

09 October 2026

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
By email: ec.sen@aph.gov.au

Dear Senators,

Re: Carbon Credit and Other Legislation Amendment (Integrity & Transparency) Bill – 2026 Senate Inquiry

Climate Friendly welcomes the opportunity to provide a submission to the Senate inquiry into the *Carbon Credit and Other Legislation Amendment (Integrity and Transparency) Bill 2026* (the Bill).

Climate Friendly is a profit-for-purpose organisation that supports the development and delivery of carbon farming and nature repair projects across Australia. We work in partnership with farmers, foresters, Traditional Owner groups, conservation organisations and other land managers to generate high-integrity Australian Carbon Credit Units (ACCUs) and deliver environmental, cultural, social and economic outcomes.

Over more than 15 years of operation under the ACCU Scheme and its predecessor arrangements, Climate Friendly has supported the establishment of more than 200 carbon farming projects, facilitated the successful completion of more than 200 independent audits, and provided services to projects that have generated more than 28 million ACCUs. These ACCUs represent approximately 22 per cent of all land-sector ACCUs issued to date. As one of Australia's largest and most diversified carbon project service providers, Climate Friendly has practical experience across a broad range of ACCU methods, regions, land tenures and project scales, providing a unique perspective on how the proposed reforms will operate in practice.

The Bill represents the most significant legislative reform of Australia's carbon farming framework since the establishment of the ACCU Scheme. The ACCU Scheme has been independently reviewed and found to be fundamentally sound. In our view, the Bill represents a considered evolution of the framework rather than a fundamental redesign. It seeks to implement key recommendations arising from the 2022 Independent Review of Australian Carbon Credit Units (the Chubb Review), subsequent recommendations of the Climate Change Authority, and lessons drawn from the operation of the Scheme over more than a decade.

Key Reforms supported by Climate Friendly

Climate Friendly supports the passage of the Bill. The Bill appropriately builds on the strong foundations through reforms that further strengthen governance, integrity and transparency. In particular, we support:

- **Establishment of the Carbon Abatement Integrity Committee (CAIC):** creating a stronger governance framework for method development, oversight and integrity assurance.

- **Greater flexibility for permanence periods:** allowing projects to transition from a 25-year permanence obligation to a 100-year permanence obligation, strengthening incentives for long-term carbon storage and environmental outcomes.
- **Enabling integrated land management approaches:** creating pathways for projects that combine emissions avoidance and carbon sequestration activities within a single ACCU project with multiple carbon management actions, better reflecting how land managers operate in practice.
- **More strategic and impactful government purchasing:** enabling future government purchasing decisions to consider broader value-for-money outcomes, including biodiversity, Nature Repair, resilience, cultural and regional development benefits, rather than focusing solely on lowest-cost abatement.
- **Improved pathways for innovation:** supporting research, development and pilot activities while maintaining integrity, particularly for emerging opportunities such as livestock emissions reduction and other agricultural technologies.
- **Clearer two-stage consent processes for Native Title Holders:** introducing a two-stage consent framework that aligns more closely with the voluntary Code of Conduct. While we support the intent of this change, we would prefer the legislative drafting to be more closely aligned with the Nature Repair Act to streamline participation and better enable integrated carbon and nature outcomes.

Collectively, these reforms implement key recommendations arising from the Chubb Review and strengthen the Scheme's capacity to evolve while maintaining confidence in the integrity of ACCUs.

Priority Amendments for Senate Committee Consideration

While Climate Friendly supports the Bill, we recommend three targeted areas for amendments that would improve transparency, strengthen scheme operation and provide greater certainty for project participants without undermining investment confidence. The rationale for each amendment is set out in this section and proposed amendment text is provided at Annex 6 for each recommended change.

1. Transparent Reporting and Use of Scheme Risk Buffers

Risk and permanence buffers are among the ACCU Scheme's most important integrity mechanisms, yet there is currently limited transparency regarding their operation, utilisation and adequacy.

Australia's carbon projects operate in landscapes exposed to bushfire, drought and flood. The ACCU Scheme was designed so that project proponents would not bear all liability for carbon losses arising from unavoidable natural disturbances where they have taken all reasonable steps to manage those risks.

Risk and permanence buffers were established for this purpose, creating an inbuilt insurance mechanism to ensure ACCUs represent real and permanent abatement. At present, an estimated 17 million ACCUs have been withheld by the Regulator as part of these mechanisms, compared with approximately 118 million ACCUs issued for land-sector projects. While the original Explanatory Memorandum clearly explains the purpose of the buffer arrangements, the Act is largely silent regarding buffer reporting and utilisation.

We recommend amendments that would:

- increase transparency regarding the size and use of scheme buffers;

- clarify the circumstances in which buffers can be used following unavoidable natural disturbances where project proponents have undertaken all reasonable actions required under the Scheme, including implementation of their permanence plans, but carbon stores cannot be re-established within the permanence period; and
- require ongoing public reporting regarding buffer utilisation and adequacy.

These changes would improve transparency while enabling periodic assessment of whether the buffer system is operating as intended. They would also increase scheme certainty and support continued investment in carbon projects by providing clear rules on how the buffers operate following unavoidable natural disturbances.

While the 2019-20 Black Summer bushfires did not occur across ACCU project areas and therefore do not represent a direct test of credited project performance, they provide an important real-world analogue for assessing permanence risk over the long timeframes relevant to sequestration projects. As one of the most severe landscape-scale disturbance events experienced since the commencement of the operation of the ACCU Scheme, the fires demonstrated considerable ecosystem resilience, with NSW Government monitoring finding that more than 75% of areas burnt at high or extreme severity exhibited large to extreme increases in vegetative cover within one year, with broader recovery continuing thereafter and most impacted areas recovering strongly in 3-5 years. Although permanence risk can never be eliminated, these observed recovery outcomes suggest that the level of long-term risk may be lower than is often assumed and provide some support for the view that existing permanence discount and buffer settings are likely sufficient to manage foreseeable reversal risks. However, transparent tracking and reporting will help monitor and ensure this.

2. Modernise Scheme Terminology

The Bill provides an opportunity to modernise ACCU Scheme terminology so that legislation reflects the range of legitimate uses of ACCUs in contemporary carbon markets.

Climate Friendly recommends replacing references to "offsets" with "carbon credits" or "ACCU" throughout the Act. While offsetting remains an important use of ACCUs, ACCUs now support a much broader range of activities including voluntary climate action, supply-chain decarbonisation and insetting, product differentiation, market-access requirements, and other compliance obligations. We provide further information on current and emerging demand for ACCUs at Annex 1 as further context to this proposal.

It is important that legislation does not predetermine how ACCUs will ultimately be used through terminology that assumes all credits are offsets. Carbon projects are an important mechanism for mobilising investment into land-sector decarbonisation, carbon sequestration and environmental restoration, with different choices and pathways for how the resulting ACCUs may ultimately be utilised.

We also recommend modernising references to Kyoto ACCUs, reflecting the fact that the Kyoto framework concluded in 2020 and continuing to refer to ACCUs issued after that time as Kyoto ACCUs no longer accurately reflects the contemporary international environment in which the ACCU Scheme operates.

