



Australian
Carbon Industry
Code of Conduct

2025-2026

ANNUAL REPORT

**INDUSTRY DATA AND
COMPLIANCE REPORT**

ACKNOWLEDGEMENT OF COUNTRY

The Carbon Market Institute through the Australian Carbon Industry Code of Conduct (the Code) recognises and pays its respects to the Traditional Owners and Custodians of Country throughout Australia and acknowledges their continuing connection to land waters and community.

We pay our respects to the people, the cultures and the Elders past and present.

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CEO'S MESSAGE

The 2025–26 year has been a significant one for the Australian Carbon Industry Code of Conduct, and for me personally it has been particularly rewarding to see several initiatives that have been in development for some time come together.

Perhaps the most important milestone has been delivering the Code's new governance arrangements. Establishing the Code Administrator as a separate legal entity, with its own Constitution, independent Board and dedicated governance arrangements, represents a major step forward. It gives the Code a strong and genuinely independent platform from which to grow.

I am particularly proud of the work undertaken on Version 3.0 of the Code. This has been a substantial collaborative effort, involving four rounds of consultation and input from Signatories, governments, regulators, landholders and other stakeholders. I want to personally thank everyone who contributed. The willingness of people across the market to challenge our thinking, share their experience and help improve the Code has been invaluable.

For the Board, a few themes stand out from this year. We have moved from designing new governance arrangements to delivering them. Our compliance function is also continuing to mature, with a greater emphasis on proactive, risk-based monitoring, education and identifying emerging issues.

There is also a significant opportunity ahead. We have a committed group of Signatories and a strong presence across the land-based carbon market, but there remains considerable scope to broaden participation. As expectations around integrity, transparency and accountability continue to increase, the role and relevance of the Code will continue to grow.

I want to thank our Signatories, government partners and regulators for their continued support and constructive engagement. I also want to thank the Independent Code Review Panel, our Board and the Code administration team for their considerable contribution throughout the year.

We have achieved a great deal, but we have also laid the foundations for what comes next. Our focus now turns to implementing Version 3.0, strengthening our compliance capability, growing participation and continuing to build confidence in the Code and Australia's carbon market.

Samuel Dawes

Chief Executive Officer

Australian Carbon Industry Code of Conduct



SNAPSHOT OF 2025-2026



40

Signatories during 2025-2026

37

Signatories
Renewed their
Signatory Status
for 2025-2026

4

New business
joined the
Code for 2025-
2026

2



State Government
Partners renewed
support to the
Code for 2026

Market Coverage

72%



of land-based ACCUs projects
registered since 2018 covered by
the Code Signatories

Compliance Matters



90% Compliance
reports submitted



30 Complaints
reported during
2025-2026



4 market risks were
brought to the
Administrator's
attention through
complaints

Independent Governance Milestones

- Establishment of the independent Australian Carbon Industry Code of Conduct Administrator
- Continued oversight by the Code Review Panel
- Completion of Code Version 3.0 Development



Overview



ABOUT THE CODE OF CONDUCT

The Australian Carbon Industry Code of Conduct (the Code) is Australia's voluntary industry standard for organisations that develop, manage and provide services in the carbon market. It promotes integrity, transparency and accountability by setting clear standards for how Signatories conduct their business and engage with landholders, clients and other stakeholders.

By becoming a Signatory, organisations commit to meeting these standards and participating in an independent compliance and complaints process.

The Code aims to:

- 1) **Promote best practice** across Australia's carbon market.
- 2) **Support fair and transparent engagement** with landholders, Traditional Owners, Native Title Holders and other stakeholders.
- 3) **Strengthen integrity and accountability** through independent oversight, compliance monitoring and complaints management.
- 4) **Build confidence** in Australia's carbon market by encouraging high standards of professional conduct.

The Code complements the regulatory framework established under the *Carbon Credits (Carbon Farming Initiative) Act 2011* and supports a trusted and transparent carbon market.

Our role and framework are further explained in [the Code](#).

ABOUT THIS REPORT

This Annual Report covers the Administrator's operations from July 1, 2025, to June 30, 2026. It summarises the Administrator's work in monitoring and confirming Signatories' compliance with the Code during this period.

This report's key focus is to raise awareness of emerging issues of concern in the broader carbon market and highlight examples of best practice engagement.

Note: All information shared in this report has been de-identified. Companies, organisations and individuals are referred to as Signatories.



