Department of Climate Change, Energy, the Environment and Water

Public consultation on the Nature Repair Market: Protect and Conserve method design

submission

June 2026

Carbon Market Institute

DCCEEW: Public consultation on the Nature Repair Market Protect and Conserve method design 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 revised scope of the Nature Repair Market's Protect and Conserve (**P&C**) which opened on 2nd June 2026. 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 particularly 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, emissions-intensive companies and nature & conservation organisations 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 established the Australian Carbon Industry Code of Conduct (ACI Code) in 2018 to steward consumer protection, market integrity and best practice across Australia's carbon market. The ACI Code is now administered through a dedicated entity to strengthen governance independence, oversight and confidence in the integrity of NRM.[2]

CMI recalls its submission to the consultation on the P&C method in December 2025.[3] While a number of issues raised by CMI remain relevant, many of the recommendations put forward in the submission are not reflected in the June 2026 consultation paper. We therefore reiterate these considerations as practical refinements to support greater uptake and effective implementation of the P&C method. CMI raises two additional considerations in this submission; firstly, that the Department carefully review the implications of allowing P&C Biodiversity Certificates to be used as offsets; and secondly, that guidance on project layering be published as a priority to provide certainty around how additionality requirements will be assessed. Our considerations are summarised below, with further detail in the body. CMI would welcome the opportunity to engage further with the DCCEEW team, particularly on issues relating to interoperability between NRM and the ACCU Scheme.

1. Introduce a reduced permanence period option to enable greater uptake through alignment with state and territory land laws.
2. Reconsider the appropriateness of enabling Biodiversity Certificates issued under the P&C method to be eligible for use as environmental offsets.
3. Ensure that government purchasing strategically targets ecosystem protection and connectivity.
4. Clarify market settings for notification requirements, and responsive action, should a project area condition score drop below the certificate threshold, and ensure they are implementable.

[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 2025, 'Department of Climate Change, Energy, the Environment and Water Public Consultation on the Nature Repair Market: Protect and Conserve method design submission', https://carbonmarketinstitute.org/app/uploads/2025/12/2025.11_FINAL_CMI-submission_NRM-PC-method.pdf.

5. Ensure that the additionality Biodiversity Integrity Standard is upheld consistently across projects registered under the P&C method.
6. Require alignment of project activities with Natural Resource Management plans.
7. Prioritise the preparation and publication of guidance on ACCU Scheme interoperability for the Nature Repair Market, but especially for the Protect & Conserve Method.

Considerations for Government:

Introduce a reduced permanence period option to enable greater uptake through alignment with state and territory land laws.

The June 2026 consultation paper reaffirms that projects under the P&C method adopt a 100-year permanence period, with a 25-year option available only in limited circumstances, and contingent upon a conservation management commitment of at least 99 years. While CMI is supportive of projects that make meaningful long-term contributions to landscape-scale restoration and sequestration, we stress that mandating these permanence period requirements may inhibit method uptake, particularly among Indigenous groups, or on lands where there is a Native Title or Aboriginal land rights claim. This consideration is especially relevant in the Northern Territory[4] and Queensland[5] where leases for land use are capped at 99-years under the respective Aboriginal land rights acts. Participation may also be impacted on pastoral leasehold lands in Western Australia, where lease terms are generally limited to 50 years.[6]

Beyond legislative restrictions, the Department should also carefully review the potential impact of a 100-year permanence period on uptake amongst freehold landholders, including potential impacts on succession planning, estate transition and intergenerational land management decisions. This issue is likely to be manifest across all of regional Australia. The limited circumstances outlined in the paper, and ongoing requirement to make a conservation management commitment are not reflective of social license, and cultural authority considerations. CMI urges the Department to provide a shorter permanence period option to open up land impacted by state-level legislative restrictions.

Inclusion of a shorter permanence period would also support greater alignment with the ACCU Scheme. This is particularly pertinent for the opportunity to stack projects. As it currently stands, misalignment between permanence periods is administratively challenging, and likely to represent a material risk to project outcomes.

Should the Department determine that a shorter permanence period option is not appropriate for all projects participating under the method it should, at a minimum, consider a jurisdiction-specific exemption framework. An exemption that is reflective of subnational legislative requirements is likely to facilitate greater method uptake across a wide array of landscapes.

Reconsider the appropriateness of enabling Biodiversity Certificates issued under the P&C method to be eligible for use as environmental offsets.