3. Targeted Improvements to Scheme Transparency and Information Reporting

Climate Friendly supports continued improvements in ACCU Scheme transparency and recognises the important role that publicly available information plays in maintaining confidence in carbon markets.

As outlined in Annex 4, ACCU projects are already subject to extensive public disclosure, reporting and independent assurance requirements. Significant information is publicly available through the ACCU Scheme Register, while additional project information is regularly provided to the Clean Energy Regulator and independently audited.

Rather than relying on project-specific disclosure requests, Climate Friendly considers the Committee should review the substantial information already available under the ACCU Scheme and consider any further reporting requirements through a consistent and standardised framework that is comparable across the ACCU Scheme as a whole. Consistent reporting enables more meaningful analysis and fair and transparent treatment for project proponents, rather than selectively examining a sub-set of projects, methods or proponents in isolation.

On review of the available information, consideration could be given to expanding public registers to also include the following information categories that are not currently readily accessible:

- publication of high-level audit outcomes and aggregated audit statistics at a scheme level;
- reporting changes in Carbon Estimation Area (CEA) hectares over time, in addition to the current spatial files which require specialist analysis to determine changes; and
- reporting forest cover assessment gateway dates for human induced regeneration projects.

Climate Friendly does not support the routine publication of entire project reports or audit reports, due to the sensitive personal and commercial nature of some of the material included as part of these reports. If there is demand for additional project-level disclosure, a more appropriate approach would be the development of standardised reporting templates, similar in concept to annual financial statements released by corporations. Standardised disclosure templates would improve comparability across projects, provide more meaningful insights at a scheme level, and avoid the risks associated with incomplete, inconsistent or selectively interpreted information being released outside a consistent reporting framework. Importantly, a standardised approach would also provide a clear mechanism for protecting:

- personal data and information;
- culturally sensitive information relating to Traditional Owners and Native Title Holders;
- commercially sensitive information;
- confidential contractual arrangements; and
- intellectual property.

A targeted, standardised and scheme-wide approach would strengthen transparency while ensuring reporting obligations remain fair, practical and proportionate for project proponents, regulators, investors and the broader community. Balancing transparency with appropriate privacy protections is particularly important in this era of growing artificial intelligence.

Conclusion:

This submission draws on Climate Friendly's experience supporting more than 200 carbon farming projects across a broad range of ACCU methods, regions and land tenures. While we support the passage of the Bill, we encourage the Committee to consider the targeted amendments outlined above relating to risk buffers, scheme terminology and transparency reporting.

To assist the Committee, the submission also includes supporting annexes covering the following topics:

1. Mobilising Investment in Carbon Drawdown: Current and Emerging Demand for ACCUs;
2. Evidence of ACCU Scheme operation and existing integrity safeguards;
3. Case studies demonstrating environmental, social, cultural and economic benefits delivered through carbon farming projects;
4. Information Collected, Reported, Audited and Publicly Available under the ACCU Scheme;
5. Prioritisation of the planned National Database Establishment to support further information transparency with appropriate privacy protection for complex datasets; and
6. Draft amendment text relating to the proposed reforms for the Committee's consideration.

Climate Friendly appreciates the opportunity to contribute to the inquiry and would welcome the opportunity to appear before the Committee to provide further evidence in relation to this submission.

Kind regards

Skye Glenday
Chief Executive Officer
Climate Friendly

Annex 1: Mobilising Investment in Carbon Drawdown: Current and Emerging Demand for ACCUs

Achieving Australia's climate objectives will require both deep emissions reductions across the economy and substantial carbon sequestration to remove and store greenhouse gases already in the atmosphere. While emissions reduction remains the primary priority, virtually all credible pathways to net zero recognise an ongoing role for carbon drawdown through activities such as vegetation regeneration, environmental plantings, soil carbon and other land-based sequestration. The ACCU Scheme provides an important mechanism through which these outcomes can be measured, verified and rewarded.

At the same time, carbon drawdown is only one of several important objectives for Australia's land sector. Farmers, Traditional Owners, pastoral enterprises, forestry operators and conservation land managers manage land for a range of purposes, including food and fibre production, environmental stewardship, cultural outcomes, biodiversity conservation, regional employment and economic development. Debate regarding carbon markets is therefore often framed as a question of land-use competition. However, the key policy challenge is not choosing between production and environmental outcomes, but creating frameworks that enable land managers to pursue both where appropriate in an integrated way and to make decisions based on local conditions, business objectives and community expectations.

The land sector is particularly important in this context. Agriculture, land use and land-use change collectively represent a significant component of Australia's emissions profile while also providing some of the nation's largest opportunities for carbon sequestration and landscape restoration. Unlike sectors such as electricity generation, mining and heavy industry, which are characterised by a relatively small number of large facilities, land-sector emissions and sequestration opportunities are distributed across tens of thousands of farms, Indigenous landholdings, forestry operations, Indigenous managed estate and conservation properties across Australia. As a result, regulatory mechanisms directed at a relatively small number of large emitters, such as the Safeguard Mechanism, are not well suited to driving land-sector abatement at scale. Instead, project-based mechanisms such as the ACCU Scheme provide a practical way to aggregate, measure, verify and reward emissions reductions and carbon removals across a large number of geographically dispersed land managers.

Importantly, carbon markets should not be viewed solely through the lens of carbon credit transactions. Their broader public policy purpose is to mobilise investment into emissions reduction, carbon sequestration, natural capital improvement and landscape restoration activities that may otherwise struggle to attract funding. Well-functioning markets can help create commercial incentives for environmental outcomes while allowing land managers to determine how those outcomes fit within broader land management strategies. The scale and diversity of ACCU demand is therefore relevant not only from a market perspective, but also as an indicator of Australia's capacity to attract private investment into climate action across regional and remote Australia.

Current ACCU demand is primarily driven by compliance obligations under the Safeguard Mechanism, supplemented by voluntary cancellations and ongoing deliveries under Commonwealth carbon abatement contracts. Based on

current market activity, realised demand is approximately 12.8–13.0 million ACCUs annually, representing an indicative market value of approximately \$455 million¹.

Safeguard Mechanism purchasing/use	10.8 million ACCUs for the 2024–25 compliance year	about 83–85%	Approx. \$400 million (average market prices for the period)
Voluntary and other non-Safeguard cancellations	1.2 million ACCUs in calendar 2025	about 9%	Approx. \$44 million (average market prices for the period)
Commonwealth carbon abatement contract deliveries	approximately 0.8–1.0 million ACCUs in calendar 2025	about 6–8%	Approx. \$9–12 million (based on indicative average government contract prices)
Total current realised ACCU demand	approximately 12.8–13.0 million ACCUs annually	100%	Approx. \$455 million

The Safeguard Mechanism has become the dominant source of ACCU demand, accounting for more than 80 per cent of current market activity. Voluntary cancellations continue to represent an important secondary source of demand, while Commonwealth carbon abatement contracts remain a material source of ACCU demand. Although significantly smaller than during the peak Emissions Reduction Fund purchasing period, deliveries under existing contracts continue to create demand for ACCUs and remove units from broader market circulation.