Administrator Activities



ESTABLISHMENT OF AN INDEPENDENT CODE ADMINISTRATOR

A significant milestone in the evolution of the Australian Carbon Industry Code of Conduct was the establishment of the Australian Carbon Industry Code of Conduct Administrator Limited in July 2025 - a dedicated, independent not-for-profit organisation responsible for administering and strengthening the Code.

This new governance model responds to recommendations from the 2023 Independent Review of the Code, which identified the importance of enhanced independence, transparency and strengthened compliance capability. The establishment of a dedicated administrator represents a major step forward in building a more robust and trusted integrity framework for Australia's growing carbon market.

While the Carbon Market Institute remains the sole member of the organisation, the Code Administrator operates as a separate legal entity with dedicated governance arrangements and clear accountability for the independent administration of the Code.

This strengthened operating model provides greater confidence for market participants, landholders, governments and consumers by reinforcing the Code's commitment to independent oversight, transparency and best practice. It positions the Code as a leading industry integrity mechanism supporting a more trusted and accountable Australian carbon market.



Strong governance is fundamental to maintaining trust in any industry framework. The creation of the independent Code Administrator provides the foundation for greater accountability, transparency and confidence in the Code, while preserving the collaborative approach that has supported its development since inception.

— ***Australian Carbon Industry Code of Conduct's CEO***



ADVANCING VERSION 3.0 OF THE CODE

Following the recommendations of the 2024 Independent Review of the Australian Carbon Industry Code of Conduct, the Code Administrator has undertaken a significant update of the Code framework to ensure it remains contemporary, practical and responsive to the evolving Australian carbon market.

During 2025–2026, the Code Administrator progressed the development of Version 3.0 of the Code, incorporating feedback from Signatories, stakeholders and the Independent Review process. Through four consultation rounds, market participants, landholders and other stakeholders contributed to shaping a stronger and more effective framework.



A key focus of Version 3.0 has been implementing recommendations from the Independent Review, including improvements to compliance monitoring, stakeholder engagement and guidance for culturally appropriate engagement with First Nations communities.

The development of Version 3.0 reinforces the Code's role as a recognised marker of responsible participation in Australia's carbon market. For Signatories, the updated framework provides an opportunity to demonstrate continued commitment to high standards of conduct, transparency and market integrity.

Following approval through the Code's governance process, the Code Administrator will release an implementation plan outlining key changes, supporting resources and next steps for Signatories.

GOVERNANCE IMPROVEMENTS

Strengthening governance and independence

During 2025–2026, the Code Administrator continued to strengthen its governance arrangements, establishing the foundations for an independent, transparent and accountable operating model.

The Code Administrator is governed by an independent Board comprising Dr Kerry Schott AO (Chair), Mr Brad Kerin (Director), and Samuel Dawes (Director and Chief Executive Officer). The organisation operates under its own Company Constitution, which defines the roles and responsibilities of the Board, the Independent Code Review Panel and the Code Administrator.

These governance arrangements implement key recommendations from the 2024 Independent Review of the Code, including the need for clearer separation between Code administration and the Carbon Market Institute. This strengthened structure supports greater transparency, accountability and confidence that Signatory information is managed appropriately and independently.

The establishment of dedicated governance, financial and operational arrangements provide a strong foundation for the Code Administrator to continue delivering independent oversight while maintaining an appropriate relationship with the Carbon Market Institute.

Independent Code Review Panel

The Independent Code Review Panel continued to provide valuable oversight and advice throughout the year. The Panel met four times during 2025–2026, supporting the Code's ongoing development through independent advice on integrity matters, Code reform and complex compliance issues.

Key achievements included the finalisation of the appeals process and the development of a forward work program to support the continued strengthening of the Code.

Forward work plan

The Code Administrator finalised its 2026 work plan, aligned with its strategic priorities. The plan focuses on strengthening compliance capability, progressing Version 3.0 of the Code, enhancing



stakeholder engagement and continuing to build a trusted and effective integrity framework for Australia's carbon market.

These governance improvements represent an important step in the continued evolution of the Code and reinforce its role as a trusted mechanism for transparency, accountability and best practice.

STAKEHOLDER ENGAGEMENT AND PARTNERSHIPS

Engaging with stakeholders, government partners and market participants is central to the Code Administrator's role in strengthening confidence, integrity and best practice across Australia's carbon market.

