and project execution plans. These procedures are promptly provided to clients and landholders upon request, particularly during tender and project development.
- *Compliance Levels:* Most Signatories (95%) comply with record-keeping requirements, maintaining well-organised and accessible documents for auditing and compliance purposes.
- *Identified Gaps and Rectification Measures:* One Signatory reported issues with incomplete record-keeping, specifically regarding storing evidence for client communications and distributing Code-related documents. Efforts are being made to address these gaps and ensure compliance with record-keeping requirements.



What to expect

- *Support for Record-Keeping Improvements:* The Administrator will assist Signatories in enhancing their record-keeping practices to ensure comprehensive and accessible documentation for auditing and compliance.
- *Guidance on Complaint Handling Procedures:* The Administrator will provide support and resources to help Signatories refine their internal complaint-handling procedures, ensuring they meet best practices and Code requirements.

Engagement with Native Title Holders



Advice on Project Ownership and Engagement with Interest Holders (Section 2.2(3))

The Code requires more robust engagement with First Nations stakeholders to support the implementation of best practice engagement across the carbon industry.

What does it mean to engage with interest holders under the Code?

Signatories must undertake appropriate due diligence to ensure that:

- (i) The project owner has the legal right for the project, which includes both the ability to carry out the project and the exclusive right to receive any carbon credits generated by the project; and

- (ii) All eligible interest holders are identified

Genuine and early engagement with Native Title Holders promote industry best practices.

and aligns with the general principles of the Code, including transparency and accountability, environmental and social integrity, facilitating community trust, and Compliance.

What we found

- *Proactive Engagement*—Some Signatories proactively identify stakeholder groups, maintain transparent communication, and cover consent-related costs. They also build relationships through cultural understanding and develop approaches to benefit Native Title Communities, including hiring Native Title Liaison officers within their organisations.
- *Compliance with CER Guidelines* - Certain Signatories obtained consent per Clean Energy Regulator (CER) guidelines before project declarations. Self-reported non-compliance was addressed, though some projects stalled due to external factors like receivership.
- *Development of Procedures* - Signatories are developing internal procedures, such as Native Engagement Procedures and First Nations Employment Policies. Training programs, like cultural awareness training, are also being introduced to improve engagement and align with best practices.



- *Regulatory Awareness* - Signatories without Native Title projects still demonstrate awareness of regulatory and Code commitments, adhering to best practices in engagement and involving First Nations Liaison Managers where relevant.

What to expect

- *Improved Engagement* - Although the percentage of conditionally registered ACCU projects by Code Signatories decreased from 83% to 78% compared to the previous financial year, there is a recognised need for improvement to ensure that Signatories continue to engage with relevant stakeholders throughout the life of ACCU projects. The Administrator will work with Signatories to determine why there has been a decrease of conditionally registered ACCU projects.
- *Ongoing Collaboration* - The Administrator will continue to work closely with Signatories and First Nations stakeholders to enhance awareness of the Code and its commitments.
- *Enhanced Best Practices*—Following the recent Independent Review's recommendations, the Administrator will strengthen best practice standards, particularly those related to Free, Prior, and Informed Consent (FPIC) procedures. This will also include working with Signatories and Native Title Holders on best practice engagement.

Inform on Project Co-benefits



Inform on Project Co-benefits (Section 2.2(12))

Co-benefits are direct positive outcomes associated with carbon projects that are additional to the emissions avoided or carbon stored.

What does it mean to inform on Project Co-benefits under the Code?

Section 2.2(12) of the Code provides signatory obligations regarding a project's co-benefits.

As part of its annual audit of Code Signatories, the Administrator asks for information on the following to encourage Signatories to

Consider greater up-take of co-benefits:

- how a Signatory has taken into consideration potential social, environmental, and economic co-benefits in the planning and implementation of a project; and
- Provide examples of co-benefits delivered if possible.

What we found

- *Integration of Co-Benefits* - 89% of Signatories reported integrating social, environmental, and economic co-benefits into their project planning and execution. This includes developing platforms to quantify co-benefits, offering opportunities in feasibility reports, and supporting local communities through partnerships and employment initiatives.



- *Engagement with Native Title Holders*—Signatories proactively engage with Native Title communities, offering financial benefits and employment opportunities to support returning to the country, raising awareness of land ownership, improving food supplies, and facilitating community events. These initiatives help strengthen relationships with landholders and First Nations communities.
- *Adoption of Frameworks and Standards* - Signatories are adopting and customising frameworks like the Core Benefits Verification Framework (CBVF) and the DPIRD’s Co-benefit Standard to assess and verify co-benefits, using tools like Accounting for Nature to align with UN Sustainable Development Goals (SDGs) and ensure local expertise and employment outcomes.
- *Tailored Co-Benefit Strategies*—Signatories are developing co-benefit strategies tailored to each project's needs, considering natural capital values, supporting endangered species, and ensuring sustainable agricultural operations alongside carbon projects.

