

Introductory webinar: Overview of the Bill transcript

5 May 2026

Please note that this transcript has been edited for clarity.

Kate LEA-PERRY

SLIDE 1

Good afternoon, everyone. My name is Kate Lea-Perry. I'm the branch head of the Carbon Crediting Branch in the Department of Climate Change, Energy, the Environment and Water. And I'm here today to, with my colleague Ingrid Cripps, present to you an overview of the Carbon Credits and Other Legislation Amendment (Integrity and Transparency) Bill.

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Before we get going, I'd like to acknowledge the traditional custodians of the land that we're meeting in today in Canberra and acknowledge their continued connection to the lands, skies and waters of our beautiful community. I'd like to pay my respects to their cultures and to their elders past, present and emerging. I particularly like to acknowledge in Canberra the lands of the Ngunnawal people and as the traditional custodians of these lands and other families that have connection to this region. And also, given we're gathering online, I'd like to acknowledge the traditional custodians of the lands where all of you are calling in from and joining us today, and to extend my respect to any Aboriginal and Torres Strait Islander people attending today's meeting or webinar.

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Before we kick off, I'd just like to turn to a few housekeeping items. So this session will be recorded. If you have any concerns, please let us know in the chat function. We will be holding a question and answer session at the end of this webinar and we'd ask that you please submit any questions through the chat function. These questions will be reviewed by our moderators and we will then respond to as many as we possibly can in the session.

Subsequent to the session, we'll be updating our website through our HaveYourSay page with some key frequently asked questions that have been raised on the bill. And of course, please do shoot us an email if you have any other further questions or concerns.

We'll also be looking to publish a version of the slides we present today on our website so they can be accessed by you guys and anyone who can't make it today. And importantly for any journalists attending today's meeting, just a reminder, please not to attribute any comments from the webinar today to department staff that are presenting and that any media inquiries should be directed to our media team. There's information on our screen as to the email address where those should be directed.

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So moving on to the main feature of the day, which is firstly, welcome. Thank you very much for attending today's overview session about the amendment bill we have just released on behalf of the government. Our consultation is now open on the *Carbon Credits and Other Legislation Amendment (Integrity and Transparency) Bill 2026*. It's a mouthful but it's worth it. This bill would amend the *Carbon Credits Carbon Farming Initiative Act 2011*, known as the CFI Act, and also includes amendments to the *National Greenhouse and Energy Reporting Act 2007*, which can be referred to as the NGER Act.

Today's session will primarily focus on a high-level overview of the amendment package, most relevant, parts most relevant to the ACCU Scheme and with a very brief overview of the NGER Act amendments. Of course, more detail on both sets of amendments can be found in the Exposure Draft of the bill, which has been released, and also we have released a consultation paper on the proposed amendments, which is available on our website on our HaveYourSay page.

Most importantly, we're very, very keen to hear what you think about the bill that has been released. We would welcome submissions through our HaveYourSay page by Friday the 22nd of May.

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So moving on to what we will cover in today's session, we'll provide a very quick

refresher on the ACCU Scheme for those that may be coming to this a little bit fresher. We will provide background and context to the amendments that have been proposed from reviews that have been undertaken and consultation that the department has conducted.

We'll provide an overview of the amendments themselves, information on the consultation process that we are undertaking and the opportunities to engage through that process. And we'll also provide an update on next steps, what happens from here.

Again, there will be questions at the end. If throughout the session, you'd like to pop questions in the chat as we go, that's completely welcome. And also you can put them forward to us at the end.

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Before we move on to the details of the amendments, of course an important legal disclaimer noted on the screen there. Today we'll be explaining the intent behind the legislative reforms from a policy perspective. This does not constitute legal advice and we would recommend that you seek your own legal or other preferences. professional advice as needed in regards to the bill.

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So, we'll now move on to the amendments themselves, and I'll pass over to my colleague Ingrid Cripps to run you through those. Thanks, Ingrid.

Ingrid CRIPPS

Thanks, Kate.

So, I'll provide some background on the scheme and why legislation amendments are being proposed.

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So hopefully many of you are familiar with the Australian Carbon Credit Unit Scheme. It is a voluntary scheme that provides incentives for organisations and individuals to adopt new practises and technologies to reduce emissions or store carbon.

Participants earn ACCU or Australian Carbon Credit Units for the emissions stored or avoided by their project. ACCUs can be sold to private buyers or the government. As a legislated scheme established by the Carbon Farming Initiative Act, it's administered by both the Department and the Clean Energy Regulator.