Importantly, the significance of these demand channels extends beyond their aggregate purchasing volume. Carbon farming and land-sector projects often involve long-term investment decisions by farmers, Traditional Owners and other land managers. Participation is therefore strengthened where there are multiple pathways through which environmental outcomes can be recognised and rewarded, rather than reliance on a single purchaser, policy mechanism or market segment.

This is particularly important in the context of land-use debates. A diverse range of market pathways can allow carbon sequestration, emissions reduction and environmental stewardship activities to be integrated alongside agricultural production, rather than being viewed solely as alternatives to it. Not every property will be suitable for every project type, and carbon projects will not be the preferred option for every landholder. Maintaining a mix of demand sources, including compliance markets, voluntary climate action, supply-chain initiatives, government purchasing programs and emerging environmental markets, helps ensure land managers have greater flexibility to select the combination of activities that best aligns with local environmental conditions, business priorities and community expectations. The objective should be to expand opportunities for landholders, not prescribe particular land-use outcomes.

Beyond existing compliance markets, a number of structural trends have the potential to increase demand for verified emissions reduction and carbon sequestration outcomes over coming years.

¹ * Commonwealth contract deliveries are estimated from changes in cumulative volumes recorded as sold to the Commonwealth in successive editions of the Clean Energy Regulator's Carbon Abatement Contract Register. The estimate is presented as a range because register reporting dates do not align precisely with the calendar year and contract-status changes can affect aggregate totals. Indicative values are based on average contract prices recorded in carbon abatement contracts and should be considered indicative only. Safeguard and voluntary demand values are based on prevailing market prices during the relevant period and do not necessarily represent the historical acquisition cost of the ACCUs surrendered or cancelled.

Australia's mandatory climate reporting regime is increasing transparency regarding emissions across major corporations and their value chains. As reporting entities develop emissions reduction strategies and respond to investor, customer and regulatory expectations, there is likely to be increasing focus on emissions management across agricultural, manufacturing, retail and financial supply chains.

The scale of potential future demand arising from these disclosures is substantial. Australian banks currently provide more than \$140 billion in lending to the agricultural sector, while Australian agriculture generates approximately \$100 billion annually in farm-gate production and more than \$70 billion in exports, underpinning much larger domestic and international food and fibre supply chains. As organisations seek to understand and manage value-chain emissions, agricultural producers are also facing growing expectations from customers, financiers and export markets to demonstrate progress on emissions reduction, climate transition planning and, increasingly, nature-related outcomes.

In response, financial institutions and value-chain participants are beginning to explore mechanisms that support emissions reduction, carbon sequestration and natural capital improvement within their supply networks. There is growing recognition that improvements in natural capital, including soil condition, vegetation cover, biodiversity and landscape function, can support productivity, resilience and long-term land stewardship outcomes. Subject to evolving accounting and claims frameworks, ACCUs provide a trusted and independently verified mechanism through which emissions reductions and removals can be measured, recognised and rewarded. These emerging supply-chain and voluntary demand pathways should be viewed as complementary to, rather than competing with, compliance demand under the Safeguard Mechanism. Together they broaden the range of opportunities available to land managers and help ensure investment in emissions reduction, carbon drawdown and environmental improvement is supported by multiple, reinforcing market signals.

The ACCU Scheme has already directed substantial public and private investment into emissions reduction and carbon sequestration activities across regional and remote Australia. While future outcomes will depend on factors such as policy settings, ACCU prices, method availability, land manager participation and the growth trajectory of compliance and voluntary markets, the scale of existing demand and emerging market opportunities suggests the Scheme has the potential to channel many billions of dollars of additional private investment into the Australian land sector over coming decades.

Under sustained market growth scenarios, cumulative investment and land manager revenue could exceed \$20 billion over a 10–20 year period. This figure is illustrative rather than predictive, but highlights the scale of the economic, environmental and regional development opportunities that may be realised through a high-integrity, trusted and investable ACCU Scheme. More broadly, it demonstrates how well-designed carbon and environmental markets can expand the range of commercially viable options available to farmers, Traditional Owners and other land managers, supporting emissions reduction, carbon drawdown, landscape restoration and long-term land stewardship while preserving flexibility over how land is managed and how environmental outcomes are delivered. It is important that policy settings support development of this suite of complementary sources of demand, and replacing the word “offsets” with “ACCU” in the legislation would modernise the ACCU Scheme to enable the right mix of settings to evolve over time rather than pre-determining that ACCUs will be sold and used as offsets.

Annex 2: Evidence of Scheme Integrity in Practice:

The ACCU Scheme has delivered significant outcomes for Australian land managers while incorporating extensive assurance, audit and compliance mechanisms. An important measure of scheme integrity is whether these mechanisms operate effectively in practice to identify, prevent and correct issues where they arise.

The Scheme has been subject to extensive independent scrutiny, including the 2022 *Independent Review of Australian Carbon Credit Units* (the Chubb Review), reviews undertaken by the Climate Change Authority, reviews and advice from the Emissions Reduction Assurance Committee, Human Induced Regeneration Gateway Reviews led by Professor Cris Brack, and assessments by the Australian National Audit Office. Collectively, these reviews have examined the Scheme's integrity arrangements, governance and operation, and have informed improvements to the Scheme.

Publicly available ACCU Scheme data demonstrates that the ACCU Scheme contains multiple layers of oversight designed to ensure ACCUs are issued only for eligible, verified and audited abatement. Public registers provide information not only about successful project outcomes but also project revocations, relinquishments, conditional approvals and consent requirements. These mechanisms provide important safeguards and demonstrate that the Scheme actively identifies, manages and corrects issues where required.

Scheme Metric (land sector projects)	Associated Integrity Mechanism
2,309 registered projects	330 projects revoked
92 projects remain conditional on consent requirements	Consent gateway requirements before projects can proceed
721 projects have successfully completed audits and commenced ACCU issuance	Independent audit requirements prior to and during credit issuance
74 projects voluntarily elected to provide supplementary information	Additional transparency and information disclosure processes
128,933,583 ACCUs issued	Audit, reporting and verification requirements prior to issuance
114,174 ACCUs relinquished (0.09% of issuances)	Relinquishment and compliance mechanisms
17,393,715 ACCUs retained in risk and permanence buffers by Government (<i>estimated from analysis of the ACCU Scheme Register – refer to proposed targeted refinements below</i>)	Reversal risk management and permanence requirements
Approximately 6.5 million hectares of Carbon Estimation Area (CEA) under the Human Induced Regeneration method	Ongoing monitoring and gateway review requirements
Approximately 6-7% of CEA estimated to have been removed through gateway reviews to date (<i>estimated at ~215,000 hectares based on approx. 50% of projects passing gateways to date</i>)	Gateway review process requiring removal of areas not meeting regeneration requirements

Evidence from Human Induced Regeneration Gateway Reviews

Human Induced Regeneration (HIR) gateway reviews provide an important assurance mechanism within the ACCU Scheme. These reviews assess whether project areas are progressing towards forest cover consistent with method requirements and require the removal of areas that are not regenerating as expected. Where areas are removed, associated abatement is adjusted to ensure ACCUs are only retained for eligible and successfully regenerating areas.

