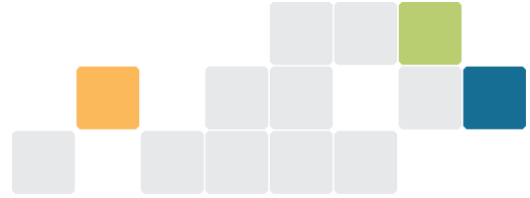




Australian Government
Clean Energy Regulator



EC24-000004

01 March 2024

Ms Vicki Mullen
Independent Reviewer
Independent Review of the Australian Carbon Industry Code of Conduct 2023
By email: code.administrator@carbonmarketinstitute.org

Dear Ms Mullen

Independent Review of the Australian Carbon Industry Code of Conduct

The Clean Energy Regulator (CER) welcomes the opportunity to make a submission to the independent review of the Carbon Market Institute's (CMI) Australian Carbon Industry Code of Conduct (Code).

The CER's purpose is to accelerate carbon abatement in Australia through the administration of the Renewable Energy Target, the Australian Carbon Credit Unit scheme (ACCU scheme), and the National Greenhouse and Energy Reporting scheme, incorporating the Safeguard Mechanism. For the schemes to contribute to Australia's transition to a net-zero emissions economy, they must be trusted by industry stakeholders and the broader public. The CER's administrative processes are aimed at underpinning the integrity of these schemes by regulating scheme participation, helping participants to understand and meet their obligations and undertaking compliance actions where required.

The CER values the role the Code plays in complementing regulatory oversight by strengthening the integrity and accountability of industry practitioners and service providers in the carbon industry and supporting their compliance with the law.

As signatories, industry members have agreed to be held to objective standards in the Code beyond those prescribed in the *Carbon Credits (Carbon Farming Initiative) Act 2011* (CFI Act). The CER has a minimum standard of expected performance in key areas by carbon service providers conducting their business. While the CER's statutory fit and proper person process and the Code are not explicitly linked, determining whether a person is fit and proper will involve consideration of the person's compliance with industry standards and codes, as well as the nature of their contractual relationship with landholders/ owners.

The second Independent Review of the Code is occurring during a critical time for the development of the carbon market in Australia, with concurrent implementation of measures to strengthen the transparency and maintain the integrity of the ACCU scheme, and new enforceable baselines and reporting requirements for facilities covered by the Safeguard Mechanism. It is timely to review the scope and operation of the Code to ensure it promotes best practice and meets community expectations in the context of these policy and





legislative reforms. Going forward, it is important for the Code to continue to expand its reach in terms of signatories to the code as well as consumers utilising the Code's complaint mechanism.

Continued trust in the Code is critical for it to expand its reach. This requires the Code to maintain a fit for purpose and transparent complaint handling mechanism. The review may be able to identify opportunities to increase the transparency of activities undertaken through the Code's accountability mechanisms beyond the existing reporting in the Annual Report. This could enhance market confidence and consumer trust in industry compliance with the Code.

The CER looks forward to the outcomes of the second Independent Review strengthening integrity of interaction among carbon market stakeholders, supporting increased participation in the ACCU Scheme, and protecting the interests of consumers, participants, and eligible interest holders, as the carbon industry rapidly evolves and matures.

I would be happy to discuss any of the above matters with you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Parker'.

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