Australian Land
Conservation Alliance

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Submission to the Australian Department of Climate Change, Energy, Environment and Water on the Climate Active Program Closure Consultation.

Summary

Of the two options provided, ALCA prefers Option 2, which proposes ceasing Climate Active certification while retaining and modernising standards and guidance.

Climate Active has played an important role in Australia's transition to a lower carbon economy but has not kept pace with evolving international best practice regarding green claims and emissions accounting. Without a willingness and sufficient resource to substantially modernise and sustain the certification framework, its closure appears inevitable.

However, ALCA is concerned that withdrawing all Climate Active guidance could weaken demand for high-integrity carbon projects that deliver significant nature and First Nations impact and investment. Many ALCA members develop, manage, steward or support projects where these outcomes are core to the value proposition.

ALCA understands that Climate Active has been responsible for material volumes of buyer demand for Indigenous-led Savanah Fire Management projects and higher-integrity Environmental Planting projects, collectively known to deliver significant nature and cultural benefits. Climate Active's conclusion raises the question of where the demand and investment will instead come from and how the resulting impact to First Nations and conservation organisations will be mitigated.

Australia's Nature Repair Market remains at an early stage and is yet to establish buyer demand. In this context, carbon markets currently provide Australia's most mature mechanism for mobilising private investment into nature.

The Australian Government should therefore retain and modernise standards, tools and guidance following the cessation of Climate Active certification. Future guidance should support credible climate action and encourage demand for high-integrity carbon projects that deliver joint climate, nature and First Nations outcomes.

The transition should also minimise impacts on First Nations entities and ensure that relevant standards, guidance and tools remain accessible through a transparent, timely and seamless process.

Context

Australia's carbon market did not emerge spontaneously. It was deliberately cultivated over more than two decades through successive Australian Government initiatives including Greenhouse Challenge Plus, Greenhouse Friendly, the National Carbon Offset Standard and Climate Active.

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These programs progressively:

- familiarised Australian businesses and consumers with carbon markets;
- established expectations regarding credible emissions accounting;
- created demand for carbon offsets;
- reduced market risk for project developers and investors; and
- helped build the institutional capability that later supported the Emissions Reduction Fund and Safeguard Mechanism.

Australia's mandatory and voluntary markets have therefore evolved together rather than independently, and ALCA notes the significance of the data regarding volume and proportion of carbon credits retired through the voluntary scheme:

- Over 2.6 million ACCUs from over 60 projects, have been voluntarily surrendered by Climate Active participants[1].
- Over 55.1 million carbon offsets retired since 2010 by Climate Active participants to compensate for residual emissions[2].
- ALCA understands that Climate Active has been responsible for material volumes of buyer demand for Indigenous-led Savanah Fire Management projects[3] and higher-integrity Environmental Planting projects.

The voluntary market has also demonstrated a willingness for premium projects delivering joint nature, carbon and First Nations outcomes, providing an important source of private investment in nature restoration, landscape resilience and First Nations-led land management. At the time of developing ALCA's Nature Spend Tracker[4] the price differential on Reputex[5] between:

- Non-Indigenous and Indigenous Savanah Fire Management ACCUs was up to $14.45 more per ACCU (and $15 more per ACCU above the Safeguard Mechanism Credits); and
- Environmental Planting and Safeguard Mechanism Credits was a $17.20 premium for EP ACCUs.

Australia's Nature Repair Market is still in its early establishment phase and has yet to generate significant standalone buyer demand. Unlike the carbon market, there has been no comparable Australian Government-backed voluntary nature market to establish a pool of buyers.

Climate policy has therefore provided Australia's most mature mechanism for mobilising private investment into nature. As Climate Active certification ends, the Government should ensure this investment signal is not lost, but evolves into guidance that supports the next generation of integrated climate and nature markets.

[1] Consultation on the Climate Active Program (DCCEEW, July 2026)
[2] Consultation on the Climate Active Program (DCCEEW, July 2026)
[3] For example, until recently, one of the largest Indigenous-led SFM project developers has estimated Australia's voluntary carbon market provided a market for 100% of their ACCU sales
[4] Nature Spend Tracker
[5] Reputex Platform, data extracted 29 October 2025 and used in the ALCA Nature Spend Tracker

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Responses to consultation questions

Part 1: Ceasing certification

1. Climate Active certification will cease. How will this affect your organisation's climate action plan?

ALCA and its members are likely to be negatively impacted by the cessation of Climate Active certification through weakened demand for high-integrity ACCUs that direct significant investment into nature and First Nations outcomes.

