



Department of Climate Change,  
Energy, the Environment and Water  
ACCU Scheme Landfill Gas Exposure  
Draft method and Explanatory  
Statement  
**submission**

June 2025





# Department of Climate Change, Energy, the Environment and Water: Public consultation on the ACCU Scheme Landfill Gas Exposure Draft method and Explanatory Memorandum

## submission

The Carbon Market Institute (**CMI**) welcomes this opportunity to respond to the Department of Climate Change, Energy, the Environment and Water's (**DCCEEW**) public consultation on the ACCU Scheme Landfill Gas Exposure Draft and Explanatory Memorandum (**LFG Exposure Draft method**), which opened on 16 May 2025.

CMI is an independent, member-based institute that promotes the use of market-based solutions and supports best practice in decarbonisation to limit warming to 1.5°C. Our membership includes 140+ primary producers, carbon service providers, First Nations organisations, legal and financial institutions, technology firms and emissions-intensive companies in Australia and Asia Pacific. The CMI Board updates CMI's Policy Positions annually, which draw on practical insights from—but are ultimately independent of—members.<sup>1</sup> CMI also administers the Australian Carbon Industry Code of Conduct (**ACI Code**), which was established in 2018 to steward consumer protection and market integrity.<sup>2</sup>

While CMI's submission on the LFG Exposure Draft method has been informed by member insights, ultimately the positions put forward are CMI's and do not represent any CMI individual, member company or industry sector.

### Strategic outlook

As the Albanese Government enters a second term and continues to roll out its climate policy reforms, CMI reiterates our longstanding support of actions to date—including legislating Australia's higher-ambition 2030 Nationally Determined Contribution, reforming the Safeguard Mechanism, introducing vehicle efficiency standards, and ongoing net zero sectoral planning.

CMI's submission to the LFG Exposure Draft Method consultation follows our response to the June 2024 LFG Options Paper.<sup>3</sup> Our submission again applies a principles-based, holistic lens to the draft method that considers its place within wider Australian Carbon Credit Unit Scheme (**ACCU Scheme**) reform and role in economy-wide net zero transition.

At the outset, CMI reiterates our support for the government's efforts to revise the LFG methods in line with Recommendation 10 of the 2022 Independent Review of ACCUs (**ACCU Review**) to ensure the methods continue to incentivise and credit high-integrity abatement that is additional to business as usual. We further

<sup>1</sup> CMI (2023), 'CMI Policy Positions', [https://carbonmarketinstitute.org/app/uploads/2023/11/CMI-Policy-Advocacy-Positions\\_FINAL-2023.pdf](https://carbonmarketinstitute.org/app/uploads/2023/11/CMI-Policy-Advocacy-Positions_FINAL-2023.pdf).

<sup>2</sup> CMI (2024), 'Australian Carbon Industry Code of Conduct', <https://carbonmarketinstitute.org/code/>.

<sup>3</sup> CMI 2024, 'DCCEEW Reform Options for ACCU Scheme Landfill Gas Methods', available at: [https://carbonmarketinstitute.org/app/uploads/2024/06/2024.06\\_CMI-submission\\_DCCEEW-LFG-Options-Paper.pdf](https://carbonmarketinstitute.org/app/uploads/2024/06/2024.06_CMI-submission_DCCEEW-LFG-Options-Paper.pdf).



recognise that the Exposure Draft LFG method largely addresses positions raised in our June 2024 submission and consider that it fulfils the intent of recommendation 10 of the ACCU Review.

CMI recognises the release of the LFG Exposure Draft method for consultation as a step forward in implementing recommendation 10 of the ACCU Review implementation.<sup>4</sup> However, protracted delays to associated ACCU Scheme reforms—including outstanding amendments to the *Carbon Credits (Carbon Farming Initiative) Act 2011 (CFI Act)*—and priority method development are creating market uncertainty with the potential to undermine investment confidence and, in the medium-to-longer term, curb the pipeline of new projects and thus ACCU supply.

We stress that ACCU project investment is at risk of waning at a time when it is increasingly vital—not least in the context of declining baselines under the interlinked Safeguard Mechanism.<sup>5</sup>

In addition to providing recommendations on the LFG Exposure Draft method itself (below), CMI therefore urges the Australian Government to reprioritise and ensure appropriate resourcing for DCCEEW to deliver outstanding ACCU Scheme reforms efficiently.

Our detailed recommendations on the Exposure Draft LFG method and explanatory memorandum as they relate to the broader policy context, are outlined in below.