During 2025–2026, the Code Administrator continued to build relationships across government, regulators and industry, supporting greater alignment between industry-led integrity initiatives and broader market reforms.

Government partnerships

The Code Administrator continued engagement with state governments to strengthen awareness of the Code and explore opportunities for collaboration.

The New South Wales and Western Australian Governments continued their support for the Code, recognising its role in promoting best practice and building confidence across the carbon market. Engagement with Western Australia has included discussions on future collaboration and opportunities to support stakeholders involved in carbon farming.

The Code Administrator also acknowledges the Queensland Government's important contribution, which supported the Code during its foundational years. Following changes in government priorities and funding arrangements, the Queensland partnership will not continue during the current period. The Code Administrator remains grateful for Queensland's early support and looks forward to maintaining constructive engagement in the future.



Ongoing engagement with stakeholders, government partners and market participants is central to the Code Administrator's role. These relationships help ensure the Code remains responsive to market needs, supports broader policy objectives, and continues to strengthen confidence and integrity across Australia's carbon market.





Engagement has also commenced with the South Australian, Tasmanian and Victorian Governments to explore opportunities for future collaboration and support the continued growth of high-integrity carbon market practices.

Several government programs continue to recognise the value of Code Signatory status, including Queensland's Land Restoration Fund, Western Australia's Carbon Farming and Land Restoration Program, Tasmania's Carbon Farming Advice Rebate Pilot Program, and New South Wales' Low Carbon Landscapes grant program.

Engagement with regulators and industry

The Code Administrator continued to strengthen relationships with key regulators, including the Department of Climate Change, Energy, the Environment and Water (DCCEEW), the Clean Energy Regulator (CER) and the Australian Competition and Consumer Commission (ACCC).

Engagement has focused on carbon market reforms, Version 3.0 of the Code, compliance capability and opportunities to strengthen market confidence. Regulators have recognised the role industry-led frameworks can play in supporting transparency, accountability and consumer protections.

The Code Administrator also continued industry engagement through events and consultations, including participation in the Carbon Farming Industry Forum (CFIF) in Fremantle, which brought together almost 450 participants from across the carbon and land sectors.

The Administrator also contributed to the international promotion of the Code through participation in the DFAT-funded KINETIK program in Indonesia, including presentations on Australia's domestic carbon market and the role of industry-led integrity frameworks to the Indonesian Ministry of Finance.

These activities provided valuable opportunities to share best practice approaches, exchange knowledge with domestic and international stakeholders, and reinforce the Code's role in supporting a trusted Australian carbon market.



Market Overview



MARKET CONDITIONS

During 2025–2026, Australia’s carbon market continued to mature amid evolving policy settings, changing investment conditions and increasing expectations around integrity and transparency. While project activity moderated compared with previous periods of growth, demand for credible carbon outcomes remained resilient.

As the market matures, quality and trust are becoming increasingly important drivers of value. Investors, buyers and other stakeholders are looking beyond carbon outcomes alone, placing greater emphasis on project quality, governance, transparency and demonstrated environmental and community outcomes.

The sector also continued to navigate significant policy and regulatory developments, including ACCU Scheme reforms, methodology reviews and broader integrity initiatives. These changes reflect a market increasingly focused on confidence, accountability and long-term credibility.

ACCU market conditions remained resilient, supported by continued trading activity and improvements to market infrastructure, including the transition to the Unit and Certificate Registry. Together, these developments point to a market where organisations that can demonstrate credible practices and manage integrity risks are increasingly well positioned to build trust and long-term value.



WHY THIS MATTERS

A maturing market is placing greater value on trust and credibility.

As expectations rise, high-integrity businesses are better positioned to build confidence, demonstrate quality and stand out in the market.

INDUSTRY TRENDS

The Australian carbon industry continues to evolve, with regulators, investors and market participants raising expectations around how carbon projects are developed, managed and assured.

Increased scrutiny and assurance expectations

Integrity, assurance and accountability are becoming stronger features of the market. The Clean Energy Regulator’s 2026–27 Compliance and Enforcement Priorities¹ highlight the

¹ Clean Energy Regulator, *Compliance and Enforcement Priorities*, including current priorities for the Australian Carbon Credit Unit (ACCU) Scheme and audit requirements. [Clean Energy Regulator – Compliance and Enforcement Priorities](#)



importance of accurate and timely ACCU project applications, notifications and reporting, as well as auditor compliance. The CER has also reinforced the role of risk-based monitoring, education and enforcement in maintaining scheme integrity.