What to expect

- *Diverse Standards for Co-Benefits*: The Administrator has observed that Signatories utilise various frameworks and standards to identify co-benefits. However, the absence of standardised definitions poses a risk, as it may lead to client confusion and inconsistencies in determining best practice frameworks. Establishing a more uniform approach will be crucial to mitigating these risks.
- *Enhanced Clarity on Co-Benefits*: The Administrator plans to engage with Signatories, government entities, Native Title holders, and landowners to better understand and clearly define co-benefits to encourage best practice perspective. This engagement aims to ensure a shared understanding and consistent application of co-benefit criteria across the market.
- *Focus on Co-Benefits and Integrity Claims*: As in the previous compliance year, the Administrator continues to observe market claims that projects are high integrity or offer additional benefits. Given ASIC's expanded focus on emerging financial products, including carbon credits, and their emphasis on environmental claims and greenwashing, ensuring the integrity of these claims is becoming increasingly critical.
- *Potential Development of Co-Benefits Guidance*: To better protect signatories from accusations of greenwashing, the administrator is exploring how they can support the market by developing a co-benefits guidance paper or establishing standardised reporting requirements. This initiative would clarify and help maintain the integrity of co-benefit claims across the industry.



Complaints Recorded



Administrator Complaints Handling and Breaches Procedure

The Administrator is responsible for investigating potential complaints and breaches of the Code.

How is the Administrator handling complaints and alleged breaches?

Under the Code, signatories are required to be responsive and deal promptly and appropriately with clients and other stakeholders.

Signatories must also have a fair, efficient, and transparent internal complaints handling procedure.

Signatories' internal complaints handling procedures must comply with relevant legislation and standards on handling complaints in organisations, e.g., *AS/NZS 10002:2014: Guidelines for complaint management in organisations*.

The Administrator has proactively engaged local community groups, and State Government partners to enhance awareness of the Code and its complaints procedure, leading to increased visibility and engagement.

The Administrator received 11 complaints about Signatories and their Code obligations throughout the financial year. These complaints fell into four broad themes:

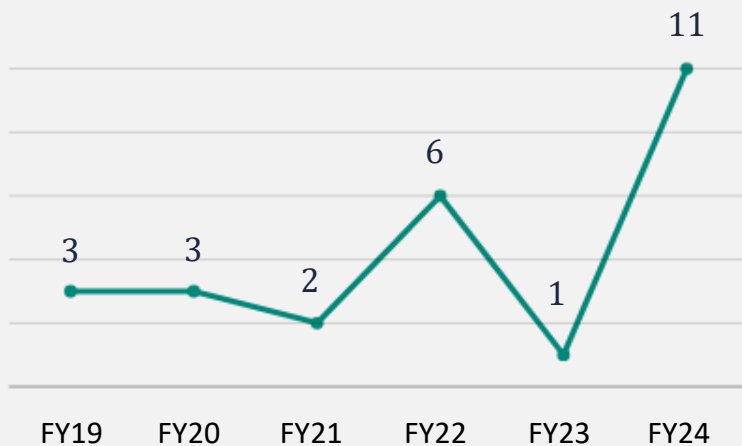
1. **Communication Issues:** Challenges in communication between parties contractually bound to deliver projects.
2. **Project Disputes:** Conflicts regarding the roles and responsibilities of Signatories, landholders, and relevant third parties.
3. **Regulatory Delays:** There have been complaints about delays due to regulatory audits, unclear compliance responsibilities, and concerns over data sharing with the Clean Energy Regulator.
4. **Project Viability:** Dissatisfaction with services provided by Signatories and third-party contractors.

The table below shows Complaints received by the Administrator over the past five financial years. In the 2023-2024 reporting period, there was a notable increase in complaints under the Code compared to the previous year. Of the total complaints received, 8 have been resolved, while 3 are still in the process of being resolved.

The Administrator has been actively collaborating with Signatories involved in these complaints and plans to develop guidance materials to equip stakeholders better to address these issues.



Complaints Received and Self-Reported (5 financial year history)



2023-24

had the highest number of self-reported and third-party complaints since the operational stage of the Code started (8 resolved).

Signatories have also identified several challenges over the past financial year, including delays in the regulatory auditing process, which have led to frustration and disputes with some landholders. Additionally, gaps in the ACCU scheme methods have yet to be released. Furthermore, there is a recognised need to enhance landowners' understanding of ACCU schemes and related projects.

