



Department of Climate Change,  
Energy, the Environment and Water:  
Public consultation on the Nature  
Repair Market ongoing development  
**submission**

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# DCCEEW: Public consultation on the Nature Repair Market ongoing development

## submission

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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, emissions-intensive companies and nature & conservation organisations in Australia and Asia Pacific. The CMI Board develops CMI's Policy Positions, 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>

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 ongoing development of the Nature Repair Market (**the Market**), which opened on 30<sup>th</sup> April. Of the consultation papers presented by DCCEEW, CMI has reviewed and provided recommendations in response to *Rules to support Market integrity and administration*, and *Policy settings to enable the Nature Repair Market to supply environmental offsets*.

CMI supports a national Nature Repair Market 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 note the potential for these projects to drive investment into Australia's regions, delivering cultural benefits, social and economic outcomes, alongside environmental ones. CMI acknowledges the Market's first method – the Replanting native forest and woodland ecosystems method – as a strong foundation for harmonised methods that support ACCU-aligned implementation. We also welcome the Government's prioritisation of the Market's development through appropriate resourcing to develop methods and establish a robust market architecture that delivers strong outcomes for nature while leveraging the success of land-based ACCU projects. However, going forward, method development in both the ACCU Scheme and the Market should be guided by a clear long-term strategy that capitalises on potential synergies between the two schemes to support purposeful outcomes.

In 2025 CMI co-authored the Carbon for Nature report with Natural Resource Management (**NRM**) Regions Australia, which explores the opportunities, challenges, and policy measures to leverage carbon farming investment to deliver additional benefits for nature.<sup>3</sup> The report outlined how 'carbon for nature' projects are already delivering biodiversity benefits by increasing habitat extent and connectivity, improving habitat quality and building climate resilience but the ACCU Scheme could be better leveraged and optimised to deliver better outcomes for nature. Notably, the report identified the potential role that a Nature-Positive Fund could play in establishing early market demand for Nature Repair Market certificates, and support nature positive project outcomes.<sup>4</sup>

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<sup>1</sup> CMI 2023, 'CMI Policy Positions', <https://carbonmarketinstitute.org/app/uploads/2024/10/CMI-Policy-Advocacy-Positions-October-2024.pdf>.

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

<sup>3</sup> CMI and NRM Regions Australia 2025, '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](https://carbonmarketinstitute.org/app/uploads/2025/02/Carbon-For-Nature-Report_Final.pdf).

<sup>4</sup> Ibid.



CMI is also in the process of upgrading the Carbon Farming Industry Roadmap<sup>5</sup> – subject to financial support – to incorporate nature project prioritisation and outcomes. The refreshed Roadmap vision is one that encompasses a market that prioritises sufficient carbon sequestration to support Australia’s transition to net-zero emissions, alongside driving the pace and scale of nature restoration under Australia’s Nature Positive commitments. Both of these pieces of work recognise the critical importance of government leadership in the carbon and nature markets, ensuring that robust and aligned methods, interoperability and consistency underpin outcomes.

The Market can and should support nature positive outcomes, consistent with its original conception as part of the Australian Government’s Nature Positive Plan (**the Plan**).<sup>6</sup> The Plan establishes baseline policy considerations for the potential role of environmental offsets and their contribution to protecting Matters of National Environmental Standards (MNES) under the Environmental Protection and Biodiversity Conservation Act (1999) (EPBC Act). Importantly, the Plan identifies that offsets should contribute to delivery of “net gain” or “net benefit” for species and ecosystems at risk from development activities.<sup>7</sup>

In this context, it is important that the ongoing development of the Nature Repair Market maintains a clear distinction between activities that compensate for unavoidable impacts and activities that demonstrably improve biodiversity condition over time. A market intended to support nature positive outcomes should be designed to incentivise measurable ecological improvement, resilience, restoration and ecosystem integrity, rather than functioning primarily as a mechanism for offset equivalence, in alignment with the Plan, which was developed in the context of the Kunming-Montreal Global Biodiversity Framework (KMGBF).

