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Via online submission
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Dear Climate Change Authority,

RE: Submission

The Australian Land Conservation Alliance (ALCA) welcomes the opportunity to make a submission to the Climate Change Authority's 2026 ACCU Scheme Review, which includes a review of the *Carbon Credits (Carbon Farming Initiative) Act 2011* ('CFI Act').

ALCA represents organisations that work to conserve, manage, and restore nature on privately managed land. The conservation efforts of our 21 member organisations have influenced over 9.3% of Australia with more than 4,000 landholders; we have over 70,000 supporters and our combined annual turnover exceeds \$400 million.

ALCA's submission responds to key questions in both Focus Areas (Methodologies – new and existing; and ACCU market dynamics) from the Issues Paper; ALCA is happy for our submission to be published.

Context

Protection, management and restoration of biodiversity is a key land management opportunity to sequester carbon at scale, whilst simultaneously delivering climate change adaptation, mitigation, and resilience.

The recent Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment report, *Climate Change 2022: Mitigation of Climate Change*, identifies the potential for scaling up land-based mitigation options in the Agriculture, Forestry and Other Land Uses (AFOLU) sector:

*"Where carefully and appropriately implemented, AFOLU mitigation measures are uniquely positioned to deliver substantial co-benefits and help address many of the wider challenges associated with land management."*¹

Furthermore:

*"The currently quantified efforts to reduce net emissions with forests and agricultural actions are helpful, but society will need to quickly ramp up investments to achieve carbon sequestration levels consistent with high levels of mitigation. Only 2.5% of climate mitigation funding goes to land-based mitigation options, an order of magnitude below the potential proportional contribution (Buchner et al. 2015)."*²

¹ p107; https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_FullReport.pdf

² p821; https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Chapter07.pdf

There is a significant opportunity for the Federal Government to leverage the emissions mitigation opportunity within the land use, land use change, and forestry (LULUCF) category through the sequestering of carbon twinned with biodiversity conservation and restoration.

In 2017, research led by The Nature Conservancy and 15 other institutions³ demonstrated that nature-based solutions can provide up to one-third of the emission reductions needed by 2030 to keep global temperature increases under 2°C – 30 percent more than previously estimated.

The value of investing in nature-based solutions for adaptation and mitigation to climate change is well-recognised by the Australian Federal Government:

“Investing in nature-based solutions for adaptation and mitigation to climate change provide multiple benefits including:

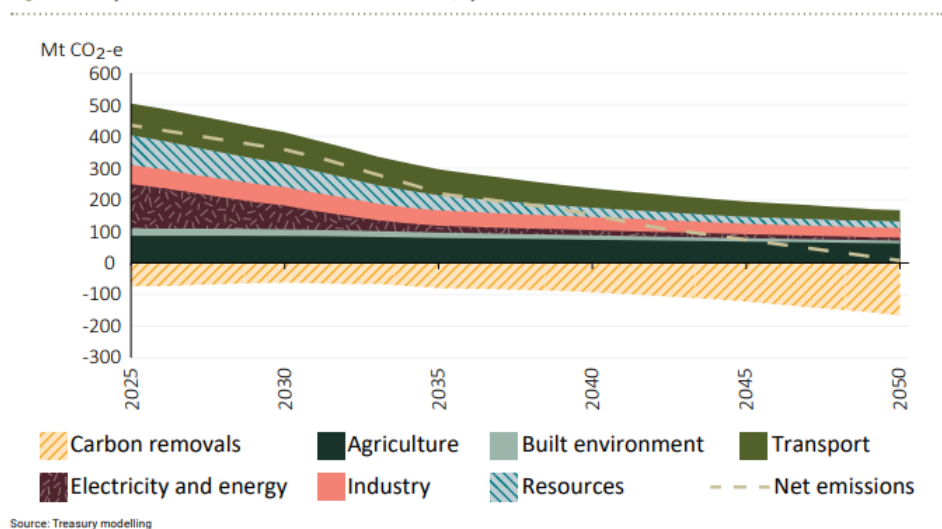
- *protecting biodiversity and threatened species,*
- *contributing to climate mitigation through carbon sequestration,*
- *making communities more resilient to climate change,*
- *contributing to food security, and*
- *supporting businesses reliant on healthy ecosystems such as fishing, tourism and agriculture.”⁴*

Biodiversity conservation and restoration have great potential to help drive business investment and philanthropic funding that also delivers significant emissions reduction outcomes.