Across the portfolio supported by Climate Friendly, 23 HIR projects have undergone gateway reviews since the beginning of 2024. On average, 5.29 per cent of Carbon Estimation Area was removed through the review process, indicating that 94.71 per cent of assessed project area was found to be regenerating in accordance with method requirements.

Importantly, the gateway review process resulted in an average removal of 2,018 hectares per project and an average adjustment of 31,245 ACCUs per project. These outcomes demonstrate that the integrity framework is operating as designed. Areas that do not meet regeneration requirements are identified and removed from ongoing crediting, and previously credited abatement is reconciled to ensure ACCUs are only retained for eligible regeneration outcomes.

Taken together, these results demonstrate that gateway reviews provide an effective assurance mechanism. They identify and correct areas that are not performing as required, while confirming successful regeneration of the substantial majority of assessed project areas. The results provide practical evidence that the Scheme's integrity mechanisms are functioning as intended, with ACCUs issued only for carbon abatement that is monitored, verified and maintained in accordance with method requirements.

Annex 3: Case Studies demonstrating environmental, social, cultural and economic benefits

Case Study 1: Thargomindah Regeneration Project

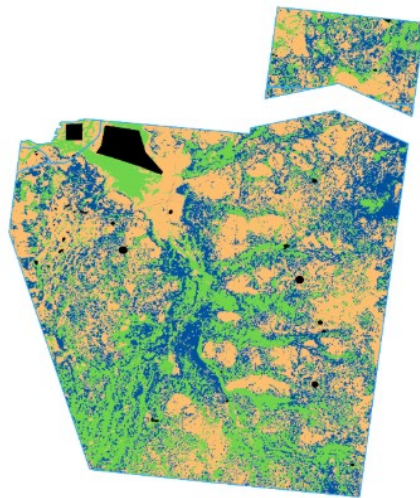


Video: Toby Adams, Chairperson of the Kullilli Bulloo River Aboriginal Corporation discusses how the Thargomindah Regeneration Project has enabled the return to Country, supported the acquisition of Thargomindah Station, and is creating long-term cultural, environmental and economic opportunities for future generations.

Located in spectacular red-earth country along south-west Queensland's Bulloo River, the Thargomindah Regeneration Project marks the return of the [Kullilli people](#) to Country after more than a century of dispossession. Establishment of a Human-Induced Regeneration project enabled the Kullilli people to purchase the 47,000 ha Thargomindah Station in 2023, supported by financing from Conscious Investment Management and partnership with Climate Friendly. The Traditional Owners are once again caring for this ancient landscape of floodplains, Gidyea woodlands and mulga country and seeing the benefits as the land regenerates and comes to life.

The Kullilli people are seeing the results of their changed land management. By ending overgrazing that had suppressed tree growth for decades and controlling feral animals, diverse native forest is regenerating across an 18,000-hectare project area. The first ACCU income has been reinvested in the property's ongoing cattle enterprise, carefully managed through rotational grazing. Over its lifetime the permanent forest resulting from the project is expected to generate around 273,000 ACCUs.

For the Kullilli people, the benefits extend far beyond carbon. The project has enabled them to return to Country, develop a Ranger program, strengthen cultural connections and build a lasting economic foundation for future generations. While the project outcomes are strictly audited, the outcomes for the Kullilli community are immeasurable.



- Project Area: 47061 ha
- CEA: 13094 ha
- Exclusion Area
 - clearing: 28 ha
 - forest: 13448 ha
 - non-regen: 18716 ha
 - other exclusion(s): 1775 ha



2025-06-02

Thargomindah Station Regeneration Project's initial stratification had 97% accuracy of baseline forest removal and 88% accuracy of detected regeneration areas (validated by high resolution Lidar). The regeneration will continue to be tracked at regeneration check gateways and any under-performing areas will be removed.

Case Study 2: Boothulla Regeneration Project



Will & Sasha Treloar and their young sons successfully completed succession planning and have taken over management of Boothulla cattle station and carbon farming project from Judy and Michael Treloar.

At Boothulla, a 73,000-ha family cattle property near Quilpie in south-west Queensland, the Treloar family has integrated carbon farming into a productive multi-generational grazing business. The Human-Induced Regeneration project required land management changes and the permanent end to practices that had suppressed forest regeneration. Income from ACCUs resulting from forest regeneration was invested in fencing, water infrastructure and rotational grazing systems that further reduced grazing pressures.

As one of Australia's longest-running HIR projects, Boothulla has successfully regenerated native forest across its 39,000ha project area, generating 653,633 ACCUs to date. The project has restored landscape function, with the family investing in contour banks and natural sequence farming techniques to improve water retention, groundcover and drought resilience.

As Boothulla's first proponent, Judy Treloar says the project has ensured a bright future for both the property and for the next generation. Rather than replacing agriculture, carbon farming has strengthened the family business, funded reinvestment in the landscape, supported successful completion of succession planning and transfer of the property to her son Will and his family, and helped create a healthier, better-hydrated and more resilient grazing enterprise.



Video: Will and Sasha Treloar discuss how the Boothulla Regeneration Project has been integrated into a multi-generational grazing business, supporting family succession, landscape restoration and the long-term viability of the property and local community.

Case Study 3: Urana Regeneration Project



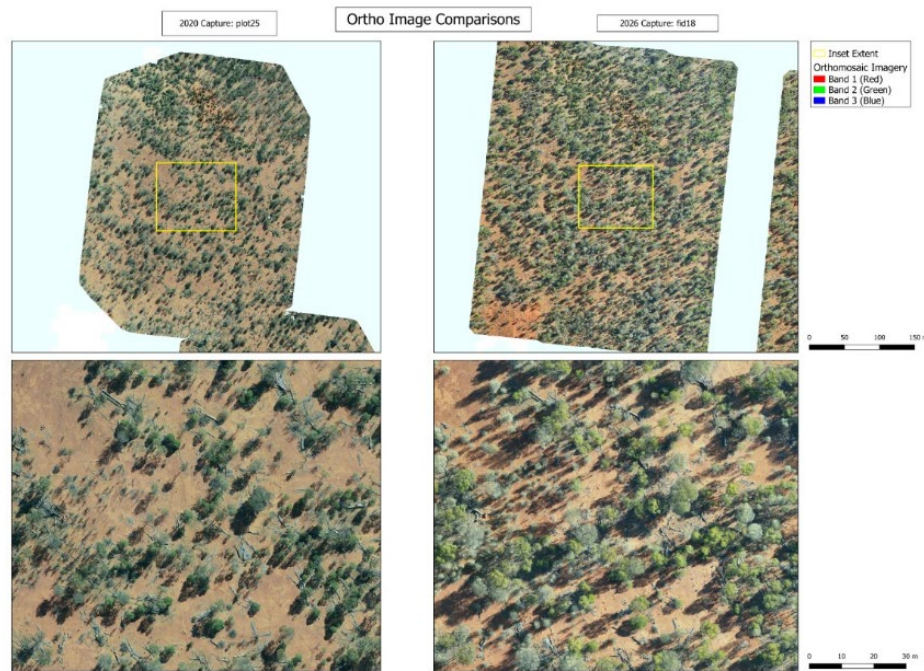
Video: Long-term land manager John Crook King reflects on how carbon farming has reduced grazing pressure at Urana Station, supported the regeneration of mulga country, and enabled the return of millions of native trees across the landscape.

