Code of Conduct

overview

June 2018
Overview of the Code of Conduct

What is the Carbon Industry Code of Conduct?

The Carbon Industry Code of Conduct aims to promote best practice within Australia’s carbon reduction and carbon sequestration industry. The Code provides guidance for project developers, agents, aggregators and advisers undertaking carbon projects including under the Emissions Reduction Fund and other Voluntary Offset Schemes.

It is a voluntary code that aims to promote market integrity, consumer protection and appropriate interaction with project stakeholders, including Native Title Holders, representative bodies, land managers and project owners. Signatories to the Code agree to meet the minimum requirements for operating in the carbon industry, as set out in the Code, including during pre-project activities, ongoing project management, documentation and general business practices.

Administered by the Carbon Market Institute (CMI), the Code aims to address issues that impact on the market integrity and reputation of the carbon industry and promote international leadership on carbon project development.

Signatories to the Code are committed to developing and conducting their business in line with industry best practice and interacting with their clients and other stakeholders in a professional and ethical manner. As Code Administrator, the CMI will monitor and review compliance under the Code to ensure signatories continue to operate in compliance with the requirements of the Code.

Staged implementation of the Code

The Code will be implemented in a staged manner, commencing with the initial “Foundation Stage” on 1 July 2018. The Foundation Stage is intended to be in place for a period of two-years, after which the Code will transition to the “Operational Stage” and be fully implemented.

Various elements of the Code will come into effect at the commencement of the Operational Stage. This includes the establishment of an independent Code Review Panel, carrying out compliance audits, the investigation of complaints and breaches, and enforcement of sanctions.

This staged approach has been designed to allow the industry sufficient time to become familiar with the requirements of the Code during the Foundation Stage and to build a platform for continual improvement in ensuring best practice behaviours in the carbon industry.

What are the benefits to industry?

It is anticipated that the existence of the Code will make an important contribution to a well-functioning carbon industry and result in increased transparency and accountability, improved environmental and social integrity of projects, fair treatment of project stakeholders, and enhanced regulatory and legislative compliance.

Project owners and other stakeholders in the carbon industry engaging with a Signatory to the Code know that they are committing to best practice business practices and have a commitment to the integrity, reputation and growth of the carbon industry in Australia.
What are the benefits to signatories?

Signatories to the Code are listed on the CMI’s Carbon Industry Code of Conduct website and demonstrate to the industry that they are committed to developing and operating in an industry that is built on community trust, transparency, accountability, social and environmental integrity, and is in compliance with the law.

Signatories are entitled to use the Carbon Industry Code of Conduct brand mark; a public recognition of leadership and integrity that distinguishes the organisation in the marketplace. By becoming a Signatory to the Code, the organisation is supporting the carbon industry’s vision of achieving a well-functioning carbon industry in Australia at the scale required to significantly contribute to greenhouse gas reduction commitments under the Paris Agreement.

What is the role of the Administrator?

The Code will be administered by the Carbon Market Institute (CMI) who will provide guidance to all signatories about the operation and requirements of the Code. The CMI will also be responsible for:

- managing the administration process relating to signatories
- reviewing compliance against the Code
- overseeing promotion of the Code
- developing training and supporting material on the Code to assist signatories to comply with the Code
- handling complaints in accordance with the process for handling complaints/alleged breaches
- preparing an annual report on the Code’s operations

During the Operational Phase, the Administrator’s responsibility will extend to establishing an independent panel and undertaking compliance audits and initiating enquiries into compliance, investigating complaints and breaches, and enforcing sanctions.

What is the role of the code review panel?

The oversight, monitoring and direction of the Code of Conduct will be undertaken by the Code Review Panel (the Panel). This Panel will be established in the Operational Phase, following the first two years of the Foundation stage of the Code.

The Panel will operate under the Panel Terms of Reference and meet regularly to look at revisions to the Code, policy changes, complaints data, and the overall operation of the Code. The panel will also be responsible for:

- arbitrating cases referred to it by the Code Administrator
- arbitrating appeals against sanctions imposed by the Code
- conducting its own inquiries into Code compliance.

The panel will be an independent body of at least three participants, whose representatives are all independent of the Code.
General FAQs on the Code of Conduct

What are the benefits of becoming a Code Signatory?

Signatories to the Code are listed on the CMI’s Carbon Industry Code of Conduct website and demonstrate to the industry that they are committed to developing and operating in an industry that is built on community trust, transparency, accountability, social and environmental integrity, and are in compliance with the law. Signatories are entitled to use the Carbon Industry Code of Conduct brand mark; a public recognition of leadership and integrity that distinguishes the organisation in the marketplace.

Who can be a Code Signatory?

Project developers, agents, aggregators and advisers undertaking carbon offsets projects, including under the ERF and other Voluntary Offset Schemes, are encouraged to become a signatory to the Code. Signatories to the Code are committed to developing and conducting their business in line with industry best practice and interacting with their clients and other stakeholders in a professional and ethical manner.

How can I sign-up as a signatory to the Code?

Applications for becoming a signatory are available on the Code website. All applications must be submitted to the Code Administrator for assessment. Successful applicants will receive their unique Signatory ID and relevant information about the Code, including the brand mark which you can be used to demonstrate your support and commitment to the future of the carbon industry.

How much does it cost to be a Signatory to the Code?

There are two main categories of Signatories for the Code and three fee levels. The category is based on the activity of the Signatory and the fee level is based on the number of projects that the Signatory is contractually involved in. The annual fee levels range between $2,500 and $12,500.

Can I become a Signatory to the Code even if I’m not undertaking and ERF project?

Yes indeed! The Carbon Industry Code of Conduct is a voluntary code which aims to promote market integrity, consumer protection and appropriate interaction with project stakeholders, including Native Title Holders, representative bodies, land managers and project owners. It applies to industry participants undertaking carbon offsets projects, including under Voluntary Offset Schemes.

Who are the current signatories to the Code?

All Signatories to the Code are listed on the Carbon Industry Code of Conduct website. These signatories have agreed to meet the minimum requirements for operating in the carbon industry, as set out in the Code, including during pre-project activities, ongoing project management, documentation and general business practices.
Is the Code compulsory for anyone undertaking an ERF project?

No. The Carbon Industry Code of Conduct is a voluntary code which aims to promote market integrity, consumer protection and appropriate interaction with project stakeholders.

Becoming a Signatory to the Code means you are demonstrating to the carbon industry that you are committed to developing and operating in an industry that is built on community trust, transparency, accountability, social and environmental integrity, and is in compliance with the law.

Why is there a Foundation Stage and an Operational Stage of the Code?

The Code Administrator has determined that the Code will be implemented in a staged manner. The first stage is the Foundation Stage, which will commence on 1 July 2018 and is intended to be in place for a period of two-years, after which the Operational Stage will commence (expected from 1 July 2020). This staged approach has been designed to allow the industry sufficient time to become familiar with the requirements of the Code during the Foundation Stage and to build a platform to ensure the application of best practice behaviours in the carbon industry.

What is the difference between the Code Foundation Stage and Code Operational Stage?

Various elements of the Code will come into effect at the commencement of the Operational Stage. This includes the establishment of an independent Code Review Panel, carrying out compliance audits, the investigation of complaints and breaches, and enforcement of sanctions. It is anticipated that there will be a lot of learning by doing in the Foundation Phase. There will be an independent review conducted prior to the Operation Phase to incorporate signatory feedback on the operation of the Code.
for more information please contact

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