These expectations extend beyond regulatory compliance, with greater attention being placed on project governance, audit quality, transparency, information provided to stakeholders and the management of integrity risks.

Government reform and evolving market frameworks

Government reform continues to reshape expectations across the carbon market. ACCU methodology reviews, Safeguard Mechanism reforms and proposed changes to First Nations engagement requirements demonstrate an ongoing focus on strengthening integrity, transparency and participation.

The Emissions Reduction Assurance Committee's² review of ACCU methodologies also reinforces the importance of evidence-based improvement and ongoing assurance as scientific understanding and market experience develop.

Together, these trends point to a market where credible governance, stronger assurance and responsible conduct are increasingly expected—not simply encouraged. For businesses operating in the sector, the ability to demonstrate these practices is becoming an increasingly important part of maintaining market confidence.

IMPACT ON SIGNATORIES

The changing market environment is increasing the value of organisations that can demonstrate a clear commitment to integrity, accountability and responsible practice. Against this backdrop, the Code's 40 Signatories continue to play an important role in strengthening standards across Australia's land-based carbon market.

Signatories currently cover approximately 63% of land-based ACCU projects registered since 2018, compared with 72% in the previous financial year. Changes in coverage reflect broader market conditions, including consolidation, reduced project activity and financial pressures, rather than a decline in confidence in the Code.

The commitment of existing Signatories is an important strength of the Code. By voluntarily participating, businesses demonstrate their commitment to recognised industry standards and provide greater confidence to landholders, investors, customers, government and communities.

At the business level, Signatories represent approximately 4% of businesses identified as developing land-based ACCU projects. While this figure is indicative and does not capture the full

² Australian Government Department of Climate Change, Energy, the Environment and Water (DCCEEW), *Emissions Reduction Assurance Committee (ERAC)*, including its role in assessing ACCU Scheme methodologies against the legislated Offsets Integrity Standards and reviewing existing methods. [DCCEEW – Emissions Reduction Assurance Committee](#)



range of businesses active in the market, it highlights a significant opportunity to broaden participation in recognised integrity standards.



The Code's reach across the land-based carbon market gives us a strong platform to lift standards across the sector. As the market matures, our focus is not simply on participation, but on supporting organisations to demonstrate credible governance, responsible conduct and integrity in practice

– Code Administrator



For businesses, Signatory status provides an opportunity to demonstrate leadership, differentiate their organisation and demonstrate that integrity is embedded in how they operate. For the market, broader participation can support greater consistency, transparency and confidence in carbon project delivery.

The opportunity for the Code is therefore to build on the strong commitment of existing Signatories and extend the reach of high-integrity practices across the wider carbon and environmental markets.



Compliance and Assurance



OVERVIEW

The **2025–26 Annual Compliance Review** represents an important step in strengthening the Code Administrator’s approach to proactive, risk-based compliance monitoring. **90% of Signatories submitted their annual compliance reports**, providing a strong evidence base for assessing how Signatories are embedding the Code across their governance, project delivery and stakeholder engagement practices. The review looked beyond individual compliance outcomes to assess areas of strong practice, common gaps and emerging integrity risks across the Signatory community.

The findings will inform the Administrator’s ongoing monitoring, education and engagement activities, supporting continuous improvement, targeted guidance and training, and greater transparency around compliance outcomes. The review also supports the transition from a primarily reactive compliance model to a more proactive, risk-based approach to identifying, managing and addressing compliance risks.

COMPLIANCE INSIGHTS

The review focused on three key areas that are central to upholding integrity, strengthening accountability and supporting positive outcomes across the carbon market:

Governance & accountability

Assessment Scope

Effective governance and accountability underpin a Signatory’s ability to consistently meet its obligations under the Code. This area considered how Signatories maintain governance arrangements, identify and manage material risks, respond to compliance issues, rectify non-compliance and implement processes that support accountability to clients, stakeholders and the Code Administrator.

