

National  
Farmers  
Federation

# Carbon Credits and Other Legislation Amendment (Integrity and Transparency) Bill Consultation

May 2026



## The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade, and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

### NFF Member Organisations



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## Executive Summary

The *National Farmers' Federation* (NFF) welcomes the opportunity to provide a submission to the *Department of Climate Change, Energy, the Environment, and Water* (Department) regarding the *Carbon Credits and Other Legislation Amendment (Integrity and Transparency) Bill*. NFF understands that this consultation builds upon prior Commonwealth consultations, recommendations, and learnings derived from successive reviews into the *Australian Carbon Credit Unit* (ACCU) Scheme after over 10-years of implementation. The NFF submission to the *2023 ACCU Review Discussion Paper* is attached (**Attachment 1**) and will be referenced in-part. It should be read as background to this document.

NFF supports reforms that strengthen confidence in the ACCU Scheme and improve the integrity and transparency of carbon markets. Integrity reforms must be designed with the practical realities of agricultural participation in mind. Farmers and landholders already face complex Scheme rules, long project timeframes, substantial transaction costs, audit obligations, consent requirements (in some instances), permanence obligations, and broader market uncertainty. At a high level, NFF supports the intent of several amendments that have been put forward for consideration, specifically those relating to strengthening governance arrangements and supporting and encouraging Research and Development (R&D) activity within the sector. However, several amendments do require refinement to ensure they are workable for agriculture.

In summary, our key recommendations are that the proposed expansion of Eligible Interest Holder (EIH) consent requirements for registered Native Title claimants be replaced with a Right to Negotiate style process similar to that applied under the *Future Acts Regime*, that the *Carbon Abatement Integrity Committee* (CAIC) be supported with a more independent Secretariat, that R&D newness provisions are properly scoped to support (and not stifle) agricultural innovation and industry leadership, and that the proposed amendments providing greater flexibility for *Animal Effluent Management* (AEM) and other emissions avoidance projects be strongly supported.

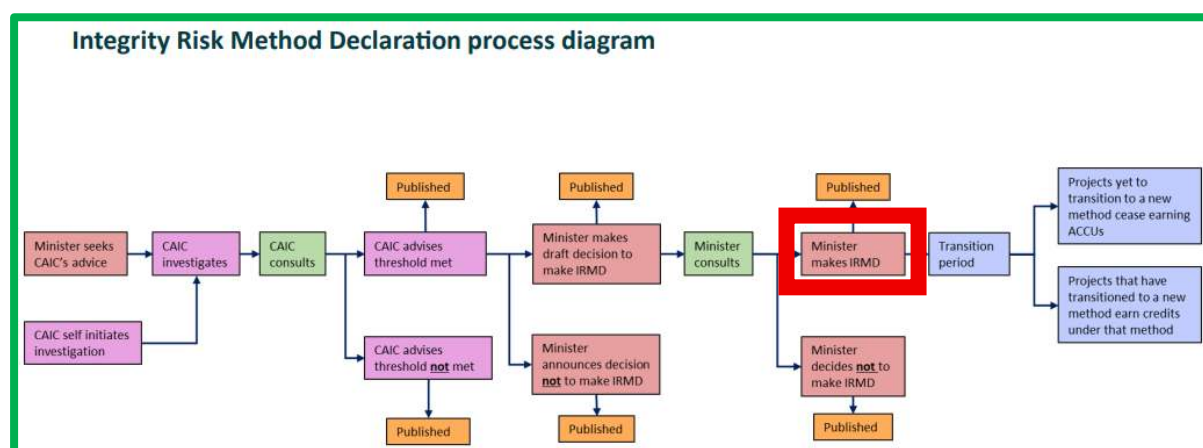
## Supporting Confidence and Palatability in the ACCU Scheme

The farm sector needs an ACCU Scheme that is both credible and accessible. Many producers are willing to consider carbon abatement projects where they align with farm profitability and productivity objectives and can be easily integrated into existing practice while supporting business diversification. Participation ultimately depends on there being a broad suite of available methodologies that reflect the breadth of activities at the farm-gate and there being proportionality in compliance obligations. This also includes confidence that project rules, or the projects themselves, will not be subject to significant change or cease entirely at a later date as such outcomes undermine the appeal of the Scheme and place an inequitable burden on the proponent.

## Integrity Risk Method Declaration Capability

With regards to the above point about project certainty, NFF raises concern around the newly proposed Integrity Risk Method Declaration (IRMD) power provided to the Minister. Under the proposal, the Minister would be able to make an IRMD where a methodology presents a material risk to Scheme integrity. If a Declaration is made, projects using the relevant methodology would be prevented from continuing to earn ACCUs until they transition to a new methodology.

NFF recognises that Government requires tools to respond to serious Scheme integrity risks. A methodology that no longer meets the Offsets Integrity Standards can impact confidence in the Scheme and affect all market participants. However, the proposed declaration power is significant and, if not appropriately constrained, may place an inequitable level of risk on proponents. A producer may invest in a project, incur upfront costs, enter commercial arrangements, and plan long-term land use around an approved methodology, only for that methodology to be effectively ceased by Ministerial decision (recognising there is a process to getting there though) despite the proponent having acted in good faith and complied with the rules in place at the time of registration.



**Figure 1:** Integrity Risk Method Declaration process diagram (the red box marks the point in the process where a Declaration can be issued by the Minister of the day).