Located on the 30,000ha Urana Station near Morven in south-west Queensland, the Crook-King family's Human-Induced Regeneration project spans 14,640 hectares. Damaged by decades of over-grazing by sheep, the project introduced land management practices to reduce pressure from livestock and feral animals, creating the right conditions for mulga, ironbark and poplar box to regenerate.

Income from ACCU sales was reinvested in a cattle business, with new fencing and additional water points enabling careful, managed grazing.

More than 96 per cent of the project area has already reached forest cover, years ahead of its 2030 Forest Cover Assessment Date. This outcome reflects many years of diligent stewardship by the Crook-King family and the ability of mulga country to recover, when given the chance.

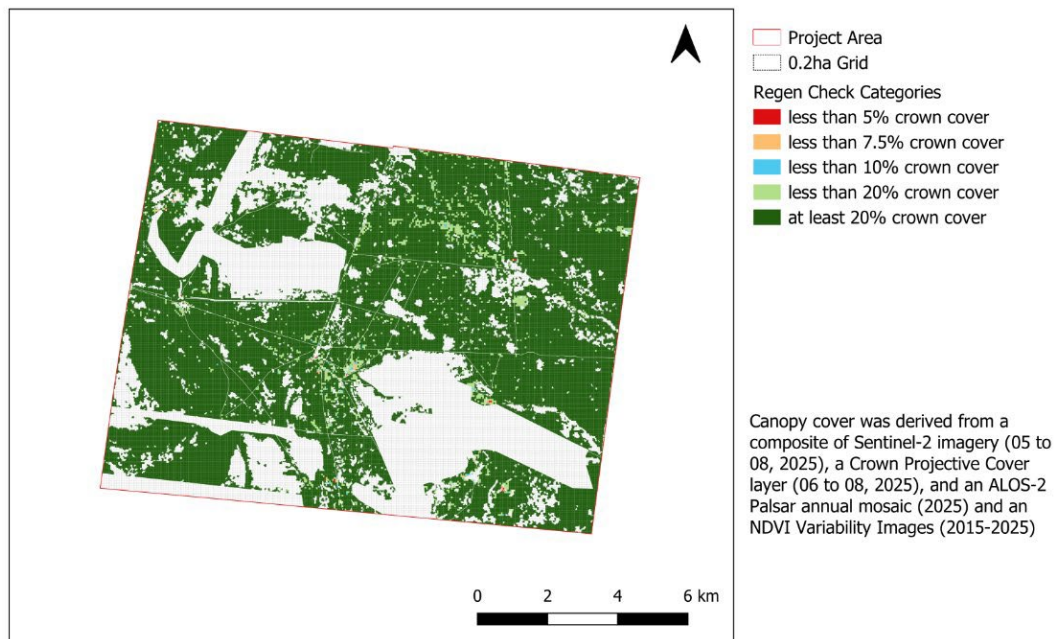
Having lived and worked on the property for more than 60 years, John Crook King is witness to the transformation firsthand. On country where decades of over-grazing once suppressed young trees, he loves looking to the extensive regeneration across a reinvigorated landscape, describing the result simply as "millions of trees".



Map accuracy and tree growth is verified by high resolution drone imagery as part of regeneration check gateways, showing significant forest regeneration between 2020 and 2025 snapshots depicted above.



Urana Lidar Based Regression 0.2ha Regen Check



2026-10-01

Over 96% of Urana carbon estimation area has already met forest cover requirements 5 years early

Annex 4: Information Collected, Reported, Audited and Publicly Available under the ACCU Scheme

The table below summarises key project information currently published through the ACCU Scheme Register, provided to the Clean Energy Regulator through project reporting, or examined through independent audit. It demonstrates that ACCU projects are already subject to substantial public disclosure, regulatory reporting and independent assurance requirements.

The Clean Energy Regulator publishes information about registered ACCU projects, carbon abatement contracts and ACCUs sold to the Commonwealth. Project proponents must also submit an offsets report, an application for ACCUs, any audit report required by the project's audit schedule, and method-specific supporting documentation. Area-based projects must provide geospatial information.

Not all information provided to the Regulator or an auditor is suitable for public disclosure. Some supporting material contains personal information, private financial information, commercially sensitive information, third-party data or intellectual property. Transparency measures should therefore distinguish between information that supports legitimate public scrutiny and detailed evidence that should remain available to the Regulator and independent auditors without necessarily being published.

Information category	Nature of information	Public register or published data	Project report submitted to the Regulator	Independent audit	Privacy, confidentiality and other considerations
Project proponent	May change if project ownership or responsibility changes	Current proponent publicly identified; approved variations recorded	Proponent identified and supporting evidence of legal right provided where relevant	Legal right and proponent status examined as applicable	No material concern ordinarily arises
Agent or service provider	May change during the project	Agent information may be recorded where applicable; variations recorded	Agent commonly prepares or assists with the project report	Agent's role may be identified in the audit material	While the Agent name is known, commercial arrangements between the proponent and service provider may be confidential
Project name	Generally constant, subject to approved changes	Publicly available; approved changes recorded	Identified in each report	Identified in the audit report	No material concern ordinarily arises
Project ID	Fixed identifier	Publicly available	Identified in each report	Identified in the audit report	No material concern ordinarily arises
Applicable method	Generally constant; a transition or variation may require regulatory approval	Applicable method publicly identified; approved changes recorded	Method and relevant version identified and applied	Compliance with the applicable method examined	No material concern ordinarily arises
Abatement estimation methodology	Nominated model or measurement approach may be specified	Method is publicly identified; key modelling inputs published	Applicable calculation approach, tools and inputs applied in calculating abatement	Calculation methodology, application and outputs examined	Detailed modelling or measurement approaches may contain intellectual property or commercially sensitive information, but high level rules and parameters area publicly