While the *Nature Repair Act 2023 (the Act)* does not explicitly define terms such as “nature positive”, “net gain”, “net benefit” or similar Australia’s commitment to the international KMGBF framework provide a strong base for embedding nature positive into the Market as a core principle, including through net positive requirements for offsetting frameworks. The KMGBF sets a minimum commitment for signatory Parties to protect and enhance at least 30% of lands and 30% of waters by 2030 (30x30 Goal).<sup>8</sup>

CMI acknowledges the Government’s development of the Protect & Conserve method for the Market, which explicitly aims to contribute towards the 30x30 Goal.<sup>9</sup> We note that at its core, the 30x30 Goal incites a net improvement in biological condition. However, concerns arise regarding the proposed eligibility of certificates generated under the Enhancing Native Vegetation method for use as offsets on an equivalence basis. The proposed approach risks weakening the distinction between biodiversity restoration outcomes and impact compensation mechanisms. Without clear requirements for measurable uplift or net ecological improvement, there is a risk that the Market may not fully align with the broader nature positive ambitions underpinning the Plan and Australia’s commitments under the KMGBF. CMI encourages the Government to ensure that any Market certificate offset guidance reflects the 30x30 Goal and broader nature positive principles, and that any offset use is contextualised consistently with emerging international best practice.

<sup>5</sup> CMI 2022, ‘Australian Carbon Farming Industry Roadmap,’ <https://carbonmarketinstitute.org/australian-carbon-farming-industry-roadmap/>.

<sup>6</sup> Department of Climate Change, Energy, the Environment and Water 2022, *Nature Positive Plan*, <https://www.dcceew.gov.au/sites/default/files/documents/nature-positive-plan.pdf>.

<sup>7</sup> Ibid. p. 21.

<sup>8</sup> United Nations Environment Programme Convention on Biological Diversity 2022, *Decision adopted by the Conference of the Parties to the Convention on Biological Diversity*, p.9 (Targets 2 and 3), <https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf>.

<sup>9</sup> CMI 2025, *Submission: DCCEEW Protect and Conserve Method Consultation*, p.3, [https://carbonmarketinstitute.org/app/uploads/2025/12/2025.11\\_FINAL\\_CMI-submission\\_NRM-PC-method.pdf](https://carbonmarketinstitute.org/app/uploads/2025/12/2025.11_FINAL_CMI-submission_NRM-PC-method.pdf).



International frameworks provide useful precedents in this regard. The UK Government’s Biodiversity Net Gain requirements under S7A of the Town and Country Planning Act 1990 (s14 of the Environment Act 2001),<sup>10</sup> and the European Union’s (EU) Biodiversity Strategy for 2030,<sup>11</sup> and Roadmap towards Nature Credits.<sup>12</sup> The EU Strategy outlines a minimum commitment for the 30x30 Goal, while also supporting an additional 10% of lands and waters under protection. Building on this, the Roadmap creates a certification framework for biodiversity credits that have been independently verified as having a “nature positive” outcome. Their definition of “nature positive” is taken from the Nature Positive Initiative, which defines it as “measurable net-positive biodiversity outcomes through the improvement in the abundance, diversity, integrity and resilience of species, ecosystems and nature processes.”<sup>13</sup> The UK Government mandates biodiversity net gain for offsets required for developments that have an unavoidable adverse impact on ecosystems. Similarly to the EU Strategy, the UK Biodiversity Net Gain requirements outlined an equivalent compensation plus an additional 10% increase in area or species metric protected or restored. The international context therefore creates a strong precedent for the Australian Government to consider with regards to its ongoing development of the Nature Repair Market settings.

These international approaches increasingly emphasise measurable ecological uplift, additionality, durability, transparency and independent verification as foundational integrity principles for biodiversity and nature markets. They also demonstrate a clear policy intention to avoid frameworks that incentivise lowest-cost offset substitution over genuine ecological restoration and long-term biodiversity enhancement.

Consideration should also be given to how the NRM can support broader ecosystem resilience, climate adaptation and landscape connectivity outcomes, consistent with both the Plan and the objectives of the KMGBF. Ensuring that Market settings support long-term ecological function and resilience will be critical to maintaining environmental integrity and delivering enduring public benefit.

Maintaining a strong nature positive foundation will also be essential to long-term market credibility, investor confidence and public trust. Perceptions that certificates are functioning primarily as compliance offsets without delivering measurable biodiversity improvement may undermine confidence in the Market and its environmental integrity over time.

CMI therefore encourages DCCEEW to ensure that the ongoing development of the Nature Repair Market retains a clear and credible nature positive foundation, supported by measurable biodiversity improvement, strong integrity settings and alignment with emerging international best practice. This will be critical to ensuring the Market contributes meaningfully to Australia’s biodiversity restoration objectives, ecosystem resilience and international commitments under the KMGBF.

CMI has outlined some key considerations for DCCEEW regarding the current consultation on the development of the Nature Repair Market settings, including the proposal to use Biodiversity Certificates as offsets, but not to Part 2: Threatened species and ecological communities.