All projects must follow an approved methodology that has been assessed to comply with the legislated offsets integrity standards by the independent Emissions Reduction Assurance Committee. There are currently 11 methods available for new projects across multiple sectors, which you can see images on the screen there. And there are a number of projects being run under older methods.

Alongside emissions reduction benefits, many projects also have non-carbon benefits, including benefits for the environment, communities and local economies. There are over 2500 projects registered and over 180 million tonnes of abatement has been delivered since 2011.

The Scheme is part of a portfolio of policies. It complements a suite of policy measures that together contribute to Australia's emissions reduction targets. Together with the reformed safeguard mechanism, the scheme enables hard-to-abate industries to manage compliance costs while low emissions technology solutions are developed.

It will continue to play an important role in Australia's net zero transition, including through scaling up carbon storage inland as outlined in the net zero plan.

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Reviews by the Climate Change Authority, independent experts and the Australian National Audit Office have found that the scheme is well designed and administered and is contributing to Australia's net zero transition. Reviews have recommended sensible changes to ensure ongoing integrity and alignment with evolving best practice.

A programme of reform and improvement is well underway, with the most recent updates outlined in a progress report published in February. Continuous improvement is embedded in the scheme's design through statutory reviews and

periodic method reviews by the independent Emissions Reduction Assurance Committee.

This amendment package builds on significant progress in implementing the recommendations of these reviews, including governance changes to strengthen method integrity and scheme administration, such as appointing a full-time Emissions Reduction Assurance Committee chair, legislation amendments to improve transparency, such as requiring more project data to be published, and changes to bolster the integrity of methods, such as reforms to the landfill gas method to have an upward sloping baseline for landfill gas projects over time.

The proposed amendments in the bill also build on significant consultation to date, including submissions on proposed policy positions to implement the government's response to reviews in late 2023, as well as feedback we've heard directly from stakeholders via workshops, bilateral discussions and through the development of methods.

There have also been lessons learned through implementing and governing the scheme over the past 10 years. These amendments seek to action these learnings, including by making administrative improvements, reducing complexity and ensuring the scheme is fit for purpose.

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I'll provide a quick overview of the amendments to both of the Acts you can see on the screen, and then outline the details of each upcoming webinar, which focus on the Australian Carbon Credit Unit Scheme amendments.

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The amendments to the ACCU Scheme seek to bolster scheme integrity, strengthen governance, and improve administration. The proposed amendments would strengthen scheme consent requirements by recognising registered native title claimants as eligible interest holders and requiring upfront and staged consent for projects on land that is recognised as native title land or is subject to native title claims.

Amendments aim to enable the existing Emissions Reduction Assurance Committee to evolve into the Carbon Abatement Integrity Committee.

Amendments clarify the governance arrangements for proponent-led method development in the Scheme.

Amendments create new ministerial powers to manage critical integrity risks the scheme could face in the future.

Amendments encourage greater investment and participation in research and development into emissions reduction opportunities for the scheme.

There are amendments to enhance the Clean Energy Regulator's compliance and publication powers to ensure ongoing integrity and transparency of the scheme.

And there are amendments also to simplify and streamline the scheme's administration.

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The National Greenhouse and Energy Reporting, or NGER Scheme, is Australia's national system for reporting greenhouse gas emissions, energy consumption and energy production by Australian corporations. Amendments are being made to address recommendations by the Climate Change Authority in their 2023 review of NGER legislation.

These amendments include a new power to allow for greater transparency of NGER Scheme data at the facility level, with the details of transparency requirements, for example the granularity of published information and the applicable thresholds, to be set and amended by legislative instrument. This will provide flexibility to adjust the requirements over time to meet new needs while still providing parliamentary oversight.

The amendments aim to reduce administration for the Clean Energy Regulator by allowing the deregistration of companies where they are a Chapter 5 body corporate, for example, being wound up or under administration.

And amendments aim to fill a gap in reporting obligations, where companies are significantly late in applying for registration under the NGER Scheme, to ensure continuity of obligations to report under the scheme.

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So a series of webinars are being held this week to cover the amendments to the Australian Carbon Credit Unit Scheme in more detail and allow for questions and answers. Registration is available on the HaveYourSay page on our website, and I encourage you to sign up to those you are interested in following today's presentation. I'll take you through a taster of each of them now.

The first webinar will cover amendments to establish the Carbon Abatement Integrity Committee to replace the Emissions Reduction Assurance Committee, emphasising the committee's key role in ensuring method integrity.

The amendments propose to introduce specific expertise criteria to inform appointment processes and a requirement that at least one member is an Aboriginal or Torres Strait Islander.

The amendments add additional functions for the committee to advise on priorities for method development, including proponent-led methods, with that advice published.