What we found

- Governance and accountability: 50% of Signatories reported changes to their governance arrangements during the compliance year, including changes to organisational structures, board composition or other governance arrangements.
- Policies, procedures and risk management: Signatories reported having policies, procedures and systems in place to support compliance, risk management, record keeping and stakeholder engagement. 14% identified material risk management as an area requiring further attention.
- Continuous improvement: Signatories reported a range of actions to strengthen compliance, governance and client outcomes during the year. These included enhancing project management and record-keeping systems, strengthening staff training and induction, improving client onboarding and communication, undertaking internal and



external reviews, and developing new tools and frameworks to support project integrity and service delivery.

- **Areas for improvement:** The review identified opportunities to strengthen the formalisation, documentation and consistent application of governance and compliance processes, particularly where arrangements have changed during the year.

Project delivery & transparency

Assessment Scope

Effective project delivery and transparency underpin a Signatory's ability to support informed decision-making and consistently deliver projects in accordance with the Code. This area considered how Signatories provide clients with clear and accurate information prior to entering into agreements, manage project risks and responsibilities, maintain appropriate project delivery controls, and support transparent and auditable project implementation.

What we found

- Client transparency and informed decision-making: Signatories demonstrated strong practices for providing clients with information to support informed decision-making, including information on project development models, associated costs, benefits and risks, project feasibility, estimated carbon credit generation and project lifecycle considerations.
- Regulatory and scheme participation information: 100% of applicable Signatories met the requirements relating to regulatory and scheme participation information, including appropriately addressing AFSL requirements and providing clients with relevant ERF/ACCU Scheme information or equivalent guidance. This indicates a strong level of transparency around regulatory requirements and participation in the carbon market.
- Reporting, auditability and record-keeping: 100% of applicable Signatories met requirements, demonstrating appropriate arrangements for project reporting, auditing and maintaining compliant records. This provides an important foundation for demonstrating that project activities are being implemented consistently with stated commitments.
- **Areas for improvement:** The review identified opportunities to strengthen the formalisation and consistent application of project delivery controls, particularly project management documentation and the disclosure of commercial interests or potential conflicts.

Stakeholder engagement & responsible practice

Assessment Scope

Effective stakeholder engagement supports trust, informed decision-making and positive project outcomes. This area considered how Signatories engage relevant stakeholders, communicate the Code and project information, identify and deliver social, environmental and economic co-



benefits, undertake appropriate due diligence, and support meaningful consultation and consent, including engagement with Native Title Holders and other Indigenous stakeholders where relevant.

What we found

- Co-benefits integrated into project development: Signatories demonstrated strong consideration of social, environmental and economic co-benefits, including biodiversity, soil health, agricultural productivity, employment opportunities, cultural outcomes and community capacity building. Co-benefits were generally considered during project feasibility, design and ongoing project delivery.
- Native Title and Indigenous stakeholder engagement: 63% of Signatories engaged with Native Title Holders or other Indigenous stakeholders, using approaches including early consultation, consent-seeking, co-design, on-Country engagement and ongoing participation. Where applicable, engagement generally supported informed consultation, appropriate agreements and FPIC-aligned practices. Several Signatories also demonstrated FPIC-aligned practices, Indigenous Ranger participation and community capacity building.
- Ongoing communication generally effective: Most Signatories reported maintaining effective, accurate and timely communication with clients, regulators and relevant stakeholders throughout the project lifecycle. One Signatory identified a gap in communication and consultation with landholders and has established a Landholder Advisory Council to strengthen ongoing stakeholder involvement and provide a more structured mechanism for landholder input.
- **Areas for improvement:** While stakeholder engagement practices were generally well established, opportunities remain to strengthen the consistent documentation and formalisation of stakeholder consultation arrangements. A small number of Signatories had not yet provided their Stakeholder Consultation Policy to the Code Administrator, with rectification actions identified.