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<sup>10</sup> UK Department for Environment, Food & Rural Affairs, 2023, *Biodiversity Net Gain*, <https://www.gov.uk/government/collections/biodiversity-net-gain>.

<sup>11</sup> European Commission, 2020, *EU Biodiversity Strategy for 2030: Bringing nature back into our lives*, <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1590574123338&uri=CELEX%3A52020DC0380>.

<sup>12</sup> European Commission, 2025, *Roadmap towards Nature Credits*, [https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=comnat%3ACOM\\_2025\\_0374\\_FIN](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=comnat%3ACOM_2025_0374_FIN).

<sup>13</sup> Nature Positive Initiative, 2023, *The Definition of Nature Positive*, <https://www.naturepositive.org/app/uploads/2024/02/The-Definition-of-Nature-Positive.pdf>.



## Recommendations:

We have divided our recommendations into those specific to the consultation papers, and those relevant to the Market architecture that we believe must be urgently resolved for the Market to function effectively.

### Recommendations in response to the consultation papers:

1. Ensure that the Offsets Standard Principles support integrity, interoperability with the ACCU Scheme, and practical implementation.

CMI supports the development of the Offsets Standard Principles (**Principles**), presented in this consultation in draft form. However, in finalising these standards, CMI urges DCCEEW to ensure that the principles align with market expectations, particularly the recommendation of the Samuel Review of the EPBC Act (1999) that restoration offsets should enable a net gain to be delivered prior to impact.<sup>14</sup> The current draft Principles appear to create a tension between requirements for “measurable improvement” and “like-for-like” outcomes for the protected matter “to compensate for residual impacts.”<sup>15</sup> Without clearer articulation of how these concepts interact, there is a risk of uncertainty regarding how offsets are intended to deliver both compensation and measurable ecological uplift.

CMI also recommends further consideration of how the additionality principle will operate in practice where biodiversity certificates are used to compensate for impacts on MNES. Clarification is needed regarding how additionality, equivalence and measurable improvement will be assessed together within the offset framework.

The Principles should also be reviewed with regards to their interoperability with both the Biodiversity Integrity Standards (**BIS**) embedded into the Market, and with the ACCU Scheme. The BIS set a precedent for projects under the Market to deliver enhancement or protection of biodiversity that would not have occurred without the project.<sup>16</sup> By allowing Biodiversity Certificates to be used as offsets, DCCEEW should carefully review the potential conflict of this allowance with the BIS and the objects of the Act.

- Equally, DCCEEW should review the potential impact of enabling certificates to be used as offsets on interoperability with the ACCU Scheme. We note that the discussion paper identifies that there is an additionality concern with enabling stacked ACCU/Nature Repair projects to deliver biodiversity offsets. It is unclear how an approval condition mandating offsets could result in a Nature Repair Market project failing the regulatory additionality requirement the ACCU Scheme or Market scheme. It would appear that additionality triggers would be dependent of how specific the condition is. Where a condition merely requires the proponent to procure a certain quantum of offsets without specifying the project or location, an NRM project undertaken by that proponent would not necessarily fail the additionality test, because the proponent is not legally required to carry out that

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<sup>14</sup> Samuel, 2020, *Independent Review of the EPBC Act – Final Report*, Department of Agriculture, Water and the Environment, p. 18, <https://www.dcceew.gov.au/sites/default/files/documents/epbc-act-review-final-report-october-2020.pdf>.

<sup>15</sup> DCCEEW, 2026, *Issues paper: Policy settings to enable the Nature Repair Market to supply environmental offsets*, p. 43.

<sup>16</sup> Nature Repair Act 2023, s.57, <https://www.legislation.gov.au/C2023A00121/latest/text>.



specific project. We advise that further legal clarification be sought on the potential interaction between ACCU projects and offset-enabled projects under the Market.

Moreover, the requirement upon proponents to elect whether their project can be used as offsets at commencement is likely to be cumbersome in implementation. In the interests of maintaining flexibility in the market to encourage growth, we suggest that any decision by proponents on using project outcomes as offsets be aligned with certificate issuance.

Finally, the current proposal risks further stratifying land and discouraging integrated land use planning. Modelling undertaken by Climateworks Centre and Deakin University, in collaboration with CMI, demonstrates that strategic land use planning and management is critical to Australia meeting its nature, climate, agricultural and food security goals. While the ACCU Scheme and the Market are crucial levers in achieving these goals, interoperability and the ability to integrate stacked projects with existing agribusinesses are essential to managing land availability and social license concerns.<sup>17</sup> Interoperability between the Market and the ACCU Scheme should remain a core design principle, particularly as CMI understands that most demand for Biodiversity Certificates is likely to come from stacked ACCU projects where the Certificate represented a quantified nature co-benefit.