NFF recommends that the IRMD power be limited to genuinely exceptional circumstances where there is substantiated evidence that a methodology presents a serious integrity risk. The Minister should not be able to make an IRMD unless CAIC has positively advised that the integrity risk threshold criteria are met. Before making an IRMD, the Minister should also be required to consider project-level impacts, including investment already made, contractual obligations, transition costs, project age, proponent good faith, method availability, and whether the integrity issue arises from methodology design rather than proponent conduct. Depending on the circumstances there may also be sovereign risk issues to contemplate.

Affected proponents should be provided with clear transition guidance, access to technical support, and sufficient time to transition to a replacement methodology where an IRMD is made. Proponents should not be compelled to transition to a replacement methodology where this is not commercially or practically viable. In such circumstances, there should be a clear exit pathway that does not impose additional cost or penalty. Consultation

timeframes must also be sufficient to allow affected proponents to provide meaningful evidence for consideration.

## Eligible Interest Holder Consent

The Bill proposes to expand EIH consent to include registered Native Title claimants and introduce an upfront and staged consent process for area-based ACCU Scheme projects on land that is recognised as Native Title or subject to Native Title claims.

As stated in our prior submission dated 2023:

*“The issue of accessing EIH consent is a major transactional issue in the process of developing projects, especially those with a substantive permanence period. There are three (3) key concerns:*

- The time taken to identify the EIH, especially where there is either no Native Title determination resolved (so there may be competing interests from native title applicants) or there may be land where Native Title MAY be found to exist in the future, but at the point of contracting no potential EIH has either come forward or been identified. This scenario makes completing Indigenous Land-Use Agreements (ILUAs) quite difficult and a mechanism to ‘grandfather’ the possibility of an EIH emerging might be of value that would allow a pathway around the intertemporal problem of wanting to complete the carbon contract in the absence of a formally, or even informally, identified party. NFF would welcome a discussion on how this might be progressed;*
- That the EIH, or more particularly their appointed agent, does not negotiate in good faith. We have been advised that there are examples where the proponent (the carbon accumulator), the lease and the Native Title holder are all happy to enter into an arrangement and a land council or similar interlocutor has interest in the transaction. Some clarity on those roles would be helpful; and*
- Where lease condition might need to be varied that they be done so in a manner that protects the principal purpose of the lease (predominately grazing) and the variation is not used as a mechanism to recast or reprioritise the purpose of the lease. To put it another way, carbon contracts cannot be used as a driver to undermine existing lease conditions to the extent that those use rights are changed or undermined.”*

NFF does not support the proposed expansion of EIH consent requirements made under this Bill. We acknowledge that registered Native Title claimants are afforded procedural rights under the *Native Title Act 1993* (NTA) including a Right to Negotiate. We recommend that this proposal be replaced with a Right to Negotiate style process similar to that applied under the *Future Acts Regime* and that clear timeframes and reciprocal good faith obligations are built in-place around that.

NFF considers that a 90-day negotiation period would provide an appropriate balance between necessitating an effective yet efficient engagement period while ensuring the process does not unnecessarily delay or stall project registration development. Where no response is received within that period, or where a party refuses to engage on a reasonable

basis, the proponent should be able to proceed to conditional registration provided all other eligibility requirements are met as is the case presently under current arrangements.

As noted in our 2023 submission (**Attachment 1**) and in consultation processes relating to Native Title Reform including that undertaken by the *Australian Law Reform Commission*, expanding EIH consent requirements raises several concerns for agricultural proponents.

These include:

- *Difficulties identifying the relevant Native Title party or Prescribed Body Corporate (PBC) with whom to negotiate with due to information asymmetry;*
- *Communication challenges even in circumstances where relevant contact information is presented or otherwise made available;*
- *Engagement that is not undertaken in good faith, or that does not adequately reflect the interests of the persons or groups PBCs are established to represent; and*
- *Uncertainty where claims overlap or remain unresolved.*

Good faith engagement obligations must apply equally across all involved parties. In addition to proponents, Native Title parties and PBCs should also be expected to respond within reasonable timeframes and engage proportionately and in good faith. As previously noted in prior NFF submissions with respect to Native Title reform, agricultural proponents can face an implicit expectation to fund Indigenous engagement including at the preliminary stage of discussions. For instance, landholders have reported circumstances where substantial upfront payments, including payments in the order of \$5,000, have been requested simply to commence an initial sit-down meeting. These examples are not isolated to a specific jurisdiction nor individual experience but reflect a pattern of behaviour experienced by the sector nationwide.

NFF also notes that while a legal test must be met to become a registered Native Title party, the ultimate confirmation of Native Title remains subject to judicial determination. The ACCU Scheme should not convert a prospective claim that has not yet been formally determined into an indefinite consent right, particularly where this may hinder project registration and development despite the proponent having attempted to engage in good faith. Accordingly, we consider that a maximum 90-day negotiation period would strike an appropriate balance between providing sufficient time to seek consent and ensuring the process does not unreasonably delay project registration and development.

## Carbon Abatement Integrity Committee

NFF supports the establishment of the CAIC provided that the reforms strengthen institutional independence and retain practical expertise including the existing requirements for agricultural representation (which we understand is the case). Additionally, and in recognition of CAIC's broader functions in lieu of the *Emissions Reduction and Assurance Committee* (ERAC), it is essential that it is adequately funded to support delivery of its work in a timely and efficient manner.