The Administrator notes that most of these complaints have been resolved by relevant Signatories. Throughout this financial year, the Administrator will monitor rectification steps undertaken by Signatories to address the issues identified through these complaints. This will involve detailed follow-up to ensure corrective measures are effectively implemented and the root causes of complaints are addressed. The Administrator will also continue to engage with the Clean Energy Regulator to address the broader sectoral impacts of these issues, ensuring that any regulatory or systemic challenges are identified and resolved.



Looking Ahead



Administrator's Priorities for 2024-2025

2023 Independent Review of the Code

A key priority for the Administrator will be implementing key recommendations from the 2023 Independent Review of the Code. This Review provided 54 recommendations for consideration by the CMI, CMI members, Code Signatories, and critical stakeholders. The Independent Reviewer undertook 19 meetings with stakeholders and received eight formal submissions.

The recommendations are designed to:

- Further promote and support market integrity.
- Clarify Signatory obligations.
- Promote the importance and application of the Code for a broader range of industry participants.
- Enhance consumer protections – for consumers on the supply and demand sides of the market.
- Specifically support the implementation of FPIC for carbon projects on the lands of First Nations people.
- Further develop the Code appropriately in the context of critical policy reforms such as the Australian Government's response to the recommendations of the Chubb Review, the Safeguard Mechanism and the development of Australia's Nature Repair Market.
- Align the Code, to the extent practicable, with international integrity standards for carbon markets.

A key recommendation of the Independent Review was establishing an independent entity to administer the Code and support the development of robust, transparent, and fair processes for Code compliance monitoring and enforcement.

The Administrator has progressed with this critical reform and is planning to launch a wholly owned subsidiary of the CMI. This new entity will be focused on administering the Code and enabling increased oversight and monitoring of Code activities. The Administrator will work with Signatories to implement the key recommendations of the Independent Review.

Increased Focus on Engagement with Government and Demand Side

In the financial year 2024-2025, the Administrator will prioritise strengthening engagement with government bodies and the demand side of the market to ensure the effective implementation of critical initiatives.

1. **Chubb Review Recommendations:** The Administrator will focus on implementing the Chubb Review recommendations, particularly around the potential accreditation of market participants. This will involve close collaboration with government agencies to align the Code with emerging regulatory frameworks, ensuring that Signatories meet the highest



standards of integrity and transparency. This includes exploring the role of accreditation of carbon service providers.

2. **AFSL Regulatory Guide RG 236:** The Administrator looks forward to ASIC's anticipated amendments to Regulatory Guide RG 236, specifically concerning carbon market participants. The Administrator will actively monitor these changes and engage with Signatories to ensure compliance and a smooth transition under the revised regulatory framework.
3. **Demand-Side Awareness:** Responding to requests from Signatories, the Administrator will enhance efforts to raise awareness of the Code and its role among demand-side participants. This will include targeted outreach and communication strategies to ensure that buyers and other market participants understand the value of engaging with Code Signatories, thereby supporting the growth and credibility of the carbon market.

Through these efforts, the Administrator aims to reinforce the integrity and effectiveness of the Code and foster transparent and trustworthy markets that meet stakeholders' expectations.



Safeguard Mechanism

The Safeguard Mechanism applies to facilities that emit more than 100,000 tonnes of carbon dioxide equivalent (tCO₂-e) covered annual emissions.

What is the Safeguard Mechanism

The Safeguard Mechanism is a core part of Australia's climate strategy. It aims to cap and reduce emissions from major industrial emitters. Reforms in 2023 aligned it with national targets to cut emissions by 43% by 2030 and reach net zero by 2050.

The mechanism enforces declining emissions limits, requiring facilities to purchase carbon credits if they exceed caps. It also introduced tradeable Safeguard Mechanism Credits (SMCs), further supporting company compliance ([Safeguard-Mechanism-FAQ](#)).

What role does the Code play

The Code is crucial in the evolving carbon market shaped by Safeguard Mechanism compliance obligations. As these obligations drive increased demand for carbon credits, new market participants and signatories are emerging, each with distinct market information and service needs.

The Code's integrity standards ensure that these participants operate transparently and responsibly, fostering trust in the market. This helps address the complexities of compliance and supports the growth of Australia's robust and credible carbon market.



Engagement with Signatories

The Administrator is dedicated to strengthening engagement with both Signatories and consumer-side participants to enhance the administration of the Code. A key initiative will be the ongoing consultation on implementing the Independent Review recommendations. By actively involving Signatories and consumers in these consultations, the Administrator seeks to ensure that the recommendations are implemented effectively and efficiently.