COMPLAINTS AND RISK MANAGEMENT

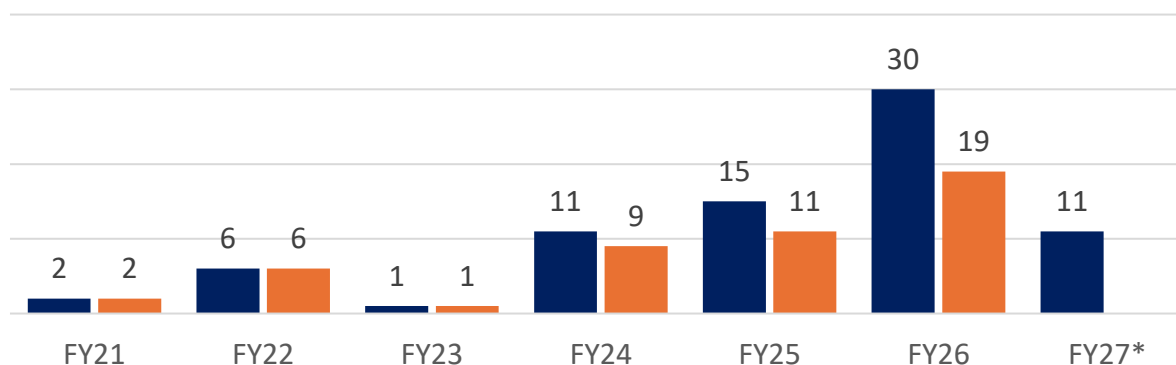
During 2025–26, the Code Administrator recorded 30 complaints, continuing to use the complaints process as an important source of information and risk intelligence about issues arising across carbon project development and delivery. Complaints were received from clients, landholders and other stakeholders and covered a range of matters, including communication and transparency, project management, stakeholder expectations, regulatory processes, project viability, and consultation and consent.

The complaints received during the reporting period did not indicate a single systemic issue across the Signatory community. Rather, they highlighted recurring areas where clear information, effective stakeholder engagement, appropriate project management and strong documentation are important to maintaining trust and supporting compliance with the Code.



Complaints received and self-reported (7 Financial Year History)

■ Complaints received ■ Closed



*Note: The 11 complaints recorded in the 2026–27 financial year relate to matters that were ongoing from the previous reporting period.

Complaints by matter/theme – 2025-2026

Matter/theme	% of total complaints
Project Management/Operational issues	30%
Communication Issues	23%
Project Disputes	17%
Regulatory delays	13%
Project viability	10%
Governance & Consultation	3%
Complaints appealed	3%

What the complaints tell us

1. **Communication and transparency** remained a prominent theme. Matters included concerns about the timing and clarity of information relating to project progress, ACCU issuance and sales, project design and changes to project arrangements. These matters reinforce the importance of providing stakeholders with timely, understandable and consistent information, particularly where project circumstances or timeframes change.
2. **Project management and stakeholder expectations** were also recurring themes. Matters raised included roles and responsibilities, operational arrangements, project activities and differences between stakeholder expectations and project outcomes. These matters demonstrate the value of clearly establishing expectations at the outset, documenting responsibilities and maintaining appropriate records throughout the project lifecycle.



3. **Regulatory processes and project viability** were another area of concern. Some matters reflected delays or uncertainty associated with regulatory requirements and technical assessments, including impacts on project timelines and the expected progression of projects. While some of these factors may be outside a Signatory's direct control, the matters highlighted the importance of explaining regulatory dependencies, communicating realistic timeframes and keeping affected stakeholders informed as projects progress.
4. **Consultation and consent** also remained an important consideration. Matters involving engagement with Native Title Holders highlighted the importance of transparent, meaningful and appropriately documented consultation and consent processes. These matters provided opportunities for Signatories to review and strengthen their practices, demonstrating how the complaints process can contribute to continuous improvement beyond the resolution of an individual complaint.



CASE STUDY: Accountability in Practice

A landholder raised concerns about the communication and responsiveness of a Code Signatory providing services for a carbon project. Over an extended period, the landholder sought information and clarification about the project and related arrangements but considered that important matters had not been adequately addressed. The concerns were subsequently raised through the Code Administrator's formal complaints process.

Following its investigation, the Code Administrator found that the Signatory had not met its obligations relating to market conduct, ongoing advice, and the provision of appropriate and accurate project information.

The Administrator identified issues related to communication and responsiveness,

including delays in providing important project and compliance information. The Signatory appealed the determination, but the independent Code Review Panel upheld the findings, concluding that prolonged inadequate communication could damage the reputation of the carbon industry and adversely affect the objectives and vision of the Code.

The Code Administrator required the Signatory to take practical steps to address the identified issues and reduce the risk of recurrence. The Signatory strengthened its client management, communication and onboarding processes, including improvements to project planning and internal coordination, and subsequently completed the required rectification actions.



KEY EXPECTATIONS FOR SIGNATORIES

Signatories must provide clients with timely, accurate and accessible information throughout the project lifecycle. This includes having appropriate processes, procedures and training in place to ensure clients understand their rights, responsibilities, project timelines and relevant regulatory and ACCU-related requirements.

