



Australian Government

Government Response to the Independent Review of Australian Carbon Credit Units

The Government has welcomed the final report of the Independent Review of Australian Carbon Credit Units (ACCUs) to ensure confidence in the integrity and effectiveness of the ACCU scheme.

The review concludes the ACCU scheme arrangements are sound but recommends that after 11 years of operation, some sensible changes will strengthen the scheme.

Recommended updates include clarifying governance, improving transparency, and facilitating positive project outcomes and co-benefits.

The Government has accepted in principle all 16 recommendations of the independent panel, led by former Chief Scientist Professor Ian Chubb AC, to improve the scheme.

The Government commissioned the review in July 2022 to explore how the scheme can best support Australia's emission reduction targets, support cultural, social, economic and environmental outcomes and address concerns raised about the scheme's integrity.

The independent panel reviewed the scheme's architecture and governance, and the broader impacts of carbon projects including for agriculture, biodiversity, participation of First Nations peoples and regional communities.

A strengthened scheme will also provide increased opportunities for farmers, the agricultural sector and other participants in the carbon market.

The panel consulted widely with industry experts, federal and state and territory governments, regional councils, First Nations and Native Title representative groups, carbon service providers and current and former administrators, reviewing over 200 submissions.

The recommended improvements include:

- clarify the intention of the scheme
- clearly identify and separate the key roles of integrity assurance, regulation and administration
- improve transparency and remove unnecessary restrictions on data sharing
- provide more support for regional communities and First Nations peoples to participate in and benefit from the scheme
- improve information and incentives, including in relation to non-carbon benefits and attributes.

The Government recognises that the panel's recommendations have implications for a wide range of market participants and other stakeholders, and will work with them on implementation, including any associated legislative amendments. Importantly, the Government will ensure alignment with its new Nature Repair Market and ensure programs such as Climate Active are best practice in

consultation with stakeholders. The Government will consider funding arrangements for implementation of the recommendations through the 2023-24 Budget.

The panel's final report and recommendations are available at <https://www.dcceew.gov.au/climate-change/emissions-reduction/independent-review-accus>