As additional information becomes available following the finalisation of the Chubb Review Recommendations, the Administrator will continue to engage with Signatories to assess how potential changes may impact their operations. This proactive approach will ensure that any new insights or necessary adjustments are promptly addressed, preserving the integrity and relevance of the Code. Additionally, the Administrator plans to strengthen collaboration with other industry associations representing landholders. This includes developing guidance materials to be used by landholders to enable them to understand the impact of carbon farming projects better and increase regional communities' literacy on the benefits of carbon farming.

Engagement with First Nations Groups

In the financial year 2024-2025, the Administrator will prioritise deepening engagement with First Nations groups, ensuring that the Free, Prior, and Informed Consent (FPIC) process is not only adhered to but also elevated beyond the minimum regulatory requirements. Recognising the significance of Native Title Holders and First Nations landowners in carbon market projects, the Administrator aims to foster more robust, respectful, and transparent relationships between Signatories and these groups. Further, the Administrator will work with Signatories to determine why there is a high number of conditionally registered projects.

Central to this effort will be promoting best practices that surpass compliance and encouraging Signatories to actively involve First Nations communities from the earliest stages of project planning and development. This includes ensuring First Nations landowners are fully informed about the nature of carbon projects, risks, and benefits. Their consent is obtained without coercion, offering them genuine opportunities to influence decision-making processes.

Through proactive engagement, the Code will seek to build stronger partnerships with First Nations groups, helping to protect their rights and ensuring that carbon projects contribute positively to their long-term well-being. The Administrator will drive a more inclusive and equitable approach to carbon market participation by setting the bar for best practice engagement.

Complaints Process

Enhancing the complaints process under the Code will be a key focus area for the Administrator, who will be informed by feedback from Signatories, consumers, and government partners. The current process can be significantly improved by being more streamlined and accessible for all



parties involved. Simplifying the procedure will help reduce confusion and promptly address complaints.

To achieve this, the Administrator plans to implement clear guidelines and user-friendly digital platforms, making the process smoother and more efficient. Additionally, raising awareness about the complaints process is crucial. Many stakeholders engaging with Signatories may need to be made aware of how to address their concerns or how the Code can support them in seeking a resolution. A crucial role of the Administrator will be promoting the role of the complaints system under the Code.

The Administrator will also focus on improving the record-keeping procedures that Signatories must follow when receiving a complaint. This includes enhancing the reporting mechanisms to ensure the Signatories correctly document and communicate complaints to the Administrator.



Appendix 1: Signatories by 30 June 2024

1. Aboriginal Carbon Fund Limited
 2. AgCoTech Australia Pty Ltd
 3. Agriprove Pty Ltd
 4. Argyle Foods Group Pty Ltd
 5. Atlas Carbon Pty Ltd
 6. Australian Integrated Carbon Pty Ltd
 7. Australian Natural Capital Pty Ltd
 8. BetaCarbon Pty Ltd
 9. Biologic Carbon Pty Ltd
 10. Canopy Nature Based Solutions Pty Ltd
 11. Carbon Farmers of Australia Pty Ltd
 12. Carbon Link Operations Pty Ltd
 13. Carbon Neutral Pty Ltd
 14. Carbon West Pty Ltd
 15. Climate Friendly Pty Ltd
 16. Climate Revive Pty Ltd
 17. CO2 Australia Limited
 18. Corporate Carbon Advisory Pty Ltd
 19. Covalent Land Australia Pty Ltd
 20. CQuest Pty Ltd
 21. DECARBONOLOGY PTY LTD
 22. DIT AgTech Limited
 23. FarmLab PTY LTD
 24. Gondwana Carbon Pty Ltd
 25. Intuit Earth Pty Ltd
 26. Market Advisory Group Pty Ltd
 27. NATUREBASE Pty Ltd
 28. Planfarm TerraWise Pty Ltd
 29. Planning 4 Sustainable Development Pty Ltd
 30. Reforest Australia Pty Ltd
 31. RegenCo Pty Ltd
 32. Ryzo Australia Pty Ltd
 33. Select Carbon Pty Ltd
 34. Sensand Technologies Pty Ltd
 35. South Pole Australia Pty Ltd
 36. TASC Carbon Australia Pty Ltd
 37. Tasman Environmental Markets Australia Pty Ltd
 38. Ternes Agricultural Consulting Pty Ltd
 39. Terra Carbon Pty Limited (GreenCollar)
 40. The Carbon Farming Foundation Ltd
 41. The trustee for The Greenant Property Trust (Killin Management)
 42. The Trustee of DLF Family Trust
 43. Upscale Carbon Pty Ltd
 44. Verity Nature Pty Ltd
 45. Wealthcheck Funds Management Limited
- See current [Signatories to the Code of Conduct](#).

Note: This list of Signatories includes former and current Signatories. The current list of Signatories has changed for the financial year 2024-2025 and includes new Signatories onboarded for this new period.