					available and not of material concern
Project activities and land-management practices	Generally nominated at commencement and may change in accordance with method requirements	Project description and certain activity information available; approved or reported changes may be reflected	Activities documented, with supporting evidence of implementation provided as required for each reporting period	Evidence of implementation and compliance examined	Detailed evidence may contain personal information, private financial information, operational data or commercially sensitive material
Project registration date	Fixed	Publicly available	Identified where relevant	Confirmed where relevant to the audit scope	No material concern ordinarily arises
Crediting period commencement date	Fixed, subject to applicable statutory arrangements	Publicly available	Reporting period and applicable dates identified	Dates examined against project and method requirements	No material concern ordinarily arises
Crediting period end date	Fixed, subject to applicable statutory arrangements	Publicly available	Reporting period and applicable dates identified	Dates examined against project and method requirements	No material concern ordinarily arises
Project location	Generally fixed, subject to approved project-area changes	State, postcode or other published location information available; some locations may be suppressed where permitted if apply for regulatory exemption but uncommon	Location documented	Location and relevant spatial information examined	Detailed location information may require protection in limited circumstances, including cultural, environmental, security or privacy considerations
Project area	Generally constant; changes require appropriate regulatory treatment	Spatial data and relevant property identifiers available for area-based projects	Project area documented, with evidence of legal right and relevant spatial information	Project boundaries, legal right and spatial information examined	No material concern ordinarily arises
Carbon Estimation Areas or other method-specific activity areas	May change over time in response to project performance and method requirements	Published spatial data may identify relevant project and activity areas and is updated as applicable	Areas documented, with geospatial and accuracy evidence provided	Spatial boundaries, eligibility and supporting evidence examined	Published boundaries are ordinarily not of material concern, but mapping processes to generate them may be proprietary and source data may be proprietary and combined they may constitute commercially sensitive intellectual property. Development of a National Database as outlined in Annex 5 may enable publication for specified use cases with appropriate privacy protections.
Supplementary project information	Voluntary	May be published at the proponent's election	Not required solely because supplementary	Not ordinarily within the audit scope unless	Publication remains subject to the proponent's election and

			information is published	relevant to a claim or Scheme requirement	applicable privacy and confidentiality requirements
Model start date or other method-specific commencement date	Generally fixed once established	May be publicly available where recorded as a project attribute	Documented with supporting evidence	Examined where relevant to eligibility or abatement calculations	Underlying evidence may contain operational or commercial information
Natural Resource Management region	Generally fixed by location	Publicly available where recorded	Identified where relevant	Confirmed where relevant to the audit scope	No material concern ordinarily arises
Eligible interest-holder consent status	Records whether consent has been obtained or remains outstanding	Consent status publicly available	Evidence of required consent provided in accordance with Scheme requirements	Consent evidence examined at the applicable stage	Agreements may contain personal information, bank details, benefit-sharing arrangements, culturally sensitive information and other confidential terms
Native title consent and engagement information	May involve staged consent and continuing engagement obligations	Status information may be published where required	Evidence of consent and compliance with applicable requirements provided to the Regulator	Evidence examined where relevant to the audit scope	Detailed records may contain culturally sensitive information, confidential negotiations, personal information and commercial terms. Publication should be designed with affected Native Title Holders and their representative bodies
Permanence period	Generally 25 or 100 years for sequestration projects, subject to applicable transition arrangements	Period and relevant dates publicly available	Permanence obligations identified; relevant plans and supporting evidence maintained or provided as required	Compliance with applicable permanence requirements examined	Detailed land-management and risk-management plans may include commercially sensitive operational information
Carbon Abatement Contract status	Optional; applies only where a project is associated with a Commonwealth contract	Contract identifier, volume and status information available where applicable	Not ordinarily part of the project's offsets report	Not ordinarily within the project audit scope	No material concern ordinarily arises
ACCUs issued	Determined for each successful crediting application	Issuance recorded against the project, including relevant period information	Abatement calculations and application for ACCUs submitted	Reported abatement and calculations examined where an audit is required	No material concern ordinarily arises regarding the issued volume itself. Supporting datasets underpinning the report may contain commercially sensitive or proprietary information
ACCUs relinquished	Arises where units are voluntarily relinquished or relinquishment is required	Relinquishments recorded against the project where applicable	Relevant information provided where relinquishment arises from	Treatment depends on the reason for relinquishment and the	Regulatory investigation material may be subject to statutory confidentiality, procedural fairness and enforcement considerations

			matters identified by the proponent	applicable audit scope	
Project status and revocation	Status may change during the project life	Active, revoked or other applicable status publicly recorded	Relevant information supplied where a status change arises from project reporting	Examined where relevant to an audit engagement	Supporting regulatory material may contain protected or commercially sensitive information
Enforcement action	Fixed record of regulatory action once taken	Regulatory action and rectification information published where required or authorised	Not ordinarily part of routine project reporting	Not ordinarily part of routine project audit	Publication must take account of statutory confidentiality, procedural fairness and any continuing investigation
Audit requirement and schedule	Multiple audits are required over the project life	Audit requirements may be identifiable from Scheme settings, but the detailed schedule is not necessarily published for each project	Audit report submitted when required by the project's audit schedule	Audit conducted in accordance with the applicable scope and assurance requirements	No material concern ordinarily arises
Audit conclusion	Fixed for each completed audit	Audit report and conclusion are not currently published through the project register	Audit report submitted separately where required, rather than forming part of the offsets report	Assurance conclusion stated in the audit report	Any future publication model should distinguish the assurance conclusion from detailed findings and supporting evidence
Detailed audit findings	Fixed for each audit but may differ across successive audits	Not currently published	Not part of the offsets report	Findings documented against relevant audit criteria and assessment categories	Findings may contain personal information, confidential legal or commercial material, security-sensitive information, allegations not ultimately substantiated, or information relevant to continuing regulatory action
Audit fees	Fixed under the relevant commercial engagement	Not publicly available	Not applicable	Recorded through the auditor's engagement and commercial documentation	Commercially and financially sensitive; limited public-interest value
Lead auditor	Fixed for each audit engagement	Not currently identified through the project register	Not applicable	Identified in the audit report and required to satisfy applicable registration requirements	The professional identity of the lead auditor can be distinguished from personal information concerning supporting audit personnel
Supporting audit personnel	May vary by audit engagement	Not publicly available	Not applicable	Recorded in audit working papers or reports as applicable	Personal privacy, employment, safety and security considerations may arise; supporting personnel are not public decision-makers

Audit firm	Fixed for each audit engagement	Not currently identified through the project register	Not applicable	Identified in the audit report	Commercial and procurement considerations may arise, although publication of the firm's identity would generally be less sensitive than detailed fees, findings or working papers
Audit working papers and underlying evidence	Detailed records assembled for each audit	Not publicly available	Not ordinarily included in the offsets report	Retained or examined as part of the audit process	Likely to contain personal information, legal material, confidential agreements, commercially sensitive data, proprietary models and third-party information

As the table demonstrates, the ACCU Scheme already involves multiple and complementary layers of transparency and assurance:

1. Public disclosure, including project identity, method, proponent, location, status, spatial information and ACCU issuance;
2. Detailed reporting to the Regulator, including calculations, project activities, geospatial data, consent evidence and method-specific supporting documentation; and
3. Independent assurance, including examination of project eligibility, reported abatement, calculations and supporting evidence where an audit is required.

The ACCU project register is intended to provide information about registered projects, and the Clean Energy Regulator's reporting framework requires project reports and supporting documentation before ACCUs can be issued. The current submission also identifies the distinction between public project information and the more detailed material contained in offsets reports and audit reports.

Any further transparency reforms should build on these existing arrangements. Publication should prioritise standardised information that assists public scrutiny, due diligence and market confidence while protecting personal information, confidential consent arrangements, culturally sensitive information, commercially sensitive data and intellectual property. This is consistent with the broader observation that improved information is most useful where it is accessible, comparable and reusable for functions such as due diligence, valuation and assurance.