We expect Signatories to have clear communication and project management processes. For example, staff should:

provide timely and substantive responses to client requests and concerns;

- proactively communicate material changes to project circumstances,

regulatory requirements, timelines or ACCU-related matters;

- ensure project and compliance information is accurate, complete and accessible; and
- maintain appropriate records of key communications, advice and project decisions.

Signatories should regularly review communication and complaints processes, ensure staff are trained, and address non-compliance to prevent recurrence. The Administrator will use complaints and compliance outcomes to identify recurring issues and inform guidance and continuous improvement.

Matters arising and risk considerations

Taken together, complaints received during the reporting period provide useful insight into areas of potential integrity and reputational risk within the carbon market. In particular, they highlight the potential for communication gaps, unclear expectations, insufficiently documented responsibilities and weaknesses in stakeholder engagement to contribute to disputes or undermine confidence in project activities.

The matters also demonstrated that many concerns can be addressed effectively where Signatories have appropriate internal processes to respond to, investigate, and resolve complaints. Responses during the reporting period included direct engagement with complainants, clarification of information, review of project arrangements, changes to communication or relationship management practices and other appropriate rectification measures. Some matters remained ongoing at the end of the reporting period, with further engagement or rectification activities continuing.

The Administrator also considers complaints collectively rather than solely as individual cases. Recurring themes can inform compliance monitoring, stakeholder education, guidance and future



reviews of Code requirements and supporting materials. This allows the Administrator to identify emerging risks and consider whether broader action may help prevent similar issues across the Signatory community.

KEY TAKEAWAYS

The 2025–26 compliance review provides a strong evidence base on how Signatories are embedding the Code across governance, project delivery and stakeholder engagement. Overall, core compliance practices are well established, with strong performance in client transparency, regulatory and scheme information, project reporting, auditability and project co-benefits. While 92% of Signatories were assessed as fully compliant, 8% were recorded as materially compliant, with the Administrator providing advice on required rectifications.

The review also identified opportunities to strengthen the formalisation, consistency and evidence of existing practices. These include strengthening governance controls, documenting project management arrangements, improving transparency around commercial interests, and maintaining clear and consistent records of stakeholder consultation and consent.

Complaints and Signatories feedback provided an important complementary source of insight. While complaints did not indicate a single systemic issue across the Signatory community, recurring themes around communication, project management, expectations, regulatory processes and stakeholder engagement reinforce the importance of clear information, effective documentation and meaningful engagement throughout the project lifecycle.

Taken together, the compliance review and complaints process demonstrate the value of a proactive, risk-based assurance framework. They provide visibility of both areas of strong practice and emerging risks, while creating opportunities for Signatories to address issues, strengthen their systems and improve outcomes.

The findings provide an important foundation for the Administrator's ongoing compliance, education and engagement work and support the continued development of a consistent, accountable and trusted Australian carbon market.



WHAT THIS MEANS FOR THE CODE

The Code Administrator will continue to focus on:

- strengthening guidance and education where common gaps are identified;
- using risk-based monitoring to target areas of greatest importance;
- monitoring whether identified issues are sustainably rectified; and
- using compliance, complaints and stakeholder insights to strengthen the Code and its administration.

A decorative graphic consisting of a cluster of small pink dots arranged in a roughly circular pattern, located to the left of the text.

Looking Ahead



ADMINISTRATOR'S PRIORITIES FOR 2026-2027

In 2026–27, the Code Administrator will focus on implementing Code v3.0, supporting Signatories through the transition to the new requirements, and strengthening the Code's reach across the carbon market. These priorities will build on the findings of the 2025–26 compliance review, complaints and stakeholder feedback, with a continued focus on practical implementation, risk-based assurance and continuous improvement.

Implementing Code v3.0

The implementation of Code v3.0 will be a key priority for the coming year. The revised Code responds to the recommendations of the Independent Review and strengthens expectations around governance, transparency, stakeholder engagement, responsible practice and integrity.

Implementation will focus on supporting Signatories to understand and embed the revised requirements into their policies, processes and project delivery practices. The Administrator will provide practical guidance, education and transition support to help Signatories translate the updated requirements into day-to-day practice.

Training and resources

A program of training, guidance and supporting resources will accompany the introduction of Code v3.0. This will include targeted education on key changes, practical guidance and tools to support Signatories in understanding their obligations and demonstrating compliance.