NFF recommends that the CAIC be supported by a more independent Secretariat to ensure broader independence from the Department. Given its expansive role including with respect to advising on methodology integrity, prioritisation, and the proposed new IRMD capability, it must be and be seen to be as operating with independence. We therefore recommend that the Secretariat services provided to it report directly to the CAIC Chair. This would create and ensure operational separation between the CAIC and Department while also strengthening broader confidence that advice is not being otherwise filtered.

## Proponent-Led Development

NFF supports opportunities to expand methodology development under the ACCU Scheme. Agriculture requires practical sector-specific methodologies that reflect the breadth of activities undertaken at the farm gate. It is our view that current methodology availability is to a certain degree erecting an effective barrier to entry for those willing to participate but otherwise have no mechanism to do so.

NFF understands that a core focus of these reforms is to explore new pathways and opportunities for methodology development. This must include a stronger focus on emissions avoidance-based methodologies for agriculture and move beyond the predominantly sequestration-based approaches that have informed the Scheme to-date. Practical avoidance methodologies are needed across livestock emissions, fertiliser-use efficiency, manure management, bioenergy, AEM, feed additives, nitrogen inhibitors, waste, and integrated whole-of-farm approaches to provide for a genuine whole-of-sector pathway to enabling participation.

Without these pathways, agricultural participation will remain unnecessarily constrained, regardless of producer willingness to reduce emissions. This is particularly relevant in the context of anticipated ACCU supply-side constraints under the Safeguard Mechanism from the 2030 horizon onward.

On a separate point, NFF reiterates our previous position that some stakeholders may lack the resources required to develop an *Expression of Interest* (EOI) for methodology development. Measures to assist proponents to prepare EOIs should be considered, including grants or alternative funding support. This would help ensure the EOI process does not operate as a cost-shifting measure by the Commonwealth and remain accessible.

## Integrated Farm and Land Management Methodology

If this reform process is intended to consider the recommendations and learnings from more than a decade of ACCU Scheme implementation, it is difficult to understand why prior recommendations and commitments relating to the *Integrated Farm and Land Management* (IFLM) methodology and stacking have not been adequately progressed. These matters were not informal expectations or early-stage policy discussions as noted by Department officials during the information webinar but are rather a reflection of clearly communicated formal recommendations and commitments made across successive Governments and Ministers. To put simply, the current approach is not just underwhelming but extremely disappointing.

As outlined in NFF's submission to the ACCU Scheme – Draft IFLM Method Consultation (**Attachment 2**), the following timeline and commitments have underpinned development of the IFLM:

- **During 2019:** Australian Government begins a process to identify priority methodologies with the IFLM identified as one of five priorities.
- **During 2019:** The Carbon Market Institute (CMI) IFLM Taskforce is established.
- **February 2020:** King Review recommends improvements to the Emissions Reduction Fund (ERF) to facilitate 'method stacking' where multiple ERF projects are taken on the same property using different methods through rule changes (Recommendation 6.9).
- **May 2020:** Australian Government agrees to Recommendation 6.9 of the King Review and commits to working with industry to identify the best ways to simply and streamline method stacking.
- **October 2021:** Australian Government announces development of five new ERF methodologies in 2022 include an Integrated Farm Method that allows separate ERF land-based activities to be combined or 'stacked' on the same land.
- **During 2021-25:** Stakeholder engagement and co-design workshops and discussions with stakeholders, academics, scientists, and technical experts through Departmental processes and Stakeholder Reference Group.
- **February 2025:** ERAC Periodic Review of the Soil Organic Carbon Method 2021 commences, and feedback requested to inform IFLM as part of public consultation.
- **March 2025:** Department releases a long overdue 'Plain English' version that is severely lacking in scope and ambition and quietly drops previously stated commitments to deliver a draft method for Emissions Reduction Assurance Committee (ERAC) endorsement from official updates.
- **March 2025:** CMI IFLM Taskforce publishes a Policy Brief and warns that the IFLM will fail to deliver unless it enables multiple carbon management activities.
- **December 2025:** Draft IFLM released for public consultation.

Despite the above, the current proposal put forward by the Department and through ERAC for public and industry comment does not deliver upon the above expectations and commitments. We continue to very clearly seek a broadening of the scope supported by clear direction on how existing methodologies will be incorporated efficiently. This must be accompanied by sustained Commonwealth leadership and support for the development of future proponent-led modules.

To be clear, the current model lacks the architecture that would enable the relatively seamless inclusion of existing and new standalone methodologies into the IFLM. If further development of the IFLM is to occur through proponent-led processes, this will make implementation more difficult and may compromise the utility of the methodology.

## Emissions Avoidance and Sequestration Abatement

The Consultation Paper acknowledges that the *Carbon Farming Initiative (CFI) Act 2011* does not currently allow a single methodology to include both emissions avoidance and sequestration abatement from different activities, and that legislative change is required. No amendments have been included in the Exposure Draft to resolve this issue. While we recognise the legislative and technical complexity of implementing such changes from a drafting perspective, it needs to be pursued with priority. If the issue is not resolved, the IFLM will commence with a diminished scope requiring subsequent legislative correction. This would be an inefficient way to address the problem and would create unnecessary uncertainty for prospective proponents considering participation.

