Department of Climate Change, Energy, the Environment and Water

Public consultation on the Nature Repair Market: Enhancing Native Vegetation method design

submission

November 2025

Carbon Market Institute

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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 Nature Repair Market's Enhancing Native Vegetation (**ENV**) method design, which opened on 9th October 2025. CMI supports a national Nature Repair Market (**NRM**) that is aligned to and interoperable with the Australian Carbon Credit Unit (**ACCU**) Scheme to deliver carbon and nature goals in line with Australia's international targets and obligations. We would especially like to note the potential for these projects to drive investment into Australia's regions, delivering cultural, social and economic outcomes, alongside environmental ones.

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.[1] CMI also administers the Australian Carbon Industry Code of Conduct (ACI Code), which was established in 2018 to steward consumer protection and market integrity.[2]

Earlier this year CMI co-authored the Carbon for Nature report with NRM Regions Australia, which highlighted how carbon farming can be leveraged and optimised to deliver better outcomes for nature. Alongside outlining considerations for the Australian Government on enabling conditions and investment to bridge the gap between a standard ACCU project and a nature-focussed project, the report summarised that investor confidence in ACCU projects' nature outcomes was likely to increase if there was a stacked projectunder the NRM.[3] Importantly, CMI has called on the government to develop a national carbon market strategy that articulates the role of carbon crediting in supporting decarbonisation and setting goals for reversing deforestation, ecological restoration and carbon removal. This will ensure better nature outcomes, greater investor certainty and support social license for carbon for nature projects. CMI is also in the process of upgrading[4] to incorporate nature projects and outcomes. Both of these pieces of work recognise the critical importance of government leadership in the carbon and nature markets, ensuring that robust methods, integrity and consistency underpin critical outcomes.

Regarding the ENV method, CMI is supportive of a method that is designed to restore, enhance and/or maintain native vegetation in modified landscapes and takes a flexible approach that supports stacking actions and outcomes in one project. The inclusion of intact land is keenly noted, recognising the importance

[1] CMI (2023), 'CMI Policy Positions', https://carbonmarketinstitute.org/app/uploads/2023/11/CMI-Policy-Advocacy-Positions_FINAL-2023.pdf.
[2] CMI (2024), 'Australian Carbon Industry Code of Conduct', https://carbonmarketinstitute.org/code/.
[3] CMI and NRM Regions Australia, 'Carbon for Nature: Leveraging carbon farming investment to deliver additional benefits for nature,' https://carbonmarketinstitute.org/app/uploads/2025/02/Carbon-For-Nature-Report_Final.pdf, p. 40.
[4] CMI (2022), 'Australian Carbon Farming Industry Roadmap,' https://carbonmarketinstitute.org/australian-carbon-farming-industry-roadmap/.

of maintaining and building on pristine habitat. CMI welcomes the government's recognition of the impact of grazing on vegetation growth, and inclusion of grazing management control as an eligible activity. We also acknowledge the use of state and transition models (STM) to demonstrate starting ecosystem condition, and subsequent improvement in a project, which present an opportunity to move beyond the false binary of cleared/uncleared when considering land condition.

CMI has outlined some key considerations for DCCEEW regarding the ENV method below. Due to other high priority consultations running simultaneously to this, CMI has not been able to test this response with its membership.

Considerations for Government:

Continue to prioritise interoperability between the NRM and the ACCU Scheme:

- CMI notes that the requirement in the ENV method for Monitoring Reporting and Verification (MRV) to be undertaken solely using field sampling plots. This is not in line with MRV requirements under land-based ACCU Scheme methods, where proponents measure outcomes through a combination of field work with remote-sensing imagery and models. DCCEEW should enable use of technologies such as LiDAR and high-resolution satellite imagery to support project MRV. DCCEEW should also consider including a technology qualification pathway to ensure that the method is future-proofed for new technologies as they come to market.
- Interoperability between the ACCU Scheme is supported through both alignment of respective rules and methods but also guidelines and definitions. Establishment of a type C permanence period, for example, may create issues with consistency and alignment with ACCU projects. Certificate issuance based on threshold values may benefit from modelling, similar to the ACCU Scheme to ensure investibility and to cover potentially high upfront costs. Meanwhile, to support 'stacking' of ACCU and NRM projects, appropriate additionality guardrails must be applied. Some of the eligible activities in the ENV method are required under ACCU Scheme methods (eg. Removal of ferals and invasive species, fire management) so clear delineation is crucial.
- The baseline length for grazing activities in this method is currently 3 years, however, most ACCU Scheme methods operate on a 5-year baseline, with consideration being made towards extending this to 10 and 20 years under some methods. We suggest that the ENV method have a minimum 5-year baseline to better represent the ecosystem condition over multiple climatic cycles. Meanwhile, grazing rest periods should be aligned and longer than 3 months, requiring ecological or expert advice - depending on ecosystems and seasons.

Enhance the method's applicability at a national scale

- We acknowledge the inclusion of grazing management as an eligible project activity, but note that the full potential impact of this activity may not be realised based on the current eligible regions designation. The eligible vegetation groups and regions should be correctly aligned to ensure that there is sufficient opportunity for large-scale pastoral stations, and other tenures – often highly degraded from overstocking and feral animal inundation – to participate in the NRM and contribute to national targets.
- CMI notes that the major vegetation groups identified in Table 1 appear to have a broader remit than the eligible regions depicted in Map 1. The National Vegetation Information System further confirms this, with areas omitted from Map 1 covering: Acacia Forests and Woodlands; Acacia Open Woodlands; Acacia Shrublands; Mallee Open Woodlands and Sparse Mallee Shrublands; Mallee

Woodlands and Shrublands, and; Rainforests and Vine Thickets. The ENV method should be as broad as possible in remit and nationally applicable to enable projects being undertaken in areas where an ACCU Scheme project may not be viable, or eligible due to requirements to achieve forest cover. At present, the eligible regions in the proposed method do not cover large swathes of WA, SA and nothing in NT. These rangeland communities are not only culturally significant, but also unique and biologically diverse. CMI suggests that DCCEEW review the table of major vegetation groups and the eligible regions for the ENV method, to ensure alignment and maximise applicability.

- Whilst supportive of the list of eligible activities for the method, this could be extended to incentivise broader uptake and support biodiversity outcomes and remnant vegetation protection or enhancement. Activities such as waterway management, erosion controls and landscape rehydration activities should be considered for eligibility. CMI is also supportive of the use of fire as a complementary activity, particularly alongside redefining eligible regions. Option 3 and preparation of a fire management plan are most consistent with ACCU Scheme method requirements.

Address persisting key issues to market operation, in particular government funding to kickstart demand guided by an investment strategy.

- CMI reiterates concerns that DCCEEW has not sufficiently addressed key Nature Repair Market issues consistently raised in consultations over the previous two years, namely:
    - barriers to investment;
    - unclear demand signals and sources and other challenges to market growth and scalability.
- To fully realise the policy intent of the NRM and help address both the related biodiversity and climate crises, these challenges must be overcome.
- CMI again highlights the potential for government funding to shore up this world-first market and help crowd in voluntary, private investment while more obvious demand drivers like nature-related disclosures mainstream. We again point to the Queensland Land Restoration Fund as a good blueprint for a funding model and investment strategy. Please see our response to the consultation on NRM legislative rules for further details on barriers and other recommendations for overcoming these.[5]

Should you wish to discuss CMI's submission in more detail, please contact Emily Tammes (emily.tammes@carbonmarketinstitute.org).

Yours sincerely

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[5] CMI (2024), 'DCCEEW NRM Legislative Rules submission', https://carbonmarketinstitute.org/app/uploads/2024/10/FINAL_CMI-Submission_NRM-Rules_signed.pdf

for more information please contact

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The Carbon Market Institute is at the centre of climate change policy and business in Australia. Independent and non-partisan, we bring business, policy makers and thought leaders together to drive the evolution of carbon markets towards a significant and positive impact on climate change.

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

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