CMI has reservations about the inclusion of an option to enable certificates generated under the P&C method to be eligible for offsets under the reformed *Environmental Protection & Biodiversity Conservation*

[4] Department of the Prime Minister and Cabinet, *Aboriginal Land Rights (Northern Territory) Act 1976,* S19A(4), https://www.legislation.gov.au/C2004A01620/latest/text.
[5] Queensland Government, *Aboriginal Land Act 1991*, s120(1), https://www.legislation.qld.gov.au/view/whole/html/current/act-1991-032?utm.
[6] Western Australian Department of Planning, Lands and Heritage, *Land Administration Bill 1997*, Part 7, Division 4, s105(1)(b), https://www.legislation.wa.gov.au/legislation/statutes.nsf/RedirectURL?OpenAgent&query=mrdoc_49459.pdf.

Act 1995. As outlined in our submission to DCCEEW's consultation on Market Settings in May 2026, greater clarity is required on how biodiversity certificates used to compensate for impacts on Matters of National Environmental Significance will meet specific Offsets Standard Principles, including additionality, equivalence and measurable improvement.[7] CMI's primary concern relates to the measurable improvment principle. With the removal of ecosystem condition enhancement from the P&C method scope, certificates generated under the method are unlikely to meet a measurable improvement in biodiversity outcomes, a fundamental requirement for environmental offsets. CMI therefore encourages DCCEEW to prioritise development of a transparent accounting framework that sets clear expectations for the calculation of an offsets contribution, including how states of degradation, neutral and positive are defined. This recommendation is consistent with the Australian Land and Conservation Alliance's (ALCA) submission to April consultation paper *Policy Settings to enable the Market to supply environmental offsets*, which emphasised the importance of transparent reporting frameworks to ensure that reporting frameworks for offset generating projects are appropriate.[8]

CMI also notes concerns raised by ALCA in its submission to the second exposure draft Standard for Environmental Offsets that the legal structure of Biodiversity Certificates as personal property.[9] Whereas ACCU Scheme projects are registered on property title, and the ACCUs are financial instruments, CMI understands that projects under NRM are not similarly registered and certificates remain personal property. While the introduction of a mandatory 100-year permanence period under the P&C method may introduce some degree of security for offset-generating projects, further consideration should be given as to how Market projects could be registered on property title to provide security of outcomes across projects registered under the full spectrum of methods. Establishing stronger mechanisms to secure outcomes over time may enhance confidence in the use of biodiversity certificates as offsets and will become increasingly important if NRM is anticipated to supply environmental offsets at scale.

Ensure that government purchasing strategically targets ecosystem protection and connectivity.

CMI recognises the potential of the P&C method to preserve intact, high-value old growth ecosystems, and where accompanied by strategic projects under other ACCU and Market methods, increase ecosystems under protection and support ecosystem connectivity. We also note the intention outlined in the December 2025 consultation paper[10] that funding from the Australian Bushland Program be deployed to fund early P&C projects. CMI is supportive of catalytic government investment to help establish NRM and suggest that to support intended outcomes, any government financial support for P&C method projects be guided by a strategy that prioritises areas based on their likely ecological significance, contribution to ecosystem protection, and ability to strengthen habitat and landscape connectivity.

Clarify market settings for notification requirements, and responsive action, should a project area condition score drop below the certificate threshold, and ensure they are implementable.

[7] CMI 2026, 'DCCEEW: Nature Repair Market ongoing development submission', p. 5, https://carbonmarketinstitute.org/app/uploads/2026/05/CMI-submission-Nature-Repair-Market-Settings.pdf.
[8] Australian Land Conservation Alliance 2026, 'Submission on the draft policy settings to enable NRM to supply environmental offsets', https://cdn.prod.website-files.com/696821837f978f01d3b07031/6a0fe73184e73994f45e1c81_2026_April%20ALCA%20submission%20NRM%20ongoing%20development_signed_web.pdf.
[9] Australian Land Conservation Alliance 2026, 'Submission on the second exposure draft Standard for Environmental Offsets', https://cdn.prod.website-files.com/696821837f978f01d3b07031/6a2a20d2c22dfbcee9460da7_20260609%20ALCA%20submission%2C%20second%20draft%20Environmental%20Offsets%20standard_web.pdf.
[10] DCCEEW 2025, *Nature Repair Market Protect and Conserve method – proposed design*, https://storage.googleapis.com/files-au-climate/climate-au/p/prj38f33b154aca085223e8d/page/Nature_Repair_Market_Protect_and_Conserve_method_proposed_design.pdf.

The ACCU Scheme incorporates adaptive regulatory mechanisms to manage avoidable reversal events, including pauses on ACCU issuances, carbon maintenance obligations, fiscal penalties and more. In contrast, the NRM single-issue certificate model creates uncertainty regarding how declines in project ecosystem condition will be managed once a certificate has been issued. CMI raised this concern in our response to the May 2026 consultation on the Nature Repair Market Settings noting incongruity with proposed flexible management mechanisms.[11] It remains unclear what consequences would apply if a project area's condition score were to fall below the threshold required for certification under the P&C Method.