Requiring separate project registration, reporting, audit, and compliance processes for emissions avoidance and sequestration activities translates to high transaction costs and reduced incentives for participation. This outcome is inconsistent with the original purpose of the IFLM, and prior recommendations made into the ACCU Scheme (*King Review Recommendation 6.9*) that sought a stackable and integrated solution (that simplifies the auditing burden).

## Section D: Research and Development and Newness Provision (Additionality)

As noted in our 2023 submission:

- *NFF holds significant concern around the issue of newness and additionality. Newness dictates that a business or entity can only earn ACCUs if the work they are undertaking is new (additional to normal business as usual conditions). This requirement would render companies engaged in undertaking research and trials of emerging technologies (i.e., feed additives to reduce enteric methane emissions from livestock) unable to earn ACCUs if that work is currently operationalised. This is not an unreasonable approach as early adopters must be allowed to explore and innovate, with a reasonable expectation of future legitimate participation. A further example is the establishment of Leucaena to assist in methane management. The folly of not allowing people to participate in a program that would not have existed if the trial work wasn't undertaken is stark.*

NFF supports the intent of the proposed R&D newness amendments, however, further refinement is required to ensure R&D activity does not inadvertently disqualify future projects and that Scheme settings support rather than stifle agricultural innovation. R&D activities should be disregarded for newness purposes where they are genuine research, trial, pilot, demonstration, or methodology development activities, whether they support a new methodology, a variation to an existing methodology, an additional schedule or module, or an expansion of eligible activities under an existing methodology. This is particularly important where R&D is used to improve or expand an existing methodology rather than develop a wholly new methodology (take for example if pyrolysis of spent litter were proven through R&D as a capture and reduction opportunity and applied to either biochar or *Animal Effluent Management (AEM)* avenues).

NFF does not support a requirement that R&D activity must have ceased before it can be disregarded for newness purposes, as agricultural research may continue alongside refinement, monitoring, safety testing, data collection, or early commercialisation without amounting to project commencement in the ordinary commercial sense.

We also continue to remain significantly concerned that additionality is being interpreted through an economic lens. While it is for a separate discussion the any application or interpretation of additionality that goes beyond actual sequestration or avoidance is challenged. Economic barriers are not the only barriers to adoption. Producers may not adopt a technology or practice due to supply-chain constraints, safety concerns, technical complexity, lack of capability, biosecurity risk, animal health concerns, infrastructure availability, or uncertainty around regulatory requirements. These non-economic barriers must be recognised and built into the approach to ensure agricultural R&D is not penalised or stifled, and that early movers who support methodology development are not placed at an unfair disadvantage.

## Section G: Administrative Improvements

NFF supports the proposed amendments that provide greater flexibility for AEM and other emissions avoidance projects. This includes the ability to extend a methodology crediting period more than once where supported by updated advice, and the proposed pathway for emissions avoidance projects to move onto a new or varied methodology after a crediting period or extended accounting period has expired.

These are important reforms for early adopters and producers undertaking genuine ongoing emissions reduction. However, they do not resolve the separate issue of short deferral periods for new projects. For infrastructure-intensive methodologies, including AEM which has strong uptake among pork producers, design, approvals, procurement, construction, and commissioning can extend well beyond 18 months. This can result in producers losing crediting period value before a project has become operational.

NFF recommends that individual methodologies be able to specify longer deferral periods where justified by project type. This should include deferral periods of up to 60-months for methodologies involving significant design, build, and commissioning requirements. This would better reflect real project development timeframes and ensure producers can utilise the applicable crediting period, including the 15-year crediting period now available under the AEM methodology.

## Closing Remarks

Please do not hesitate to contact Warwick Ragg, General Manager, Natural Resource Management, via e-mail: [WRagg@nff.org.au](mailto:WRagg@nff.org.au) at the first instance to progress this discussion.

## Attachments List

1. ***NFF Submission (October 2023): ACCU Review Discussion Paper.***
2. ***NFF Submission (March 2026): ACCU Scheme – Draft Integrated Farm and Land Management (IFLM) Method Consultation.***



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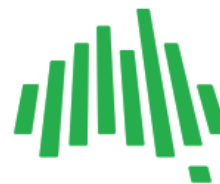
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03 October 2023

ACCU Review Implementation  
Department of Climate change, Energy, the Environment and Water  
Kind Edward Terrace  
Parkes ACT 2600

Via email: [ACCUScheme@dcceew.gov.au](mailto:ACCUScheme@dcceew.gov.au)

Dear DCCEEW,

**RE: ACCU Review Discussion Paper**

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Department in response to the 28 questions outlined in the Australian Carbon Credit Unit (ACCU) Review Discussion Paper.

The NFF was established in 1979 and is the authoritative voice of the Australian agriculture industry. The NFF serves as the national peak body representing the broad interests of farmers across geographical and commodity borders. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations in turn form the NFF. As a general principle, the NFF seeks to ensure that any legislative reform does not have a perverse or adverse impact on agricultural productivity.

**Overview**

The NFF recognises the importance of this consultation and welcomes the opportunity to share our views on implementing the recommendations from the ACCU Review. It is important to note that while the NFF is not individually engaged within the carbon market, it does represent the agriculture sector, and therefore plays an important role in this discussion.