## CMI Recommendations

### 1. Following the consideration of consultation feedback, the revised 2025 LFG method should be progressed for ERAC's consideration as quickly as possible.

The March 2025 expiration of the Landfill Gas Methodology Determination 2015 reduced incentives for new LFG abatement projects. CMI therefore encourages the timely finalisation of the revised LFG method for consideration by the Emissions Reduction Assurance Committee (ERAC) with minimal delay, following appropriate consideration of feedback on the Exposure Draft consultation.

### 2. The Exposure Draft LFG method should be amended to clarify requirements for consultation to ensure clear and consistent understanding among the Clean Energy Regulator and project proponents.

CMI notes several clauses proposed in the Exposure Draft LFG method stipulate consultation requirements, including section 19 and sections 21–23. To reduce room for differing interpretations or misunderstanding that could otherwise cause administrative delays, we suggest that the exposure draft is amended to clarify what is intended by the requirement to consult.

For instance, Section 19(3) of the Exposure Draft LFG method reads as follows:<sup>6</sup>

*(3) A person must not provide a statement under subsection (2) without first consulting with relevant regulatory authorities and the owners of the landfill site.*

We suggest that Section 19, as an example, is appended with information that limits room for (mis)interpretation that may otherwise cause avoidable administrative delays—i.e., differing

<sup>4</sup> I Chubb, A Bennett, A Goring and S Hatfield-Dodds 2022, 'Independent Review of Australian Carbon Credit Units Final Report', available at: <https://www.dcceew.gov.au/sites/default/files/documents/independent-review-accu-final-report.pdf>.

<sup>5</sup> To access the ACCU Review Implementation Plan, see: DCCEEW (2023), 'Independent Review of Australian Carbon Credit Units Implementation Plan', available at: <https://www.dcceew.gov.au/sites/default/files/documents/accu-review-implementation-plan.pdf>.

<sup>6</sup> DCCEEW 2025, 'Exposure Draft Carbon Credits (Carbon Farming Initiative—Reducing Methane Emissions from Landfill Gas) Methodology Determination 2025', available at: [https://storage.googleapis.com/files-au-climate/climate-au/p/prj3563831918dd627c87252/page/Exposure\\_Draft\\_Carbon\\_Credits\\_Methodology\\_Determination\\_2025\\_PDF\\_835KB\\_.pdf](https://storage.googleapis.com/files-au-climate/climate-au/p/prj3563831918dd627c87252/page/Exposure_Draft_Carbon_Credits_Methodology_Determination_2025_PDF_835KB_.pdf).



understandings between the Clean Energy Regulator, “relevant regulatory authorities”, and project proponents. Clarification should include:

- a definition of “relevant regulatory authorit[y]”—i.e., state environment protection authority, equivalent, or other
- the level of seniority from the relevant regulatory authority that the project proponent’s chief executive officer or chief financial officer is required to consult with—i.e., director, executive director, environment officer, and
- what “consulting” constitutes—i.e., whether one meeting would be sufficient, whether this is a formally documented process, and so on.

### **3. Ahead of ERAC making a final recommendation on the final LFG method, post-consultation changes should be sense checked to ensure the final version is clear, meets drafting intent, and avoids unintended impacts.**

To continue the transparent approach CMI has observed throughout the LFG method(s) revision process,<sup>7</sup> we suggest that post-consultation changes to the method draft are sense checked. This could help avoid unintended consequences of post-consultation method changes that may otherwise cause operational or other project implementation issues.

In turn, this would reduce the risk of unnecessary administrative burden for government that may arise if corrections or updates are required to address unintentionally problematic clauses, as has been the case with the Reforestation by Environmental or Mallee Plantings method 2024 (EP method).<sup>8</sup>

Sense-checking the method could be done through the publicly documented Landfill Gas Technical Working Group process or through a more public process and would support improved transparency, in line with the sentiment of the ACCU Review’s final report and recommendations.<sup>9</sup>

### **4. Any future consideration of transition requirements for existing projects should be undertaken with care to ensure arrangements support ACCU Scheme integrity and investment certainty; CMI cautions against blanket approaches to forced transition.**

If in future it is deemed appropriate for certain projects registered under the 2015 or 2021 LFG methods to be required to transition onto the new method, we encourage the government to take a considered approach. This should include planned consultation with industry that recognises the importance of both integrity and policy predictability to support project investment.