The amendments enhance the committee's independence and rigour of method assessments, through enabling access to independent advice from experts, and the option to lengthen the mandatory public consultation period on new or varied methods.

And the amendments enhance the transparency of the committee by requiring the publication of outcomes of their review processes and their advice, which is currently often done on a voluntary basis.

This first deep dive webinar will also cover changes to the newness requirement to remove barriers that may be discouraging prospective proponents from participating

in research and development. The establishment of new methods relies on continuous investigation of ways to reduce Australia's greenhouse gas emissions. This amendment aims to adjust the scheme's eligibility requirements to reduce the risk that organisations withhold research and development investment or do not participate in trials and pilots.

The amendments introduce research and development as a key consideration by the Clean Energy Regulator during the newness check when registering a project.

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The second deep dive will focus on the proposed new integrity risk method declarations powers, or IRMD for short. The proposed amendments would provide the Minister the power to make an integrity risk method declaration if the continued use of a method would create a material risk to the integrity of the ACCU Scheme. This new power would complement existing integrity features of the scheme and is envisaged as a measure of last resort.

It would not be used as a matter of course, for example, when new versions of a method are released. Rather, it would only be used when absolutely warranted to protect the integrity of the entire scheme.

To provide some more context on the potential situation an integrity risk method declaration may be appropriate, is that it could be where an existing method has an integrity issue discovered, which cannot be sufficiently addressed through other integrity responses to ensure ongoing compliance with the offset's integrity standards. Those integrity issues are so serious that the integrity and value of ACCUs generated are being questioned by buyers and the public.

The projects using that method play such a large role in the scheme that if they continue using the identified method, the credibility of the scheme as a whole could be called into question. A loss of buyer and public confidence on that scale could undermine the operation of the whole scheme and affect the ability of the scheme to contribute to Australia's emissions reduction targets.

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Given the significance of this power, there's a number of criteria and conditions under which it would be used.

The Minister would only have the option to make an integrity risk method declaration if the integrity risk threshold criteria are met. Those criteria have two components.

The method must be found not to comply with one or more of the legislated offsets integrity standards. Continued crediting under the method would pose a material risk to Scheme integrity. One way that could be demonstrated is if continued crediting would adversely impact the achievement of the objects of the Act. And these objects are to remove greenhouse gases from the atmosphere, and avoid emissions of greenhouse gases in order to meet Australia's international obligations, and to facilitate the achievement of Australia's Greenhouse gas emissions reduction targets. Before the Minister can make an integrity risk method declaration, other conditions must always be satisfied.

The committee must investigate and consult before providing the Minister advice on whether the integrity risk threshold criteria are met and whether making a declaration would substantially mitigate the risk. An alternative method of the same kind must be available and all projects using the method the Integrity Risk Method Declaration would apply to must be reasonably capable of moving to the alternative method. And finally, the minister must consult on their preliminary decision whether to make a declaration.

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After an integrity risk method declaration is made, there would be a period of time before it takes effect, providing an opportunity for projects to transition to a new method. That period would be up to two years for emissions avoidance projects and up to five years for sequestration projects. The minister may choose a shorter period, but no less than six months.

Once the integrity risk method declaration takes effect, projects will be prevented from continuing to earn ACCU using that method. To continue earning ACCU, projects may transition to another method. That may be the suitable alternative

method identified in the Minister's decision, or another method that projects are eligible for.

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The third webinar will cover the proposed changes to the scheme's consent requirements. These amendments aim to expand eligible interest holders to include registered native title claimants.

The amendments establish an upfront consent requirement through a two-stage process for area-based offsets projects on native title land or claimed native title land. This prevents projects from being registered without the knowledge or consent of a registered native title body corporate or a registered native title claimant. The proposed two-stage process will not apply to other categories of eligible interest holders.

And the amendments will clarify the consent obligations for exclusive possession native title land by removing the need for consent from Crown Lands Ministers. These changes aim to ensure registered native title body corporates and registered native title claimants are engaged before a project is registered.

Earlier engagement provides more time for native title holders and claimants to determine how project activities may affect their rights and interests.

Overall, the reforms seek to improve alignment with free prior and informed consent principles by strengthening consent requirements at the earliest stages of a project life cycle and reinforcing the need for ongoing engagement throughout the lifespan of the project.

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The rest of the bill in regards to the Australian Carbon Credit Unit Scheme amendments focus on implementing broader changes intended to improve integrity and scheme administration. The CFI Act hasn't been broadly amended since 2014, when the scheme moved from being the Carbon Farming Initiative to the Emissions Reduction Fund.