**NFF have articulated several comments and concerns for the ACCU Review Implementation Taskforce to consider while undertaking activities to implement recommendations to improve transparency of the ACCU Scheme.**

We trust that our views, and by extension the views of the Australian agriculture sector, are recognised and carefully considered by the Department.



## **Consultation Questions: NFF Response**

### **Question 1: Are the proposed principles fit for purpose and how should they be applied to improve ACCU Scheme governance and integrity?**

NFF holds some concern with the proposed introduction of ACCU Scheme Principles to guide and support the application of the existing Offsets Integrity Standards (OIS). We welcome the incorporation of language under Principles 1, 2, and 3 around ensuring the ACCU Scheme represents “real” greenhouse gas reductions or removals, that data is made publicly accessible subject to privacy or other commercial sensitivity protections, and that barriers to participation for regional communities are addressed and reduced. The inclusion of language like “real” marks a positive step forward as it sends a clear market signal that innovation and mitigation rather than the low-cost alternative (vegetation offsets) will be rewarded, alleviating potential pressure on land-use conflict within the farm sector. To support the execution of Principle 3, extension support officers and the provision of trusted, independent advice will be a necessary action.

NFF however holds some concern over additionality as outlined in Principle 1 (Integrity). While additionality is important as it maintains the overall integrity of the ACCU Scheme, this condition will stifle research and development (R&D) and erect a barrier for companies looking to accelerate sustainability action. This is apparent as it remains unclear, for example, whether existing methane mitigation trials will allow this additionality provision to be triggered and be able to generate ACCUs once a relevant methodology has been approved. That is, participation in trials should not then disqualify eligibility for a scheme.

### **Question 4: What are the risks to the market from publishing information about ACCU holdings?**

NFF does not support the default publishing of data for all relevant area-based offset projects by the Clean Energy Regulator (CER), a legislative rule enabled by amendment to the *Safeguard Mechanism (Crediting) Amendment Act 2023* and by extension the *Carbon Farming Initiative Act 2011*. It is the position of the farm sector that an immediate exemption on the mandatory reporting of CEA data for projects managed by land managers is implemented. This is because appropriate protections must be put in place to ensure sensitive private data released by the CER, specifically details regarding the location of a project, are kept confidential. NFF proposes that this exemption remain in place as a manageable short-term solution until a complete database with in-built privacy protections is developed.



The farm sector welcomes engagement with relevant Government agencies to design and create a template standard that can be used to facilitate the reporting of voluntary data. The NFF Farm Data Code is one of several policy frameworks that could be utilised to inform the establishment of this digital infrastructure platform to report national CEA data.

**Question 5: Are there other grounds or circumstances where information should be withheld, for example, an exemption for existing projects?**

As detailed in the previous section, an exemption for the mandatory reporting of CEA data for projects managed by land managers must be immediately implemented. This will address key privacy consideration issues in the interim until a permanent resolution to this complex issue is developed.

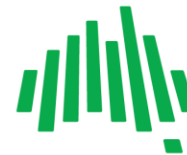
**Question 6: Should the government continue to focus its purchasing on least cost abatement? If not, what other considerations should it prioritise and why?**

NFF is supportive of Recommendation 3.3 regarding the shifting of responsibility of Australian Government purchasing of ACCUs away from the CER and to another Government body. NFF supports a structural separation of the Emission Reduction Fund (ERF) auction system away from the CER and have previously articulated to the Department via submission to the Independent Review of ACCUs that this responsibility could reside, for example, with the Department of Industry given its expertise in grant programs. Any residual functions of the CER should also be aligned with this separation logic to ensure consistency with the objective of this Recommendation.

**Question 8: What assistance or guidance would proponents need to effectively participate in the EOI process?**

Recognising that some stakeholders lack a sufficient resource base to develop an EOI, NFF supports the development of measures that assist stakeholders prepare an EOI. This could be achieved by creating new grant opportunities or alternate funding support. This aligns with assurances that this wasn't a cost shifting measure by the Government.

**Question 12: Are the proposed areas where the department could provide assistance during method development the right areas or skill gaps to focus on?**



NFF is supportive of efforts undertaken by the Department to help method proponents understand how to participate in the ACCU Scheme and the development process of new methods through clear guidance material, workshops, and seminars. Barriers to participation must be broken down, and this can be achieved through proposed education assistance outlined in Section 2.3.1. With regards to advice on the policy landscape, farmers and landholders need to be kept engaged through consultation processes to ensure the policy and method development (and its impacts) are understood. Such a process will also ensure that the Government understands farmers' on-ground needs.

**Question 13: Is the proposed approach to deal with newness appropriate to support participation in research, trials and demonstration projects needed to support method development?**

As outlined in our response to Question 1, NFF holds significant concern around the issue of newness and additionality. Newness dictates that a business or entity can only earn ACCUs if the work they are undertaking is new (additional to normal business as usual conditions). This requirement would render companies engaged in undertaking research and trials of emerging technologies (i.e., feed additives to reduce enteric methane emissions from livestock) unable to earn ACCUs if that work is currently operationalised. This is not an unreasonable approach as early adopters must be allowed to explore and innovate, with a reasonable expectation of future legitimate participation. A further example is the establishment of Leucaena to assist in methane management. The folly of not allowing people to participate in a program that would not have existed if the trial work wasn't undertaken is stark.

