



Australian Government
**Department of Industry, Science,
Energy and Resources**

Carbon Market Institute
Level 8
350 Collins Street
Melbourne
VICTORIA 3000

Dear Carbon Market Institute

The Department of Industry, Science, Energy and Resources welcomes the opportunity to comment on the independent review of the Australian Carbon Industry Code of Conduct.

The implementation of a code of conduct for the carbon industry is an important initiative to build trust, confidence, and integrity in the carbon market. Improvements to the Code as a result of the Independent review will ensure ongoing best practice. The report notes that the department and the Clean Energy Regulator are progressing relevant work to several of the recommendations. We look forward to continuing to work closely on these issues to maximise the benefit for the scheme and stakeholders.

In particular it was recommended that the Code Administrator provide guidance to signatories on developing project risk assessment plans (recommendation 30). The reviewers also found that there is a need to ensure landholders and proponents re-assess and factor regulatory risks into their plans and expectations. The department is developing a framework for sharing risks between the Government and Emission Reduction Fund participants to ensure continued scheme integrity while providing certainty and transparency for participants. This will enable continued scheme growth and will be a useful tool for the Code Administrator and other participants in the future. We expect to consult on the framework later in 2020.

The department is supportive of the continuing role of the Carbon Market Institute as the Code Administrator as the Code transitions into the Operational Stage of its implementation.

Yours sincerely,

A handwritten signature in blue ink that reads 'Helen Bennett'.

Helen Bennett
Division Head
Emissions Reduction Division
Department of Industry, Science, Energy and Resources

8 May 2020