Conversely, we note the potential for one-size-fits-all to destabilise the market, as illustrated by the mid-2024 suggestion in the draft FullCAM guidelines for EP projects that all existing and future EP projects would be required to transition to latest public release versions of FullCAM as they become available.<sup>10</sup>

CMI recognises that the Exposure Draft LFG method and explanatory memorandum indicate the revised LFG method is being drafted to encourage—but not mandate—transition by existing projects. However,

<sup>7</sup> Information about DCCEEW’s method review process is available at: DCCEEW, ‘Landfill gas method’, <https://www.dcceew.gov.au/climate-change/emissions-reduction/accu-scheme/methods/landfill-gas>.

<sup>8</sup> CMI notes that new changes were introduced to the ‘in-fill clause’ of the final EP method after public consultation on the exposure draft without explanation for these changes. As a result, DCCEEW has now redrafted the clause to address this issue, with two definitions of infill plantings.

<sup>9</sup> Among key findings was the conclusion that while the ACCU Scheme arrangements were essentially sound, there was room for improvements including enhanced transparency. For details, see: I Chubb et al. 2022, ‘Independent Review of Australian Carbon Credit Units Final Report’, available at: <https://www.dcceew.gov.au/sites/default/files/documents/independent-review-accu-final-report.pdf>, p. iv.

<sup>10</sup> See more details in consultation materials and responses available for download at: DCCEEW 2024, ‘Consultation on the Reforestation by Environmental or Mallee Plantings method 2024’, <https://consult.dcceew.gov.au/draft-accu-environmental-plantings-method-2024>.



we note that the Climate Change Authority's<sup>11</sup> statutory 2023 review of the CFI Act recommended that when methods are updated, "projects operating under the old version should be required to transition to the new method within two years." The Australian Government has committed to "consider" this recommendation as it implements ACCU Review recommendations.<sup>12</sup>

## **5. Proposed provisions for projects at Safeguard-liable landfills in the Exposure Draft LFG method should be reconsidered to ensure policy settings support investment certainty and drivers for LFG abatement.**

Under the current policy settings<sup>13</sup>—where Safeguard-liable landfills may not create Safeguard Mechanism Credits (SMCs) for reducing covered emissions in excess of the baseline decline rate—the current drafting of the Exposure Draft LFG method proposes a situation where there is no incentive or driver for large-emitting, Safeguard-liable landfills to maximise the abatement of non-legacy waste emissions (i.e., emissions from waste deposited after the Safeguard Mechanism commenced in 2016).

CMI considers the state of play proposed by the Exposure Draft LFG method in combination with current arrangements for Safeguard-covered landfills—which would remove incentives for maximising abatement of non-legacy emissions beyond business-as-usual mitigation—to be suboptimal.

## **6. To support a holistic and efficient long-term solution to reducing emissions from the waste and resource recovery sector, the Australian Government should coordinate federal, state and local government policies and programs to guide a systemic shift to a circular economy.**

CMI reiterates our advocacy<sup>14</sup> for the Australian Government to lead long-term national circular economy policy reform, in collaboration and consultation with state, territory and local governments.

We recognise that the continued availability of LFG methods under the ACCU Scheme ensures there is a medium-term incentive-based driver for landfills to maximise abatement in the relative absence of regulatory requirements. However, in the longer-term, more holistic policies should be pursued to more efficiently manage broadscale waste and resource recovery and maximise waste—and thus emissions—avoidance, in line with the waste management hierarchy.<sup>15</sup>

We again highlight the role the Australian Government can play in coordinating harmonised policies and programs with state and territory governments, including by:

- clarifying the treatment of landfills under the reformed Safeguard Mechanism (also see Recommendation 5 above);
- supporting the diversion of organics and non-residual waste from landfill and incentivising higher-order material management to avoid the creation of LFG; and
- guiding a systemic shift to a circular economy that designs out waste.

<sup>11</sup> See: CCA 2023, '2023 Review of the Carbon Credits (Carbon Farming Initiative) Act 2011', <https://www.climatechangeauthority.gov.au/sites/default/files/documents/2023-12/2023%20Review%20of%20the%20Carbon%20Credits%20Act%202011%20-%20publication.pdf>, p. 3.

<sup>12</sup> Australian Government 2024, 'Australian Government response to the Climate Change Authority's 2023 and 2020 Reviews of the *Carbon Credits (Carbon Farming Initiative) Act 2011*', <https://www.dcceew.gov.au/sites/default/files/documents/government-response-cca-cfi-act-review.pdf>, p. 19.