The Australian agriculture sector has been actively engaged in decarbonisation efforts both through individual and collective action and has committed significant investment into the development of anti-methanogenic technologies with promising, measurable results. There also exists discussions around better or alternate pathways to nitrogen management in cropping enterprises, ongoing exploration of the viability of soil carbon sequestration, and a suite of sector-based emission reduction targets over various timeframes and ambition. While the industry is strongly committed towards embarking on the journey of decarbonisation, assistive technologies to do so remain expensive and cost-prohibitive to producers unless there is a possibility of receiving ACCUs.

ACCU generation requires methodologies to be developed which can take upward of several years, even under the proponent-led process in addition to a significant



input in R&D. NFF is concerned however that R&D has not reached its maximum potential given fears around how newness will work, and that existing research will not be treated as additional and hence trigger the additionality threshold provision. NFF supports options put forward in the Paper that address this issue as they do not prejudice future crediting opportunities. NFF supports all three options outlined in Section 2.3.2 as detailed:

- *An introduction of an “in lieu of newness” provision for entities undertaking research and trials;*
- *An introduction of a “notice of intent” system where land managers undertaking research projects could declare their activity and receive an exemption to the newness provision; and*
- *Reforms that exempt research projects from newness provisions in cases where the project is used to inform future method development or where a future project would only be commercially viable with ACCUs.*

As each of these options circumnavigate the newness barrier, if implemented, this will increase R&D levels. This would reduce technology cost, accelerate commercial viability of emerging technologies, and speed-up the method development process creating a pathway for ACCUs to be earned – an outcome that would further assist in bridging this cost gap.

In addition to recommendations outlined in Section 2.3.2, NFF notes that the most effective response involves the automatic exemption of any program designed to reduce methane emissions from the newness requirement, especially if such a program has no demonstrated long-term commercial viability without the support of ACCU generation.

**Question 16: Will the proposed process for dealing with confidential data in consultation submissions balance the desire to ensure the ACCU Scheme is transparent while encouraging commercially sensitive data and information to be provided?**

The proposal to provide stakeholders that choose to share commercially sensitive data under a proponent led method development process an opportunity to request their submissions be made either anonymous or confidential must be adopted. This is the minimum threshold requirement, and one that is reasonable given the sensitivity of the matter. These options will give certainty to stakeholders



that commercially sensitive data will be protected, and this will encourage and facilitate stronger stakeholder engagement in the process.

**Question 19: Are the proposed timeframes reasonable? Could they be shortened?**

The proposal to have draft methods or modules open for public consultation for a minimum of four weeks is not sufficient. A minimum timeframe of two months should be given for public consultation as this will ensure stakeholders have adequate time to carefully prepare a submission for review. Public consultation should also be proactive and meaningful. The Department must not limit announcement of a new public consultation to an email and website update, rather, it should proactively seek out and contact industry groups directly.

While NFF recognises that some methods may take longer to develop relative to others, we are supportive of greater ambition to reduce the development timeframe of new method development. A timeframe of 2 years is significant, and the proposed 18-month period for developers to submit a draft method for consideration by the Integrity Committee after an EOI is approved could be reduced substantially.

Further, NFF would like to note that the development process for new methodology like the Integrated Farm Management Method should be aligned with the sunseting of similar methodologies to ensure there exists a seamless transition for stakeholders.

**Question 20: Should there be a mandated requirement to complete method development within a set timeframe?**

Recognising that new methods will garner different levels of stakeholder interest and extended timeframes may be required to ensure a method is developed properly and free from errors, NFF does not support the introduction of a mandated requirement to complete method development within a hard deadline. A best practice guidance note with appropriate caveats would be a more sensible and sensitive approach.

**Question 21: Does the proposed approach for reviewing and maintaining methods properly balance the need for integrity with the industry need for certainty?**

NFF is supportive of the requirement that the Integrity Committee review an expiring method within a reasonable timeframe prior to the date it is due to



sunset. We propose that this review must be undertaken no later than twelve months before the sunset period. Public and targeted industry consultation on sunsetting methods must be a requirement rather than an option, and feedback gathered from such processes must be collated and used to advise the Minister on whether to remake or allow a method to sunset. This is of particular importance and would ensure issues are addressed head-on. For example, the Department has announced its intention to sunset the Animal Effluent Management Method to the dismay of industry.

Separately, NFF welcomes the proposed changes to Crediting Period Extension (CPE) Reviews and a relaxing on the requirement for crediting periods to undergo amendment. While NFF supports the proposed role of the Integrity Committee to advise whether a crediting period should be increased or decreased, before a decision is made, industry consultation must be held.

**Question 24: Does the proposed scope of the Integrity Committee's role compromise its primary role as an independent ACCU Scheme assurer?**

NFF is not concerned that an expansion of the Integrity Committee's functions, roles, and responsibilities will compromise its primary role as an independent ACCU Scheme assurer. These proposed expansions are consistent with and have been drawn out from Recommendations put forward by the independent umpire, the Chubb Review.