The impact is particularly significant for ALCA members involved in Indigenous-led carbon projects. A substantial reduction in this demand could therefore have a disproportionate impact on First Nations organisations, land managers and communities participating in these projects.

More broadly, ALCA members (Indigenous and non-Indigenous) develop, manage, steward or support carbon projects that deliver significant biodiversity, landscape and First Nations outcomes. These include Environmental Plantings, Human-Induced Regeneration and Savanna Fire Management projects, among others.

Unlike compliance markets, voluntary buyers have demonstrated a willingness to purchase premium Australian ACCUs where the project delivers multiple environmental and social outcomes. Reputex data proving this point has been cited earlier in our submission.

Many of these projects are therefore dependent on a market that recognises and values outcomes beyond carbon abatement alone.

A reduction in voluntary demand therefore impacts carbon and nature markets and social and cultural wellbeing through reduced private investment in nature and First Nations-led land management. At a time when Australia is seeking to mobilise substantially greater investment to halt and reverse nature loss, maintaining confidence in high-integrity environmental markets remains important.

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Part 2: Options for program direction

2. Do you support Option 1 (Close the program) or Option 2 (Close the Climate Active program but the department retains some voluntary standards and select guidance)? Please provide a short summary of your reasoning.

Of the two options provided, ALCA prefers Option 2, which proposes ceasing Climate Active certification while retaining and modernising standards and guidance.

Climate Active has played an important role in Australia's transition to a lower carbon economy but has not kept pace with evolving international best practice regarding green claims and emissions accounting. Without a willingness and sufficient resource to substantially modernise and sustain the certification framework, its closure appears inevitable.

However, ALCA does not consider that the cessation of certification should mean the withdrawal of Australian Government-supported standards, tools and guidance. These resources provide important public goods that support credible climate action and underpin confidence in Australia's environmental markets.

Specifically, the Government should continue to maintain and periodically update:

- voluntary emissions accounting standards
- technical guidance
- emissions calculators and accounting tools
- guidance on high integrity offset procurement
- guidance recognising nature and First Nations core benefits
- guidance that can evolve to recognise Nature Repair Market outcomes.

The Government should also ensure that the transition is transparent, timely and seamless. The functions currently performed by Climate Active may ultimately be undertaken by another government entity, not-for-profit organisation or private provider. If so, Government should clearly identify which standards, guidance and tools are to be retained, where responsibility for maintaining them will sit, and how organisations can access them during and after the transition.

There will continue to be consumer and business appetite for voluntary climate action, including consumers seeking to make lower-emissions choices and businesses voluntarily addressing residual emissions. Clear Australian guidance will help reduce the risk of inconsistent approaches and actual or potential misleading environmental claims.

Option 1: Close the Climate Active program after a transition period

3. What impact would Climate Active's closure have on your organisation?

ALCA is concerned that ending the Climate Active program without retaining and modernising its standards and guidance may unintentionally weaken demand for high-integrity carbon credits, thereby reducing investment in nature and First Nations outcomes. This demand is particularly important for ALCA's members, many of whom develop, manage or steward carbon projects that deliver significant environmental and social core benefits.

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Unlike compliance markets, voluntary buyers have consistently demonstrated a greater willingness to purchase premium ACCUs that generate multiple public benefits, including native vegetation restoration, improved landscape resilience, habitat protection, Indigenous employment and cultural land management. Reputex data proving this point has been cited earlier in this submission.

Many ALCA members have developed projects on this basis where the nature and cultural outcomes are central to the project's value proposition rather than incidental co-benefits.

A reduction in voluntary demand therefore risks reducing private investment in nature restoration, stewardship of conservation estates and First Nations-led land management.

ALCA is particularly concerned that First Nations entities could experience disproportionate impacts if demand for Indigenous-led carbon projects falls. Any transition should therefore explicitly seek to minimise impacts on First Nations organisations and projects, including through early engagement, clear communication about future market settings and measures that maintain continuity of relevant guidance, project arrangements and market access.