However, further to the fundamental interconnections between climate and nature, the Federal Government itself envisages – and is relying upon – environmental restoration at a tremendous scale to deliver its Net Zero Plan⁵.

The two figures below from the *Agriculture and Land Sector Plan*⁶ (one of the sector plans that contributes to the Net Zero Plan) outline the sheer scale of the challenge – and opportunity – being placed upon land-based sequestration and environmental restoration to deliver the Federal Government’s Net Zero and interim emissions targets:

Figure 6 Projected emissions under the Baseline Scenario, by Sector



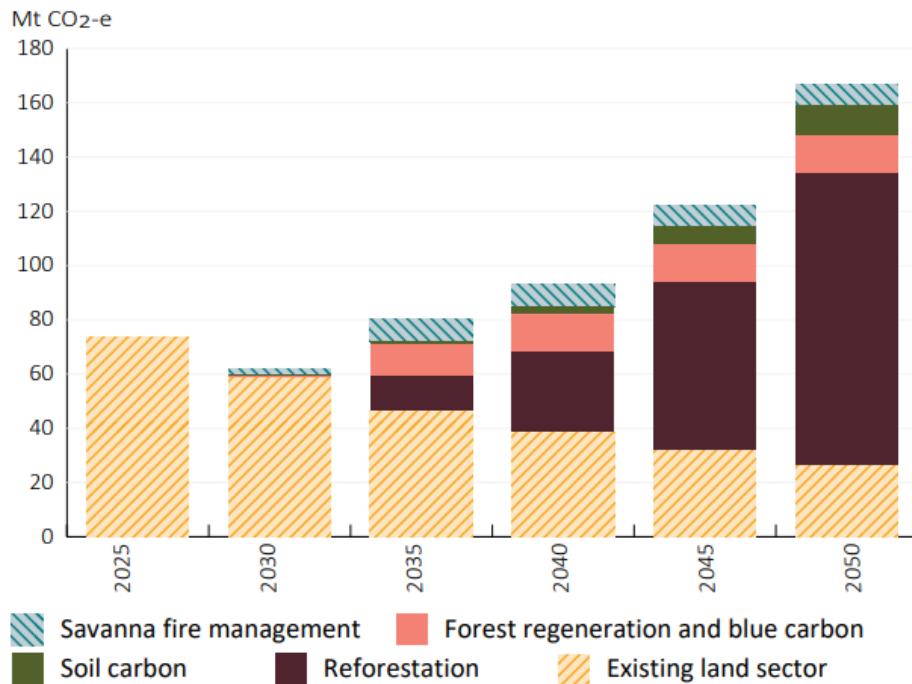
³ <https://www.pnas.org/doi/10.1073/pnas.1710465114>

⁴ <https://www.dcceew.gov.au/climate-change/policy/nature-based-solutions-for-climate>

⁵ <https://www.dcceew.gov.au/sites/default/files/documents/net-zero-report.pdf>

⁶ <https://www.agriculture.gov.au/sites/default/files/documents/agriculture-and-land-sector-plan.pdf>

Figure 9 Projected sources of land-based sequestration under the Baseline Scenario



Note: The 'Existing land sector' category refers to the existing net sink, including emissions reductions and sequestration being generated from existing ACCU projects. The decline in this category reflects the ageing of existing vegetation and the related decline in the ability to sequester carbon. The category does not include the sequestration from new sequestration projects incentivised through the Safeguard Mechanism. The sequestration volumes for reforestation, forest regeneration and blue carbon, soil carbon, and savanna fire management represent new sequestration projects in the Baseline Scenario.
Source: Treasury modelling

ALCA’s challenge to the Federal Government is thus to mainstream nature-based solutions at scale, by designing and delivering initiatives that deliver on a package of emissions reduction, climate change adaptation and mitigation, and biodiversity conservation and restoration.

The key role for the ACCU Scheme in delivering this projected need for large-scale environmental restoration to deliver on emissions targets is to move from Government procurement of only lowest cost abatement in the CFI Act, to one which allows for maximising public value.

Recommendations

Questions from the Issues Paper:

~ What role, if any, should the Government play in ACCU purchasing?

~ Are there particular attributes (for example biodiversity, durability or socioeconomic benefits) that should be prioritised in any future government purchasing?