**Question 25: Should the ACCU Scheme allow for a preliminary form of EIH consent to be given by a registered Native Title body corporate to allow a project to be registered by agreement? If yes, what form should or could that preliminary consent take?**

The issue of accessing EIH consent is a major transactional issue in the process of developing projects, especially those with a substantive permanence period. There are three (3) key concerns:

- The time taken to identify the EIH, especially where there is either no Native Title determination resolved (so there may be competing interests from native title applicants) or there may be land where Native Title MAY be found to exist in the future, but at the point of contracting no potential EIH has either come forward or been identified. This scenario makes completing ILUAs quite difficult and a mechanism to 'grandfather' the possibility of an EIH emerging might be of value that would allow a pathway around the



intertemporal problem of wanting to complete the carbon contract in the absence of a formally, or even informally, identified party. NFF would welcome a discussion on how this might be progressed;

- That the EIH, or more particularly their appointed agent, does not negotiate in good faith. We have been advised that there are examples where the proponent (the carbon accumulator), the lease and the Native Title holder are all happy to enter into an arrangement and a land council or similar interlocutor has interest in the transaction. Some clarity on those roles would be helpful; and
- Where lease condition might need to be varied that they be done so in a manner that protects the principal purpose of the lease (predominately grazing) and the variation is not used as a mechanism to recast or reprioritise the purpose of the lease. To put it another way, carbon contracts cannot be used as a driver to undermine existing lease conditions to the extent that those use rights are changed or undermined.

NFF understand the ILUA process is quite complex and difficult, though has been subject to some improvement. The model of an ILUA (including but not limited to EIHs) is a reasonable process. Extreme care needs to be taken that it is not exercised as a de facto veto over the progress of legitimate commercial transactions. They are not an alternate policy tool; they are a necessary commercial transaction. Where policy change is sought, that should be done in a broader and more consultative manner.

**Question 26: How could the preliminary agreement be withdrawn and what guidance or processes could be provided, noting the competing interests involved? Is a dispute resolution mechanism needed?**

Building on the response to Question 25, If an EIH consent is granted then it should continue to stand. The circumstances for its withdrawal, if they are to exist, should be extremely tightly defined. Where such a withdrawal is contemplated not only should a dispute mechanism be required, but it should be treated as a commercial matter and appropriate penalties should also be available.

**Question 27: How should eligible interest in land be defined for the purposes of the ACCU Scheme that ensures First Nations interests are appropriately respected?**



**Are there other ways of recognising interests that fall short of a Native Title determination through benefit sharing arrangements, and how might this work?**

The first step is to recognise where Native Title, whether exclusive or non-exclusive has been resolved, that scenario should form the basis for an IULA negotiation. Where determination is pending then it is reasonable, providing that there is only one applicant for the Native Title, for that to form a part of an agreement, contingent on the (presumably future) resolution of the determination, recognising this is a slow and drawn-out legal process. Where no applicant exists then some reasonable savings provision COULD be negotiated for abundant caution, care would need to be taken that it can't unreasonably undermine a contract nor act in a non-commercial way.

**Question 28: What support and resources do First Nations eligible interest holders, project proponents and communities need when considering or providing consent?**

Appropriate technical and advisory support should be available to ALL parties. The NFF have continued to express concern that rights holders or applicants have access to legal resources from land councils and elsewhere, similar resources continue not to be made available to especially the farm sector.

**Conclusion**

The NFF thanks the Department for the opportunity to provide feedback to the questions outlined in the Discussion Paper. We look forward to continued discussion and engagement. Please do not hesitate to contact Warwick Ragg, General Manager (Natural Resource Management) via e-mail: [WRagg@nff.org.au](mailto:WRagg@nff.org.au) or phone (02) 6269 5666 at the first instance to progress this matter.

Yours sincerely,

**TONY MAHAR**  
Chief Executive Officer

## The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade, and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

### NFF Member Organisations



## Executive Summary

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Department of Climate Change, Energy, the Environment, and Water (Department) on the Draft Integrated Farm and Land Management (IFLM) method.

We support the development of a whole-of-farm method that supports credible abatement improves auditing efficiency for farmers consistent with Recommendation 6.9 of the King Review<sup>1</sup> which was agreed to by the Commonwealth in May 2020<sup>2</sup>. While the modular framework (which enables land managers to undertake multiple carbon management activities) is supported, the current scope at present is far too narrow to deliver upon the original promise and vision of a comprehensive and stackable method. This is extremely disappointing as the IFLM has been under active development for six-years under multiple Governments and Departments.

The IFLM was intended to be the integrated, whole-of-farm method that Australian agriculture has sought for over a decade. It was promised to be a framework that would consolidate multiple Emissions Reduction Fund (ERF) management activities under a single structure approach and reducing fragmentation across methodologies. This vision has simply not been achieved. The current scope not only reflects a shadow of its former position as it is now limited to regeneration outcomes only, but it does not include any existing Carbon Farming Initiative method under its auspicious. It is not even a rebranding of existing methodologies. This is a serious failure to deliver the genuinely integrated approach promised.

To achieve meaningful uptake across the sector and fully leverage opportunities and participation within the carbon market, the scope of the IFLM must be broadened beyond its current settings. Clear direction is required on how existing methods will be incorporated efficiently, alongside sustained Commonwealth leadership and support in the development of future proponent-led modules. The credibility of the Australian Carbon Credit Unit (ACCU) Scheme hinges on there being practical farmer-ready methodologies, not more delay and narrowing. To be clear the current model lacks the architecture that would enable the relatively seamless inclusion of existing and new stand alone methodologies into the IFLM. If the stated policy intent of having any further development of IFLM is only through proponent led processes this makes it all the more difficult and compromises the utility of the process.