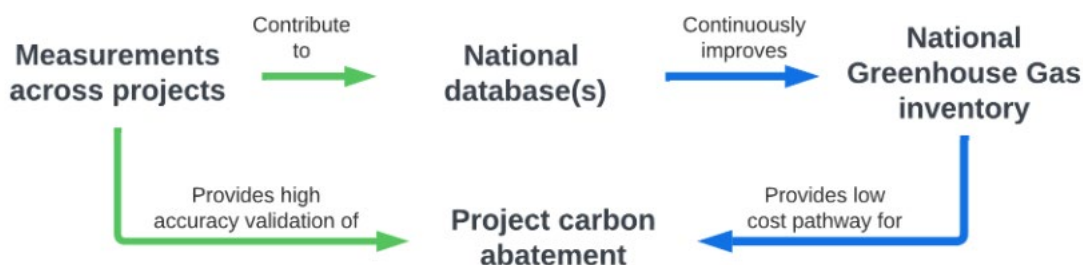
Annex 5: Prioritisation of the planned National Database Establishment to support further information transparency with appropriate privacy protection for complex dataset

Despite being recommended and accepted by the Australian Government as part of two separate reviews,⁵ the establishment of a national environmental database has yet to be implemented. This means that significant volumes of high-quality project data generated under the ACCU Scheme are not being effectively integrated into national systems. This represents a missed opportunity to strengthen project transparency, improve accuracy of Australia's national inventory, and strengthen consistency between project and national inventory accounting of eligible carbon abatement.

Climate Friendly and our carbon farming partners, as well as other ACCU Scheme participants, collect an enormous amount of environmental, carbon and land management data, as part of our rigorous feasibility assessments when planning and implementing a land-based carbon farming project which can span a 35-year period. These privately funded datasets are typically higher accuracy and represent a nationally significant asset.

However, realising their value requires a coordinated data-sharing framework that addresses technical constraints of sharing and managing large datasets alongside legal, ethical, and commercial sensitivities, including land managers privacy and livelihood impacts. Benefits of delivering a national environmental database include:

- Improved accuracy of the national inventory. Systematic integration of project-level data would enable direct calibration and validation of national models (e.g. FullCAM, SavCAM), improving confidence in both project abatement and inventory estimates (refer Figure below).



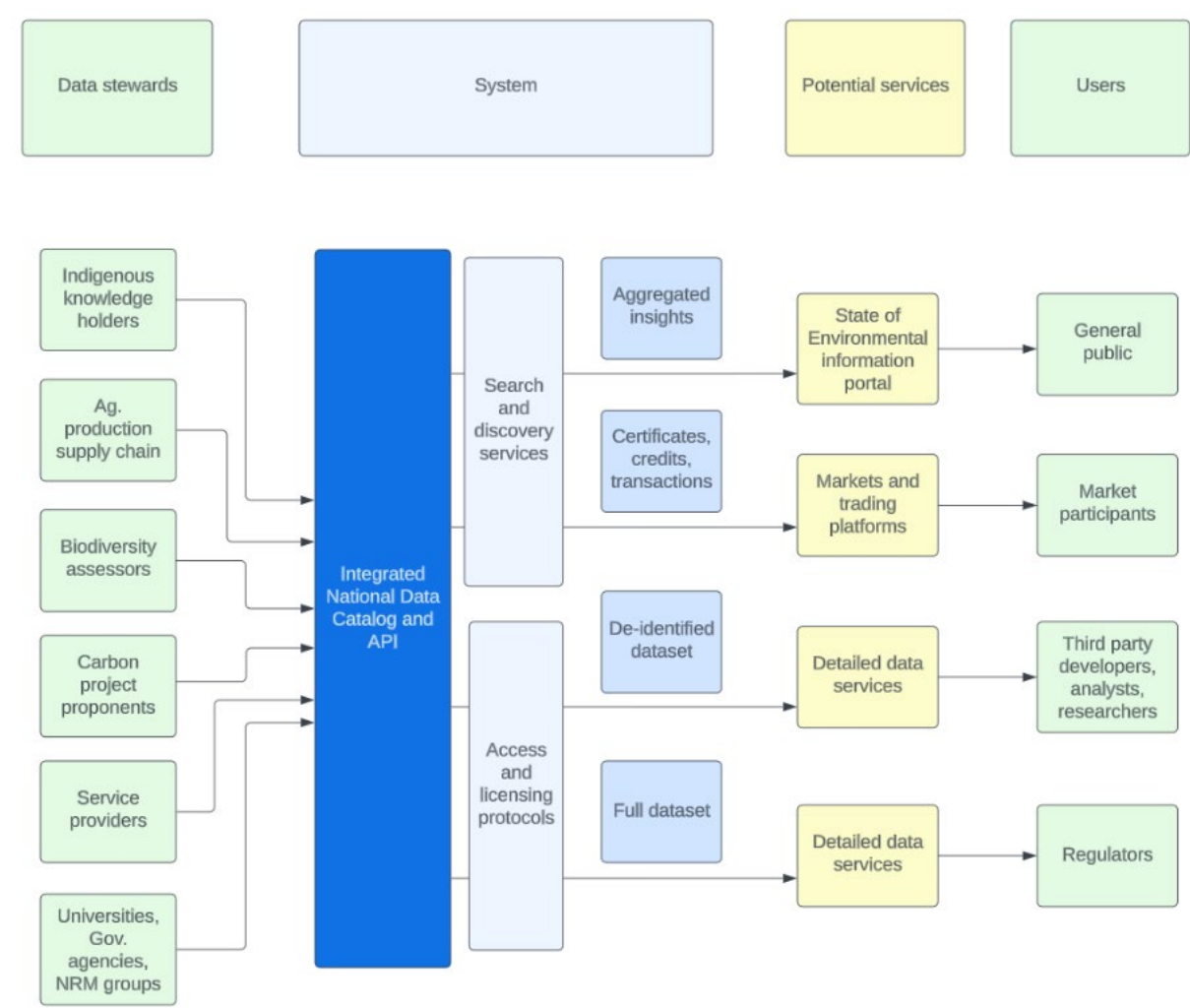
- Reduced spend of taxpayer funds for environmental data collection, by drawing on high quality, privately collected, independently audited data instead;
- Scheme transparency: Deliver on recommendations from the Independent ACCU Review related to data transparency, while addressing scheme criticisms been driven by analysis using inappropriate datasets (such as the NFSWVD dataset applied to ACCU projects); and
- Achieve eligible carbon abatement by harmonising abatement estimates between the ACCU Scheme and the Australian national inventory, rather than relying on blunt or arbitrary discounting approaches requiring FullCAM alignment.

The establishment of a national environmental database has been recommended and accepted in principle through multiple independent reviews, including the Independent ACCU Review and EPBC Act Review. Despite this, implementation has not progressed. In the ACCU Scheme context, it is sitting within proposed "Phase 3" reforms and does not appear to have progressed since the review concluded in 2022. Under the EPBC Act workstream, it does form part of the Nature Positive Plan, but no operational progress appears to have been made and in conversations

with Environmental Information Australia they have indicated they are focused on methods / standards for collecting data and not a database itself.