Resources will be informed by the findings of the 2025–26 compliance review and complaints process, with particular attention to areas where greater consistency, documentation or understanding can strengthen compliance and reduce emerging risks.

Expanding the Code to the demand side

Code v3.0 will also expand the scope of the Code to include demand-side participants in the carbon market. This represents an important development in the Code's role in promoting integrity across the broader carbon market and recognises that market confidence depends on responsible practices across both the supply and demand sides.

During 2026–27, the Administrator will focus on engaging with potential demand-side participants and supporting their understanding of the Code and its expectations. This will include targeted stakeholder engagement, education and consideration of how the Code can be effectively applied to different demand-side business models and activities.

The Administrator will also use this engagement to better understand emerging risks and practical challenges across the demand side, informing future guidance, education and assurance activities.



Strengthening compliance and assurance

The 2026–27 Compliance & Assurance program will build on the transition to a more proactive, risk-based approach to compliance monitoring established through the 2025–26 Annual Compliance Review.

The program will focus on:

- supporting Signatories to implement and embed Code v3.0 requirements;
- monitoring areas identified through the 2025–26 review as requiring greater formalisation, consistency or evidence;
- using complaints, compliance findings and stakeholder feedback as sources of risk intelligence;
- applying proportionate, risk-based monitoring to identify and address emerging compliance risks;
- monitoring the effectiveness and sustainability of rectification activities; and
- using compliance insights to inform guidance, training and continuous improvement.

As Code v3.0 is implemented, the Administrator will also consider how compliance indicators, monitoring approaches and assurance activities need to evolve to reflect the revised requirements and expanded scope of the Code.

Building confidence through continuous improvement

Together, these priorities will support the continued evolution of the Code as a practical mechanism for promoting integrity, accountability and confidence across the Australian carbon market.

The Administrator will continue to work with Signatories, demand-side participants and other stakeholders to ensure that the Code remains relevant, practical and responsive to emerging market risks, while using evidence from compliance, complaints and stakeholder engagement to drive continuous improvement.



APPENDIX 1: SIGNATORIES BY 30 JUNE 2026

- | | |
|--|---|
| 1. Aboriginal Carbon Fund Limited | 22. FarmLab Pty Ltd |
| 2. Accounting For Nature Ltd | 23. First Nations Economics Ltd |
| 3. Aetium Pty Ltd | 24. Gondwana Carbon Pty Ltd |
| 4. Agricore Pty Ltd | 25. Intuit Earth Pty Ltd |
| 5. Agriprove Pty Ltd | 26. Planfarm TerraWise Pty Ltd |
| 6. Atlas Carbon Pty Ltd | 27. Regen Farmers Mutual Limited |
| 7. Australian Integrated Carbon Pty Ltd | 28. RegenCo Pty Ltd |
| 8. Australian Natural Capital Pty Ltd | 29. Renovo Ag Pty Ltd |
| 9. BetaCarbon Pty Ltd | 30. Ryzo Australia Pty Ltd |
| 10. Canopy Nature Based Solutions Pty Ltd | 31. Select Carbon Pty Ltd |
| 11. Carbon Farmers of Australia Pty Ltd | 32. SFM Agribusiness Pty Ltd |
| 12. Carbon Fix Pty Ltd | 33. South Pole Australia Pty Ltd |
| 13. Carbon Link Operations Pty Ltd | 34. TASC Carbon Australia Pty Ltd |
| 14. Carbon Neutral Pty Ltd | 35. Tasman Environmental Markets Australia Pty Ltd |
| 15. Carbon West Pty Ltd | 36. Terra Carbon Pty Limited (GreenCollar) |
| 16. Climate Friendly Pty Ltd | 37. The trustee for The Greenant Property Trust (Killin Management) |
| 17. CO2 Australia Pty Ltd | 38. The Trustee of DLF Family Trust |
| 18. Corporate Carbon Advisory Pty Ltd | 39. Treecoin Assets Pty Ltd |
| 19. Covalent Land Australia Pty Ltd | 40. Upscale Carbon Pty Ltd |
| 20. CQuest Pty Ltd | |
| 21. Environmental Offset Solutions Pty Ltd | See current Signatories to the Code of Conduct . |

Note: This list of Signatories includes former and current Signatories. The current list of Signatories has changed for the financial year 2026-2027.