## 2. Embed biodiversity net gain principles into offset use, treatment of project reversals, and certificate equivalency arrangements.

Recalling the original intention of the Nature Repair Market, CMI recommends that mandatory biodiversity net gain be more explicitly embedded in the Market architecture. Net gain should be incorporated into the use of biodiversity offsets with regards to the MNES, but also with regards to the treatment of project reversals and the concept of certificate equivalency. As outlined in the introduction, CMI has previously understood the Market to be based on the concept of delivering nature positive outcomes, however the consultation papers mark a departure from this expectation.

Additionally, as alluded to in Recommendation 1, we suggest that the Offset Standard Principles make explicit that any offsets used to compensate for unavoidable impacts on an MNES are delivering a net gain for biodiversity. A requirement for net gain should be embedded into the Act to align with the Samuel Review recommendations to reform the *EPBC Act 1999*.

Similarly, reversal arrangements should ensure that relinquishments account for, not only biodiversity loss, but also biodiversity improvement expected over the project lifecycle.

CMI also recommends further refinement of certificate equivalency arrangements to ensure replacement certificates contribute to genuine biodiversity improvement outcomes and do not inadvertently replicate traditional offset substitution models.

## 3. Clarify interaction between the Market and subnational biodiversity offsetting schemes.

While CMI notes that the consultation paper contextualises biodiversity offsets with the EPBC Act reforms, and implies that initial demand is likely to come from developments that trigger the MNES, we recommend that the Commonwealth work closely with state and territory governments to clarify how biodiversity certificates may interact with existing subnational biodiversity offset frameworks.

Clear alignment between federal and state approaches will:

- reduce duplication and market fragmentation;

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<sup>17</sup> CMI, Climateworks Centre & Deakin University 2025 (pre-publication), *Modelling nature-positive net zero pathways*.



- improve market confidence;
- support strategic land use planning;
- and provide greater certainty for project proponents and investors.

Consistency across frameworks will also help support scalability and incentivise uptake of biodiversity and stacked environmental market projects.

#### 4. Strengthen alignment with the ACCU Scheme to support interoperability and market confidence.

CMI supports measures intended to improve alignment between the Market and the ACCU Scheme, including proposed flexibility mechanisms such as restratification. However, further guidance is needed regarding how these mechanisms would operate within a single-certificate issuance model, particularly for stacked projects.

While restratification is a useful integrity measure in the ACCU Scheme, allowing the CER to remove areas of projects that are not or are unlikely to meet method requirements, this flexibility is largely enabled through the fungibility of ACCUs.

CMI also recommends that DCCEEW carefully consider transition arrangements associated with future updates to the National Biodiversity Assessment System (NBAS), drawing on lessons from FullCAM transitions under the ACCU Scheme. Abrupt methodology or modelling changes may create project uncertainty, pricing volatility and investment risk if not appropriately managed.

CMI is supportive of the publication of project NBAS scores as a key integrity measure, but recalls previous experience with FullCAM updates providing considerable shifts in some ACCU projects and this market impact. In order to send a strong market pricing signal, DCCEEW should consider how NBAS updates might be best managed at a project level, and especially consider how they might interact with stacked ACCU projects.

Finally, we welcome the recognition of materiality and essential management actions with regards to projects' eligibility, and potential reversals. Similar definitions exist in the ACCU Scheme, and we suggest that DCCEEW develop definitions for these points with regards to the Market, ensuring that they mirror those of the ACCU Scheme where possible to support interoperability.

### Recommendations for the overall market architecture:

While our recommendations above may improve implementation and uptake of the proposed settings changes, CMI believes that these changes should be complemented by necessary structural changes to facilitate broadscale investment and participation in the Market.

#### 5. Explore opportunities for staged or multiple certificate issuance to support market liquidity and risk management.

Since the Market's inception, CMI has consistently advocated for unitisation of outcomes at a project level to enhance interoperability with the ACCU Scheme, and increase fungibility and liquidity of the Market.<sup>18</sup> We reiterate the importance of unitisation to enable market fungibility, particularly given

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<sup>18</sup> Carbon Market Institute, 2023, *DCCEEW Nature Repair Market Bill Submission*, p.6, <https://carbonmarketinstitute.org/app/uploads/2023/03/Carbon-Market-Submission-Nature-Repair-Market-Draft-Bill.pdf>; CMI, 2023, *Senate Inquiry: Nature Repair Market Bill 2023 Submission*, p.4, [https://carbonmarketinstitute.org/app/uploads/2023/06/2023.06\\_Carbon-Market-Institute\\_NRM-Bill-Senate-Inquiry.pdf](https://carbonmarketinstitute.org/app/uploads/2023/06/2023.06_Carbon-Market-Institute_NRM-Bill-Senate-Inquiry.pdf).



the important new risk measures being proposed, and potential interaction with the EPBC Act. Unitisation, multi or staged certificate issuance could ease implementation of several new settings being considered, including reversals and restratification. Additionally, when an offset condition (now termed “compensation conditions or restoration contribution charge”) is given, it generally specifies a specific quantum of units related to a threatened species to be purchased. It is therefore unclear how single certificate issuance aligns with existing processes.

