

Department of Climate Change, Energy,
the Environment and Water

Our Ref: DWERT4935
Enquiries: Teresa Belcher
Email: Teresa.Belcher@dwer.wa.gov.au

By email : ACCUScheme@dcceew.gov.au

Dear Sir/Madam

WESTERN AUSTRALIA ENVIRONMENTAL PROTECTION AUTHORITY SUBMISSION TO DEPARTMENT OF CLIMATE CHANGE, ENERGY, THE ENVIRONMENT AND WATER – REVIEW OF AUSTRALIAN CARBON CREDIT UNIT (ACCU) SCHEME

Thank you for the opportunity to make a submission on the Australian Carbon Credit Unit (ACCU) Scheme review which aims to improve the integrity and effectiveness of the scheme following recommendations of the recent Independent Review of ACCU.

The Western Australian (WA) Environmental Protection Authority (EPA) supports reforms to the carbon crediting scheme to ensure it operates with high integrity, helps to achieve Australia's emission reduction targets and delivers positive environmental outcomes.

The EPA considers greenhouse gas emissions from significant proposals as part of its environmental impact assessment process under Part IV of the *Environmental Protection Act 1986* (EP Act). The EPA is an independent statutory authority that provides advice and recommendations on significant proposals to the WA Minister for Environment.

The EPA released its [revised Environmental Factor Guideline – Greenhouse Gas Emissions](#) on 5 April 2023. The EPA objective for greenhouse gas emissions is to 'minimise the risk of environmental harm associated with climate change by reducing greenhouse gas emissions as far as practicable'. The EPA considers there should be deep, substantial and sustained reductions in WA's emissions this decade, and achievement of net zero emissions no later than 2050 through a straight-line trajectory (at a minimum) from 2030.

For new proposals and significant amendments to existing proposals, the EPA expects proponents to apply the mitigation hierarchy, and avoid and minimise emissions through best practice design and operations over the life of the proposal, only considering offsetting emissions (carbon offsets) as a last resort. The EPA considers that carbon offsets should, as far as practicable, be limited to residual emissions that cannot be avoided or account for emissions that exceed emission reduction commitments and targets.

The EPA considers domestic offsets under the Safeguard Mechanism (ACCUs), as well as voluntary offsets purchased to reduced residual emissions, which contribute to a proponent's overall commitment set out in their greenhouse gas environmental management plan (GHG EMP). Where carbon offsets (state, domestic and/or international) are to be implemented, the EPA expects that they meet integrity principles and are based on clear, enforceable and accountable methods. Proponents are expected to provide information on whether offsets are likely to be available at the time of surrender and satisfy relevant offset integrity principles, as outlined on page 8 of the [Environmental Factor Guideline – Greenhouse Gas Emissions](#)

In consideration of offset integrity, the EPA will have regard to the integrity standards set out in the Commonwealth *Carbon Credits (Carbon Farming Initiative) Act 2011* or the offset integrity principles in the [Climate Active Carbon Neutral Standard for Organisations, commonwealth of Australia, 2022](#). To provide confidence that the use of offsets will result in genuine and credible emission reductions, the EPA usually requires independent expert review to verify offsets meet integrity principles and will be available as outlined on page 7 of the [Environmental Factor Guideline – Greenhouse Gas Emissions](#).

The EPA supports the proposed ACCU Scheme principles to complement the integrity standards as outlined in the *ACCU Review Discussion Paper* (25 August 2023). There may also be benefit in providing additional guidance for and requiring proposal specific independent expert review of these principles to ensure consistency in their application.

In the EPA guidance, proponents are encouraged to consider whether carbon offsets conserve, preserve, protect, enhance and manage the WA environment. The EPA strongly supports carbon offsets that generate additional co-benefits, such as achieving nature positive outcomes, improving biodiversity outcomes and habitat linkages to achieve broader regional and catchment planning framework objectives, ensuring cumulative and holistic impacts are managed, facilitating ecosystem restoration, and active participation of Traditional Owners to enhance land management and protect cultural heritage values.

The EPA appreciates the opportunity to provide input into the reforms to improve the integrity and governance of the Scheme, and welcomes further engagement to increase transparency, efficiency and effectiveness of State and Commonwealth processes.

Yours sincerely



Lee McIntosh

Deputy Chair – Environmental Protection Authority

2 October 2023