At a time when Australia is seeking to mobilise significantly greater investment to halt and reverse nature loss, maintaining confidence in high-integrity environmental markets remains important.

a) Aside from the Climate Active program, what Australian Government guidance, tools or support have been useful to help your organisation reduce your carbon footprint?

Australia has made significant progress in establishing the policy architecture needed to support emissions reduction, including the National Greenhouse and Energy Reporting framework, National Greenhouse Accounts factors, the ACCU Scheme, the Safeguard Mechanism, mandatory climate-related financial disclosures and Australia's Net Zero Plan. Collectively, these initiatives have provided clear direction to businesses on carbon and climate ambitions.

However, these policy settings have understandably been developed with a primary focus on climate change. The equally significant challenge of nature loss has not yet been integrated into voluntary or mandatory climate guidance to the same extent. Climate and nature are intrinsically linked. Actions that reduce

emissions while degrading ecosystems can increase long-term economic and business risk by undermining the natural systems on which Australia's productivity, resilience and communities depend.

Nature loss represents an economic risk in its own right. Future guidance should therefore encourage investment pathways that address climate change and nature loss together, rather than treating them as separate policy challenges.

As the Australian Government develops future voluntary and mandatory guidance, ALCA encourages a more integrated approach that recognises climate and nature as complementary objectives. Guidance on best-practice use of carbon markets should encourage organisations to preferentially support high-integrity projects that deliver verified nature and First Nations outcomes alongside emissions reductions. This would help ensure that private climate investment also contributes to Australia's broader environmental, social and economic objectives and avoids creating incentives for climate action that inadvertently undermine nature.

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Option 2: Retain some voluntary standards and select guidance

4. Would you use Australian voluntary standards once certification ends? Please provide a short summary of your reasoning.

Yes. Of the two options provided, ALCA supports Option 2 because there remains an important role for the Australian Government to maintain and update standards and guidance that reflect international best practice and support consistent approaches across Australian businesses.

Government-endorsed guidance can provide a useful common reference point for organisations voluntarily reducing emissions, particularly where organisations do not have the resources to interpret multiple international standards and frameworks.

Importantly, retained guidance should recognise the role of high-integrity Australian carbon projects that deliver measurable nature and First Nations outcomes as part of responsible climate action.

This would provide greater confidence that organisations purchasing higher-value Australian carbon projects with verified nature and First Nations outcomes are contributing to broader national environmental objectives.

5. We would like your feedback about the current program's standards, tools and guidance:

a) What elements of the current suite of Climate Active's standards, tools and guidance do you find useful and not useful?

The most valuable elements are those that support robust emissions accounting, transparent decision-making and credible approaches to emissions reduction and offsetting.

In particular, ALCA considers useful:

- emissions accounting methodologies and technical guidance;
- emissions calculation tools;
- electricity accounting guidance;
- verification requirements;
- practical guidance on emissions reduction planning; and
- guidance on the appropriate use of offsets for residual emissions.

These resources provide practical assistance beyond organisations seeking certification and remain valuable public goods that can inform other areas of government policy, markets and regulation.

b) Which elements should the government consider maintaining after Climate Active certification ends?

ALCA recommends the Australian Government retain and periodically update:

- voluntary emissions accounting standards;
- technical guidance manuals;
- emissions calculation tools and spreadsheets;
- third-party verification guidance;
- practical guidance on making credible climate claims that align with Australian consumer law;
- guidance on the appropriate use of high-integrity offsets for residual emissions.

The Government should also ensure that these resources remain publicly accessible and that responsibility for their ongoing maintenance is clearly identified and resourced.

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If responsibility for elements of Climate Active are transferred to another government entity, not-for-profit organisation or private provider, the transition should be transparent and seamless, with clear communication about which standards and guidance remain authoritative and where organisations can access them.

ALCA also encourages the Government to modernise the guidance to explicitly recognise and encourage carbon projects that deliver biodiversity and First Nations core benefits.

Future guidance should acknowledge that while ACCUs represent verified carbon abatement, carbon credits can deliver substantially different outcomes for nature, culture and communities. Guidance should encourage organisations to consider the broader environmental and social outcomes associated with their offset purchases, including biodiversity restoration, landscape resilience, water outcomes and First Nations leadership.

As Australia's Nature Repair Market develops, future guidance could also recognise projects that combine ACCUs with verified nature outcomes, helping build demand for integrated climate and nature investment.