CMI recommends that DCCEEW explore options for staged, multiple or unitised certificate issuance models. Greater unitisation would:

- improve market fungibility and liquidity;
- support interoperability with the ACCU Scheme;
- enable more effective risk management;
- and improve implementation of reversal and restratification mechanisms.

Staged issuance arrangements may also better accommodate ecosystems with longer restoration timeframes or varying levels of degradation, while improving flexibility for project proponents and investors.

#### 6. Align certificate issuance more closely to demonstrable achievement of biodiversity outcomes.

CMI recommends that certificate issuance be more closely linked to demonstrated biodiversity outcomes or verified milestone achievement, rather than projected future outcomes alone. CMI remains concerned that certificates can currently be issued on the basis that a project’s progress to date demonstrates that it is likely to result in the biodiversity outcome.<sup>19</sup> This approach of certifying likely outcomes is disparate to how issuances work in the ACCU Scheme, and also diverges from the EU’s preferred approach to crediting nature outcomes.<sup>20</sup> By implementing a framework that enables multiple, staged, or unitised certificates for projects based on audited outcomes or milestones, the Market would be built on a more robust base. As mentioned, this approach would enable greater agility to manage risks – including reversal events – while also enabling greater alignment with the ACCU Scheme and creating new opportunities for stacked projects.

#### 7. Establish a Nature Positive Fund to support early market and investment certainty.

CMI recommends that the Government explore establishment of a Nature Positive Fund to support early market development, investment confidence and research and development activities, as outlined in the *Carbon for Nature Report*,<sup>21</sup> and previous submissions,<sup>22</sup>

The ACCU Scheme benefited significantly from early government demand support through the Emissions Reduction Fund, which helped establish liquidity, pricing signals and investor confidence in a nascent market. A Nature Positive Fund could play a similar catalytic role by underwriting early project investment and R&D, accelerating project development and supporting market confidence.

<sup>19</sup> *Nature Repair Act 2023*, s.70(2)(f), <https://www.legislation.gov.au/C2023A00121/latest/text>.

<sup>20</sup> The EU *Roadmap towards Nature Credits*, 2.1 states that “a nature credit could be considered as a unit that represents a nature-positive outcome, derived from a certified and independently verified action and quantified using a recognised biodiversity metric or indicator.”

<sup>21</sup> CMI and NRM Regions Australia 2025, ‘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](https://carbonmarketinstitute.org/app/uploads/2025/02/Carbon-For-Nature-Report_Final.pdf).

<sup>22</sup> CMI, 2023, *Senate Inquiry: Nature Repair Market Bill 2023 Submission*, p.4, [https://carbonmarketinstitute.org/app/uploads/2023/06/2023.06\\_Carbon-Market-Institute\\_NRM-Bill-Senate-Inquiry.pdf](https://carbonmarketinstitute.org/app/uploads/2023/06/2023.06_Carbon-Market-Institute_NRM-Bill-Senate-Inquiry.pdf); CMI, 2024, *DCCEEW Nature Repair Market legislative rules Submission*, p.7, [https://carbonmarketinstitute.org/app/uploads/2024/10/FINAL\\_CMI-Submission\\_NRM-Rules\\_signed.pdf](https://carbonmarketinstitute.org/app/uploads/2024/10/FINAL_CMI-Submission_NRM-Rules_signed.pdf); CMI, 2024, *DCCEEW Nature Repair Market BAI and First Method Submission*, p.3, [https://carbonmarketinstitute.org/app/uploads/2024/11/FINAL\\_CMI-Submission\\_BAI-and-First-Method\\_signed.pdf](https://carbonmarketinstitute.org/app/uploads/2024/11/FINAL_CMI-Submission_BAI-and-First-Method_signed.pdf).



A government-backed purchasing mechanism may also help bridge the gap while private sector biodiversity demand and nature-related disclosure frameworks continue to mature.

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

Yours sincerely

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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.