1. The Federal Government should continue to procure ACCUs, however that procurement should be allowed to maximise public value – with an explicit consideration of biodiversity, and possibly also social / cultural co-benefits – rather than only lowest cost abatement.

ALCA’s proposal for a legislative amendment to the *CFI Act* to enact this recommendation can be found in Annex A below.

2. Where possible, biodiversity co-benefits should be designed to contribute to the Federal Government's commitment to deliver '30 by 30' on land (protecting 30% of Australia's land by 2030⁷), meaning permanence for such co-benefits should be in perpetuity, or where that is not possible, at least 99 years (as per *Australia's Strategy for the National Reserve System*⁸).

There are large opportunity costs in supporting carbon projects only according to lowest cost and without systematically considering how such projects can also deliver public benefits that align with other Government policy goals.

With the Safeguard Mechanism now driving private demand for lowest cost ACCUs, now is the time for the Government to reposition itself to deliver public value for money.

Specifically, the public benefits for consideration should include biodiversity co-benefits, but could also be expanded to consider social and cultural co-benefits as well. This reform would be game-changing for the role of carbon markets to drive greater benefits for Australian people and nature, and on the large-scale environmental restoration projected as necessary to deliver Australia's Net Zero Plan.

This approach also has the potential to deliver on the Federal Government's '30 by 30' on land commitment (protecting 30% of Australia's land by 2030), especially as we all know that the existing \$250m investment (\$50m / year from 2025-26 to 2029-30⁹) will not be sufficient to deliver this commitment, falling dramatically short of the estimated \$5bn investment required, as outlined in the *Protecting Australia's Nature: Pathways to protecting 30 per cent of land by 2030* publication from WWF-Australia, ALCA, The Nature Conservancy, and Pew Charitable Trusts¹⁰.

It is worth recalling that the Federal '30 by 30' on land commitment sits under Australia's overarching commitments to the Global Biodiversity Framework under the United Nations Convention on Biological Diversity (especially Targets 3 and 19¹¹).

3. The Climate Change Authority provide an updated recommendation on the role of NRM organisations in the ACCU Scheme and *CFI Act* reforms.

In 2023, the Climate Change Authority recommended that the Australian Government:

*"In consultation with stakeholders, amend the CFI Act to expand the role of regional Natural Resource Management (NRM) plans and organisations in informing the planning and establishment of ACCU projects, and resource NRM organisations accordingly."*¹²

⁷ As per *Australia's Strategy for Nature 2024-2030*;

<https://www.dcceew.gov.au/environment/biodiversity/conservation/publications/australias-strategy-for-nature>; and *National Roadmap for protecting and conserving 30% of Australia's land by 2030*;

<https://www.dcceew.gov.au/environment/land/achieving-30-by-30/national-roadmap>; both in alignment with Government commitments to the Global Biodiversity Framework under the UN Convention on Biological Diversity; <https://www.cbd.int/article/cop15-final-text-kunming-montreal-gbf-221222>

⁸ <https://www.dcceew.gov.au/environment/land/nrs/publications/strategy-national-reserve-system>

⁹ p26, Budget Paper 2, FY2025-26; https://budget.gov.au/content/bp2/download/bp2_2025-26.pdf

¹⁰ Pathway 1, p25-26, Fitzsimons J, Picone A, Partridge T, Cornish M, (2023). *Protecting Australia's Nature: Pathways to protecting 30 per cent of land by 2030*. The Nature Conservancy, WWF-Australia, the Australian Land Conservation Alliance and the Pew Charitable Trusts; https://alca.org.au/wp-content/uploads/2023/11/Report3030_FINAL_web.pdf

¹¹ <https://www.cbd.int/article/cop15-final-text-kunming-montreal-gbf-221222>

¹² Page 11; <https://www.climatechangeauthority.gov.au/sites/default/files/documents/2023-12/2023%20Review%20of%20the%20Carbon%20Credits%20Act%202011%20-%20publication.pdf>

The Australian Government response provided in-principle agreement to this recommendation, stating that:

“The government will further explore the role of NRM organisations in the ACCU Scheme through Stage 3 ACCU Review reforms, including any overlap or interaction with needs of the Nature Repair Market.”¹³

ALCA’s understanding is that there has not yet been meaningful exploration undertaken of the role of NRM organisations in the ACCU Scheme in potential CFI Act reforms; there is a role for the Climate Change Authority to provide updated advice on that role.