## Development Timeline

The IFLM has been under development for over half a decade as reflected by this timeline. Over this period, expectations were established that it would deliver a broad, integrated, and stackable framework covering multiple agricultural ERF projects:

- **During 2019:** Australian Government begins a process to identify priority methodologies with the IFLM identified as one of five priorities.
- **During 2019:** The Carbon Market Institute (CMI) IFLM Taskforce is established.
- **February 2020:** King Review recommends improvements to the Emissions Reduction Fund (ERF) to facilitate 'method stacking' where multiple ERF projects are taken on the same property using different methods through rule changes (Recommendation 6.9).

- **May 2020:** Australian Government agrees to Recommendation 6.9 of the King Review and commits to working with industry to identify the best ways to simply and streamline method stacking.
- **October 2021:** Australian Government announces development of five new ERF methodologies in 2022 include an Integrated Farm Method that allows separate ERF land-based activities to be combined or ‘stacked’ on the same land.
- **During 2021–25:** Stakeholder engagement and co-design workshops and discussions with stakeholders, academics, scientists, and technical experts through Departmental processes and Stakeholder Reference Group.
- **February 2025:** ERAC Periodic Review of the Soil Organic Carbon Method 2021 commences, and feedback requested to inform IFLM as part of public consultation.
- **March 2025:** Department releases a long overdue ‘Plain English’ version that is severely lacking in scope and ambition and quietly drops previously stated commitments to deliver a draft method for Emissions Reduction Assurance Committee (ERAC) endorsement from official updates.
- **March 2025:** CMI IFLM Taskforce publishes a Policy Brief and warns that the IFLM will fail to deliver unless it enables multiple carbon management activities.
- **December 2025:** Draft IFLM released for public consultation.

## Proposed Structure and Implementation Approach

### The Modular Approach

ERAC has described the IFLM as a modular style method. The proposed structure is comprised of a core method containing common provisions supported by Activity Schedules (of which three are proposed, see below). The intent is that additional activities are added over time provided they meet existing Offset Integrity Standards (OIS):

1. *Regeneration of native forest on cleared lands.*
2. *Reforestation by environmental or mallee plantings.*
3. *Regeneration of native forest on suppressed land.*

NFF supports the modular architecture, and we acknowledge that this is the first ACCU Scheme method designed to enable multiple activities to operate under a single project structure on the same land. However, there is insufficient clarity regarding the pathway for incorporating additional activities, particularly for existing methods already in operation. It is unclear whether the addition of established methods would trigger reassessment under the OIS even where integrity has already been demonstrated. This is a significant problem from a duplication and delay perspective and one that needs to be clarified.

### Current Scope and Lack of Ambition

Industry has waited over half a decade including a full term of Government for what was intended to be a comprehensive integrated method. Instead, what we have received is an incomplete method that is diminished in scope with no real clear timeframes for implementation. Despite repeated calls from NFF and other industry bodies, the scope of the IFLM has been unilaterally narrowed without adequate explanation. Evidence received through Senate Estimates has suggested that engagement has leaned more heavily toward academic and environmental input than toward genuine co-design with the

agriculture sector and we also note that NFF had to actively seek inclusion to become a member of the Department's Stakeholder Reference Group.

Rather than designing a method that reflects how farms operate across the landscape and incentivises multiple abatement activities, the process has very much sidelined the very stakeholders expected to implement it. This is not the partnership that farmers were promised. In the context of the broader ACCU Scheme, we note that the tools we need are missing, inadequate, and in some cases been taken away. Feed additives, beef cattle herd and animal effluent management, fire management, and on-farm energy are all legitimate components of an integrated method and must be included yet these remain sidelined with no clear pathway for incorporation.

## **Proponent-Led Module Development Pathway**

The consultation material states that new Activity Schedules and Calculation Schedules can be added over time through method variations. The framework method has been designed with the intention that minimal updates will be required to the core method when new schedules are added. These variations may be proposed through the proponent-led method development expression of interest process for prioritisation by the Assistant Minister, or for Departmental development. All method variations require legislative drafting, review by the ERAC, and a decision by the responsible Minister to make the varied method.

NFF recognises that proponent-led development may be appropriate for certain niche or emerging methodologies. However, this pathway should complement and not substitute Commonwealth responsibility (which they have committed to) in delivering the integrated approach as promised. There is a strong implication that proponent-led modules will be entirely privately funded by proponents with limited to no technical or drafting support. This could represent a significant burden for proponents and could hinder bringing new methods to market. This contrasts with other Commonwealth-supported method development processes (i.e., Nature Repair Market), and clear prior commitments to lead and deliver the integrated approach as promised.

NFF have been continually engaged in cross sectoral discussion, we understand there are a range of technical issues being raised by others including the Carbon Market Institute. Those issues and concerns resonate with the NFF and at least to the degree they go to the integrity measures we are supportive of those narratives.

## **Conclusion**

To achieve meaningful uptake across the sector and fully leverage carbon market participation, the scope of the IFLM must be significantly broadened. We urge a renewed focus on delivering a framework that is genuinely fit-for-purpose and meets the efficiency, breadth, and ambition contemplated by the King and Chubb Reviews. The current proposal simply does not meet the stated purposes irrespective of any technical discussion.

Please do not hesitate to contact Warwick Ragg, General Manager, Natural Resource Management, via e-mail: [WRagg@nff.org.au](mailto:WRagg@nff.org.au) at the first instance to progress this discussion.