<sup>13</sup> Current policy settings for landfills covered by the Safeguard Mechanism reforms are described in: DCCEEW 2024, 'Safeguard Mechanism factsheet', <https://www.dcceew.gov.au/sites/default/files/documents/safeguard-mechanism-reforms-factsheet-2023.pdf>, p. 7.

<sup>14</sup> CMI 2024, 'DCCEEW Reform Options for ACCU Scheme Landfill Gas Methods', available at: [https://carbonmarketinstitute.org/app/uploads/2024/06/2024.06\\_CMI-submission\\_DCCEEW-LFG-Options-Paper.pdf](https://carbonmarketinstitute.org/app/uploads/2024/06/2024.06_CMI-submission_DCCEEW-LFG-Options-Paper.pdf); See Recommendation 6 in: CMI (2024), 'Climate Change Authority Issues Paper: Targets, Pathways and Progress' (CMI submission), available at: [https://carbonmarketinstitute.org/app/uploads/2024/05/2024.05\\_CMI-submission\\_CCA-Targets-Pathways-Progress-Issues-Paper.pdf](https://carbonmarketinstitute.org/app/uploads/2024/05/2024.05_CMI-submission_CCA-Targets-Pathways-Progress-Issues-Paper.pdf).

<sup>15</sup> The waste management hierarchy is illustrated at: Waste Management and Resource Recovery Association of Australia (WMRR), 'Data', [https://www.wmrr.asn.au/Web/WARR\\_Industry/Data/Web/WARR\\_Industry/Data.aspx?hkey=5b439a03-73bf-42a1-8e6f-04e69e1f437e](https://www.wmrr.asn.au/Web/WARR_Industry/Data/Web/WARR_Industry/Data.aspx?hkey=5b439a03-73bf-42a1-8e6f-04e69e1f437e).



**7. The Australian Government should prioritise and resource DCCEEW to support the efficient implementation of adjacent outstanding reforms to ensure continued project investment, and the corresponding stability of the ACCU market and credit supply.**

With the Albanese Government now entering its second term, CMI highlights the opportunity for prioritising and reviving the planning and implementation of ongoing ACCU Scheme reforms. As part of this, CMI would welcome an updated ACCU Review Implementation Plan with updated, ambitious timelines and renewed efforts to adhere to these.

We note that protracted delays to the completion of priority reform milestones outlined in the 2022 ACCU Review Implementation Plan are creating market uncertainty with the potential to impact investment. For instance, amendments to CFI Act to remove conditional consent for ACCU projects on Native Title lands which were due to be completed by November 2023 remain outstanding as of June 2025.<sup>16</sup>

In the medium- to longer term, reduced ACCU Scheme investment—whether due to curbed appetite due to policy uncertainty, lack of available methods, or both—has the potential reduce ACCU supply towards the end of the decade, which could result in a handbrake on Australia’s 2030 and 2035 NDC ambition and success.

Should you wish to discuss CMI’s submission in more detail, please contact Gabriella Warden ([gabriella.warden@carbonmarketinstitute.org](mailto:gabriella.warden@carbonmarketinstitute.org)).

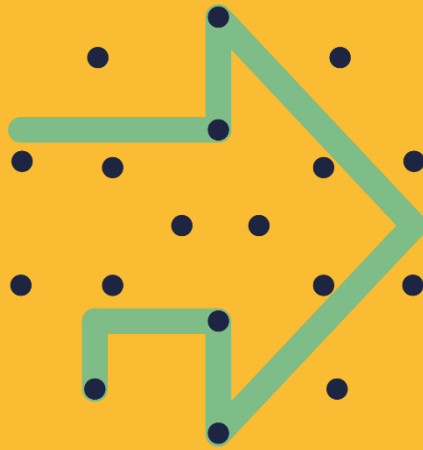
Yours sincerely

Kurt Winter

**Director, Corporate Transition**

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<sup>16</sup> See: DCCEEW (2023), ‘Independent Review of Australian Carbon Credit Units Implementation Plan’, available at: <https://www.dcceew.gov.au/sites/default/files/documents/accu-review-implementation-plan.pdf>.



## **for more information please contact**

Gabriella Warden

Senior Manager, Government Relations and Policy Research

[gabriella.warden@carbonmarketinstitute.org](mailto:gabriella.warden@carbonmarketinstitute.org)

+61 (0) 418 263 296

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Engaging leaders, shaping policy and driving action, we're helping business to seize opportunities in the transition to a low carbon economy.