6. What are your views on NABERS and the Green Building Council of Australia (GBCA) undertaking the certification pathway for buildings?

ALCA supports NABERS and GBCA continuing responsibility for building certification, pending their ability to update and maintain the standards surrounding this.

Both organisations have established governance arrangements, strong technical capability and considerable credibility within the built environment sector. Their existing programs are well placed to continue supporting emissions reduction in buildings without requiring direct Australian Government certification.

ALCA encourages ongoing collaboration between DCCEEW, NABERS and GBCA to ensure any retained Australian Government standards remain technically aligned with building certification programs and broader national climate policy.

ALCA also encourages continued alignment between building certification pathways and any future Australian Government guidance relating to high-integrity offsets and environmental markets. This will help ensure the built environment sector continues to support projects delivering integrated climate, nature and First Nations outcomes where offsets are used for residual emissions.

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Part 3: Transitional arrangements

7. Would program closure raise any issues for your organisation that may need to be accounted for in the transition process?

The primary concern for ALCA is maintaining confidence and demand within Australia's carbon market during the transition, especially demand for and investment in high integrity environmental and First Nations outcomes.

Without clear communication regarding the future role of voluntary standards, there is a risk that organisations interpret the closure of Climate Active as a signal that voluntary offsetting is no longer encouraged. Such an outcome could reduce demand for high-integrity ACCUs and disproportionately affect projects delivering nature restoration and First Nations outcomes.

The transition should therefore clearly distinguish between ending certification and continuing to support credible voluntary climate action.

ALCA also recommends that minimising impacts on First Nations entities be an explicit consideration in the transition. This should include:

- early and meaningful engagement with affected First Nations organisations and project proponents;
- clear communication about changes to the program and future voluntary market settings;
- sufficient notice for organisations to adjust procurement, reporting and claims practices;
- maintaining access to relevant standards, tools and technical guidance during the transition;
- avoiding unnecessary disruption to existing project and purchasing arrangements; and
- ensuring that any replacement or successor arrangements do not create additional barriers for First Nations organisations seeking to participate in environmental markets.

The transition also presents an opportunity to reinforce best practice across Australia's broader carbon market. Voluntary markets have often led the evolution of higher integrity purchasing practices, particularly by recognising the additional value of projects delivering biodiversity and First Nations outcomes.

The Australian Government should consider how future guidance can encourage these purchasing preferences to influence compliance markets over time, including where Safeguard Mechanism facilities acquire ACCUs to meet their obligations. Doing so would strengthen incentives for projects that deliver climate, nature and cultural outcomes together.

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8. Do you have any other feedback on the proposed transitional arrangements?

ALCA recommends that the transition be used as an opportunity to reposition Australia's voluntary guidance rather than simply retire Climate Active. Specifically, the Australian Government should:

- clearly communicate that voluntary climate action remains important alongside mandatory emissions reduction policies;
- publish updated guidance concurrently with the closure of certification to minimise market uncertainty;
- retain publicly accessible tools, methodologies and technical resources;
- clearly identify which elements of Climate Active's standards and guidance will be retained, amended or discontinued;
- clearly identify responsibility for maintaining any retained standards and guidance;
- engage with carbon market participants, conservation organisations and First Nations organisations when updating guidance;
- specifically consider and minimise impacts on First Nations entities and Indigenous-led carbon projects;
- ensure that any successor program or service (government, not-for-profit or commercial) is established through a transparent and timely process; and
- ensure future guidance reflects the role of high-integrity Australian carbon projects in delivering climate, nature and cultural outcomes.

If functions currently undertaken by Climate Active are transferred to another entity, the Australian Government should ensure that the transition is **transparent, timely and seamless**, with no unnecessary gap between the closure of Climate Active and the availability of replacement standards, guidance or tools.

Looking ahead, retained standards could provide the policy foundation for Australia's next generation of voluntary and compliance environmental markets by recognising integrated climate and nature outcomes and supporting investment in both ACCUs and emerging Nature Repair Market projects.

More broadly, Australia has an opportunity to build on the success of its climate policy architecture by using it to mobilise greater private investment in nature. The next evolution of Australia's environmental market should not simply replace Climate Active certification; it should support a more mature market in which climate action contributes to biodiversity restoration, First Nations leadership and long-term landscape resilience.