CMI again requests that DCCEEW provide further clarity on the notification requirements, as well as application of risk management/clawback mechanisms in the circumstance where a project's area condition score declines materially. Specific guidance should also be developed to outline expectations and remediation processes in the instance of an avoidable decline in condition *after* a certificate has been issued. Finally, further clarity is required on what constitutes appropriate maintenance of ecological condition, and the extent to which changes attributable to external factors, such as to climatic events would be considered acceptable under the P&C method.

Ensure that the additionality Biodiversity Integrity Standard is upheld consistently across projects registered under the P&C method.

As with the ACCU Scheme's Offset Integrity Standards, methods under NRM are underpinned by the Biodiversity Integrity Standards, of which standard (a) ensures that the results from the project "would be unlikely to occur if the project was not carried out" (additionality).[12] CMI emphasises the importance of the Biodiversity Integrity Standards in ensuring that outcomes from Market projects are robust and represent additional outcomes.

However, with the removal of the option to improve ecosystem condition in a project area, CMI seeks further clarity on how P&C projects will demonstrate compliance with the Biodiversity Integrity Standards, specifically the additionality clause. This could be through evidence provisions that ensure the publication of counterfactuals used in a project's registration, whereby the counterfactuals must demonstrate that ecosystem condition is declining, or likely to decline, under business as usual circumstances.

Furthermore, the introduction of layered projects in the June consultation paper further complicates the application of the additionality requirement in P&C projects. It is already documented that stacked projects under the Replanting native forest and woodland ecosystems method must be registered after the ACCU Scheme Reforestation by environmental or mallee plantings method project, in order to meet the additionality requirements under both Schemes. CMI suggests that, if DCCEEW is considering the introduction of layered projects through the P&C method, that it urgently prioritises the development of a sequencing guideline. This guideline should outline a clear hierarchy of project registration where there are further projects layered on an existing P&C project, to ensure that each additional project in the same area meets additionality requirements and that integrity is maintained across stacked projects.

Require alignment of project activities with Natural Resource Management plans.

The *Carbon Credits (Carbon Farming Initiative) Act 2011*, which legislates the ACCU Scheme, includes an explicit requirement for projects to align with the relevant Natural Resource Management Plans (NRM Plans). The inclusion of this requirement is intended to mitigate the risk that an ACCU Scheme project will be

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[11] CMI 2026, 'DCCEEW: Nature Repair Market Settings submission', https://carbonmarketinstitute.org/app/uploads/2026/05/CMI-submission-Nature-Repair-Market-Settings.pdf.
[12] DCCEEW, *Nature Repair Act 2023*, Div.3, s57(1)(a), https://www.legislation.gov.au/C2023A00121/latest/text.

inconsistent with regional ecosystem management objectives or broader landscape-scale planning priorities. We note that there is no such similar requirement for alignment with NRM Plans under the *Nature Repair Act 2023* which enables the Nature Repair Market.

CMI requests that consideration should be given to how, either at an Act level, or a method level, the Nature Repair Market could include a similar provision to support alignment of projects with NRM Plans. We believe that this would ensure that project outcomes are better aligned with the regional and appropriate land use, and restoration priorities, while also facilitating greater interoperability with the ACCU Scheme. Embedding this requirement would strengthen the strategic alignment of NRM with existing regional planning frameworks and enhance confidence that project outcomes contribute to coordinated landscape-scale restoration objectives.

Prioritise the preparation and publication of guidance on ACCU Scheme interoperability for the Nature Repair Market, but especially for the Protect & Conserve Method.

CMI again notes that NRM is intended to be interoperable with the ACCU Scheme, enabling landscape scale ecosystem repair as well as carbon sequestration. However, given the relative newness of NRM, there is a clear need for timely and authoritative guidance from government regarding interoperability between schemes in practice. A departmental guidance paper on interoperability is urgently needed to provide industry with clarity on government expectations on interoperability and alignment and support investment certainty. A clear position on expectations from government is required to unlock capital and enabling uptake of stacked ACCU Scheme/Nature Repair Market projects that deliver both carbon and biodiversity outcomes.

To facilitate greater uptake of stacked projects with dual carbon and nature benefits, a guidance document should clearly outline how projects can participate in both the ACCU Scheme and the Nature Repair Market in a manner that:

- Maintains the environmental integrity of each scheme
- Prevents double counting and misleading claims
- Reduces unnecessary regulatory duplication and lower transaction costs thus facilitating landholder uptake
- Supports delivery of complementary carbon and nature outcomes

Such guidance could take a similar form to method guidelines in the ACCU Scheme, which provide further clarification on specific details of project implementation to support Scheme-level consistency. CMI would welcome the opportunity to contribute to the development of such guidance.

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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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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