Advances in data infrastructure technology mean it is now possible to develop a national land data platform with a data discovery portal. This would give access to agreements and usage licenses with private organisations or individuals able to opt-into sharing their information to achieve multiple environmental, carbon and agricultural benefits. Our proposed structure is to consider an adaptation of the National Water Data Hub⁶ design. The Figure below outlines a potential structure for such a data sharing system for environmental and land data.

Figure 3 Proposed National Database Framework



Climate Friendly is not in a position to assess the costs of developing or administering the proposed data sharing approach at a national scale. Across recent Budget cycles (2025–26 and 2026–27), the Australian Government is investing in multiple fragmented but complementary environmental data functions, including:

Core “environmental data system” funding

- Department of Climate Change, Energy, the Environment and Water (DCCEEW) and the National Environmental Protection Agency (NEPA): \$105.9 million over four years from 2026–27 for the to modernise environmental information, data and digital systems (including through the use of artificial intelligence) to improve user experience and enable simpler, faster environmental approvals
- National Greenhouse Accounts (NGA) \$13.3 million committed in 2026–27 Budget⁷
- Environment Information Australia (EIA): \$51.5 million committed in 2024 budget⁸

Adjacent national data infrastructure (climate, agriculture, water)

- ABARES / DAFF data capability uplift \$38.3 million over 4 years + \$7.6 million ongoing – Committed in 2023/24 Budget (continues in forward estimates)⁹
- Bureau of Meteorology (BoM) Continued investment in climate, water, and environmental monitoring systems via PBS allocations (multi-hundred-million annual data and digital capability)

The latest Federal Budget indicates that the Commonwealth is already investing more than \$200 million across environmental data systems, spanning carbon, biodiversity, agricultural and climate datasets. The key policy gap is not funding, but the absence of a coordinated national architecture to integrate these investments into a single interoperable system.

Annex 6: Recommended Draft Amendments to the Bill

Proposal 1: Australian Risk & Permanence Buffer reporting to enhance transparency

After Part 2, Division 3, Section 18 insert

[19C] Australian Risk and Permanence Buffer

(1) The Regulator must maintain, as part of the Register established under [section 167], a record to be known as the Australian Risk and Permanence Buffer.

(2) The Australian Risk and Permanence Buffer must contain:

(a) the cumulative risk of reversal buffer amount; and

(b) the cumulative permanence period discount amount; and

(c) the cumulative quantity of adjustments made under this Act in relation to those amounts.

(3) For the purposes of this section:

(a) cumulative permanence period discount amount means the sum of all permanence period discount numbers taken into account under [section 16, 19 and 19A] in working out unit entitlements for sequestration offsets projects.

(b) cumulative risk of reversal buffer amount means the sum of all risk of reversal buffer numbers taken into account under [section 16, 19 and 19A] in working out unit entitlements for sequestration offsets projects.

(4) To avoid doubt:

(a) an amount recorded in the Australian Risk and Permanence Buffer represents a number of Australian carbon credit units that was excluded from a unit entitlement because of the operation of [section 16]; and

(b) the recording of an amount in the Australian Risk and Permanence Buffer does not constitute the issue of an Australian carbon credit unit.

(5) If:

(a) a certificate of entitlement is issued under section 15; or

(b) an adjustment is required under subsection 92(3); or

(c) an adjustment is required under another provision of this Act, the regulations or the legislative rules;

the Regulator must update the Australian Risk and Permanence Buffer as soon as practicable.

(6) The information contained in the Australian Risk and Permanence Buffer must be publicly available through the Register.

(7) The Australian Risk and Permanence Buffer must separately identify:

(a) amounts attributable to the risk of reversal buffer number referred to in paragraph (a) of the definition of risk of reversal buffer number in subsection 16(2); and

(b) amounts attributable to the permanence period discount number referred to in paragraph (b) of the definition of permanence period discount number in subsection 16(2); and

(c) amounts attributable to any percentage specified in legislative rules for the purposes of those definitions.

(8) The Australian Risk and Permanence Buffer must, for each adjustment recorded under subsection 92(3), specify:

(a) the quantity represented by the adjustment; and

(b) the date on which the adjustment was recorded; and

(c) whether the adjustment was made against the cumulative risk of reversal buffer amount or the cumulative permanence period discount amount; and

(d) the type of natural disturbance to which the adjustment relates.

(9) The legislative rules may prescribe additional matters to be recorded in, or published as part of, the Australian Risk and Permanence Buffer.

Proposal 2: Define use of Australian Risk and Permanence Buffer in exceptional circumstances: Ensuring issued ACCUs represent real and permanent abatement

After Part 7, Division 3, Section 91 insert:

92 No requirement to relinquish—reversal of sequestration due to natural disturbance and all reasonable steps taken to mitigate

Scope

(1) This section applies if:

(a) an eligible ACCU project is a sequestration ACCU project to remove carbon dioxide from the atmosphere; and

(b) a number of Australian carbon credit units have been issued in relation to the project; and

(c) there has been a reversal of the removal; and

(d) the reversal is, under the regulations or the legislative rules, taken to be a significant reversal; and

(e) the reversal is attributable to natural disturbance; and

(f) the Regulator is satisfied that the project proponent has, within a reasonable period, taken all reasonable steps to mitigate the effect of the natural disturbance on the project; and

(g) the permanence period for the project has not ended.

No relinquishment

(2) The Regulator will provide a written notice to the project proponent for the project specifying that the project proponent is not required to relinquish Australian carbon credit units.

(3) If at the end of the project permanence period, the project abatement is lower than the issued abatement, the Regulator will adjust the Australian Risk and Permanence Buffer by the specified number of Australian carbon credit units to account for the natural disturbance.

Proposal 3: Add Australian Risk and Permanence Buffer to publications maintained under the public Register

168(1)(ja) the Australian Risk and Permanence Buffer maintained under section 19C.

Proposal 4: Remove all references to “Offsets” in the CFI Act and replace with ACCU

Omit approximately 679 references to “offsets projects”, “offsets reports” or “offsets integrity standard” and substitute “ACCU projects”, “ACCU project reports” and “ACCU integrity standards”

Proposal 5: Modernise references to international agreements beyond Kyoto

Amend the definition of “Non-Kyoto Australian carbon credit unit” to “means an Australian carbon credit unit issued in accordance with subsection 11(2) for abatement generated in 2012 or earlier; and was not classified as a Kyoto ACCU.”

Amend the definition of “Kyoto Australian carbon credit unit” to “means:

(a) an Australian carbon credit unit that:

(i) was issued in accordance with subsection 11(2); and

(ii) is identified as a Kyoto Australian carbon credit unit within the Registry; or

(b) an Australian carbon credit unit that:

(i) was issued before 1 January 2021; and

(ii) was a Kyoto Australian carbon credit unit (within the meaning of this Act as it stood before the commencement of this definition).

Amend the definition of “eligible carbon credit unit” to “means:

(a) a Kyoto Australian carbon credit unit; or

(b) an Australian carbon credit unit; or

(c) a prescribed eligible carbon unit.”