Through 11 years of administration, important changes have been identified that will

improve its operation. This includes bolstering the Clean Energy Regulator's powers to support compliance and enforcement, improving flexibility for proponents, and clarifying key concepts and processes.

This deep dive webinar will cover items in sections E, F and G of the consultation paper. I'll outline a couple of amendments here, but please come to the webinar to hear more.

The Clean Energy Regulator will gain powers to require relinquishment or require the hand back of Australian Carbon Credit Units for abatement that wasn't achieved. And a new voluntary relinquishment process will be introduced for when proponents unintentionally provide false information.

These changes reflect the government's commitment to continuously improve the scheme, with the new relinquishment power complementing existing mechanisms and filling a regulatory gap, and the new voluntary relinquishment process responding directly to stakeholder feedback.

The Clean Energy Regulator will gain new tools to assist with scheme compliance. This includes being able to issue infringement notices for lower level infringements, being able to reverse decisions if they were made based on false and misleading information, and being able to seek injunctions for breaches of carbon maintenance obligations.

The fit and proper person test will be expanded to also apply to designated agents who act on behalf of others in the scheme.

The amendments include clarifications to the way permanence, crediting periods and carbon maintenance obligations work, adding sensible flexibility and closing potential loopholes. This includes clarifying that Australian carbon credit units can be relinquished to vary or revoke a carbon maintenance obligation, as well as changes to address anomalies to ensure crediting periods are entirely included in a permanence period.

There are clarifications to reporting obligations and added flexibility. This includes allowing reporting of abatement up to 9 months after reporting period ends and

clarifying that reporting is not required after both the crediting period and the permanence period ends.

The amendments make improvements to the administration of area-based projects to make it easier for projects to switch between emissions avoidance savannah fire management methods and emissions avoidance and sequestration savannah fire management methods, and also to make it possible for parts of sequestration projects to be removed from the scheme if the associated Australian Carbon Credit Units are relinquished.

There are amendments which allow for projects to transition from 25 year to 100 year permanent periods, providing they have obtained the necessary consent. And finally, the Australian Carbon Credit Unit purchasing function will be moved from the Clean Energy Regulator to the Secretary of the Department of Climate Change, Energy, Environment and Water, fulfilling the Chubb review recommendation that purchasing should be undertaken by another agency. I'll now hand back to Kate to take us through the next steps.

Kate LEA-PERRY

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Thanks, Ingrid. So regarding next steps, that was quite a high-level overview. I intentionally said that we've got enough time for an initial question and answer session, but also to encourage you to attend those deep dive webinars where we get into depth on the categories that Ingrid outlined.

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So firstly, we would encourage you to register for the deep dive webinars through our HaveYourSay page on our website.

Take a look at the bill, take a look at our consultation paper, which we've prepared to speak to the main primary amendments across the bill package and hopefully make them a little easier to navigate because amendment bills can be pretty tricky to work through. I've also included some background information on our website regarding the bill package as well.

Please submit then your submission through our HaveYourSay portal, as I said earlier, by the 22nd of May and email us if you've got any concerns there.

The feedback will inform the next version of the bill that would be introduced into Parliament for consideration by Parliament and may also inform hopefully the implementation of the amendments if they are passed.

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So in terms of the next steps, we are very much at the consultation stage and we'll be working through that through to the 22nd of May.

Following consultation, the bill will be refined to consider the consultation feedback. But I would note, as you may have already noted, and we've got some questions about it already coming through the Q&A function, the time frame for the consultation is extremely tight and we acknowledge that. We are working to a very tight timeline, potentially to work towards an introduction timeframe. It hasn't been confirmed yet and time frame for introduction is a matter for the government, but we are pressing on following what has been quite a long development process for this package of amendments and has been informed helpfully by prior consultation on a lot of the concepts that are now reflected in this bill.

If the bill is passed, there would be a further package of amendments work that would occur and that includes consequential amendments to the Scheme rule that sits underneath the bill. The CER would make adjustments to some of its online information through its online services portal and there would be updates also to key communications materials such as guidance materials and web materials.

For added fun in parallel, we're also progressing a remake of the rule for the ACCU Scheme, so the CFI rule. We are doing that because the CFI rule, having been in place for 10 years as a legislative instrument, is due to sunset in 2027 and we need to remake it so that it continues to be available.

We're doing that in parallel with the bill work and then we will then flow through any relevant changes that are required to the bill once it's passed to the parliament into that rule once the bill has completed its parliamentary consideration period.

So there's a few parallel legislative processes occurring here, but we are right now at the consultation stage on the bill and looking to progress forward down that lovely road as we go and hopefully achieve passage of the bill in good time.