4. The Government should consider the right to Free Prior and Informed Consent (FPIC) in their procurement strategies, as well as to provide further advice to how First Nations organisations will be resourced and supported to effectively engage in and further develop Australia’s carbon market.

The Assistant Minister for Climate Change, the Hon Josh Wilson MP reaffirmed the Government’s commitment to FPIC at the North Australia Savanna Fire Forum in February 2025:

“The Government rightly recognises that the early and genuine engagement of Indigenous people is crucial to the success of projects on country.”¹⁴

Question from the Issues Paper:

~ What potential new methods or refinements to existing methods could unlock significant new abatement?

5. A priority for method development should be to embed biodiversity – its potential for carbon sequestration as well as opportunities for ecosystem restoration and recovery.
6. Carbon market methods should, as a matter of routine, seek to complement or ‘stack’ with methods developed or being developed in the Nature Repair Market.

Thank you again for the opportunity to provide feedback to the 2026 ACCU Scheme Review.

Australian Land Conservation Alliance

¹³ Page 10; <https://www.dcceew.gov.au/sites/default/files/documents/government-response-cca-cfi-act-review.pdf>

¹⁴ Indigenous Carbon Industry Network;
https://www.icin.org.au/state_of_the_indigenous_carbon_industry

Annex A: Proposed 'value for money' amendment to the CFI Act

Proposal for legislative amendments to section 20G(3) of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (proposed amendments in bold; optional amendments in [square brackets]).

(3) The principles for conducting a carbon abatement purchasing process are that the process should:

(a) facilitate the Commonwealth purchasing carbon abatement at the least cost **or receiving value for money**; and

~~(b) maximise the amount of carbon abatement that the Commonwealth can purchase; and~~

(b) consider the protection or enhancement of biodiversity; and

[(ba) consider [other public interest co-benefits]; and]

(c) be conducted in a manner that ensures that administrative costs are reasonable; and

(d) be conducted in a manner that ensures the integrity of the process; and

(e) encourage competition; and

(f) provide for fair and ethical treatment of all participants in the process.

Notes:

- Old section 20G(3)(b) is no longer required if value for money is an available policy goal; and
- Amended section 20G(3)(a) and new section 20G(3)(b) adopts language utilised in the *Nature Repair Act* (sections 84(3)(a) and (b)¹⁵.

¹⁵ See: <https://www.legislation.gov.au/C2023A00121/latest/text>; [ALCA's highlights]
s84 (3): The principles for conducting a biodiversity conservation purchasing process are that the process should: (a) **facilitate** the Commonwealth **receiving value for money** when purchasing biodiversity certificates; and
(b) maximise **the protection or enhancement of biodiversity** that results from the process; and

About the Australian Land Conservation Alliance

The Australian Land Conservation Alliance is the peak national body representing organisations that work to conserve, manage, and restore nature on privately managed land. We represent our members and supporters to grow the impact, capacity, and influence of private land conservation to achieve a healthy and resilient Australia.

Our twenty-one members are:

- Arid Recovery
- Australian Wildlife Conservancy
- Biodiversity Conservation Trust NSW
- Biodiversity Legacy
- Bush Heritage Australia
- EcoGipps
- GreenCollar
- Greening Australia
- Landcare Australia
- Nari Nari Tribal Council
- National Landcare Network
- Nature Foundation
- North Australian Indigenous Land and Sea Management Alliance
- NRM Regions Australia
- Odonata
- Queensland Trust for Nature
- South Endeavour Trust
- Tasmanian Land Conservancy
- The Nature Conservancy Australia
- Trust for Nature (Victoria)
- World Wildlife Fund - Australia

ALCA member land conservation efforts have influenced over 9.3% of Australia with more than 4,000 landholders. We have over 70,000 supporters and our combined annual turnover exceeds \$400 million. Together ALCA and its members address some of the most pressing conservation issues across the country, including restoring endangered ecosystems, building the protected area estate, tackling invasive species, expanding private conservation finance, and funding and using nature-based solutions to tackle climate change.

Through their active land management, ALCA member organisations are deeply embedded in rural communities and economies, providing jobs, securing significant regional investment, and safeguarding remaining native habitat, with its many positive spill-over effects for community, wellbeing, and food security. We seek to demonstrate the role and value of private land conservation as a cornerstone of the Australian economy.

Some ALCA members are statutory entities; the views expressed in this submission do not necessarily represent the views of the Government administering those statutory entities.