SMART ENERGY COUNCIL

22 May 2026

Kate Lea-Perry
Branch Head, Carbon Crediting
Department of Climate Change, Energy, the Environment and Water
John Gorton Building, King Edward Terrace
Parkes ACT 2600

Dear Kate,

The Smart Energy Council welcomes the opportunity to provide a policy submission to the public consultation on the Carbon Credits and Other Legislation Amendment (Integrity and Transparency) Bill 2026. This legislative package provides an important opportunity to update governance, enhance transparency and ensure that market-based frameworks support Australia's Net Zero transition.

The Smart Energy Council (SEC) is Australia's peak independent body for the renewable energy, energy storage and smart transport industries, representing over 700 residential, commercial, and large-scale clean energy member companies across the nation. Our membership spans technology manufacturers, installers, retailers, financiers and policy advocates, all committed to accelerating Australia's transition to clean, affordable energy.

The Smart Energy Council generally supports the proposed legislative amendments to bolster scheme integrity and ensure market confidence. Ensuring that every carbon credit unit represents genuine, additionality-tested abatement is foundational to safeguarding Australia's energy transition. However, while supporting stronger regulatory guardrails, the SEC hold reservations regarding the discretionary nature of certain provisions and emphasise the need to prioritise objective science over administrative or political barriers.

While introducing Integrity Risk Method Declarations (IRMD) to address flawed methodologies is supported, the framework requires refinement. The SEC recommends that:

- the Minister's powers must be less discretionary, ensuring IRMD actions are anchored in empirical science and independent technical advice rather than shifting political willingness.
- To enhance accountability, a transparent process should allow public complaints to trigger a formal review under the IRMD, provided submissions meet clear procedural or substantive thresholds.
- Requiring an alternative method as a precondition for projects impacted by an IRMD is perverse to the scheme's intent. If a method lacks integrity, crediting

should cease regardless of an alternative's immediate availability. This restrictive precondition should be removed.

The SEC welcomes amendments focusing on integrity as well as administrative and transparency improvements, including:

- formalising native title holder consent, provided it respects First Nations rights without introducing unnecessary administrative burden or project delays.
- Updating the newness criteria for Research and Development (R&D) participants, as clear guidelines provide prospective proponents the investment confidence needed to pioneer next-generation clean technologies.
- Modernising government purchasing agreements through value for money principles to maximise public fund efficiency and genuine climate impact.
- Enabling a single method to encompass both emissions avoidance and sequestration activities, streamlining project delivery and minimising administrative duplication for clean energy developers.

Crucially, the broader scheme must prioritise physical, on-site decarbonisation over paper-only abatement. Heavy reliance on purchasing units to meet emissions targets risks delaying vital capital investments in industrial electrification, renewable energy procurement and green hydrogen adoption.

The Smart Energy Council remains available to provide further evidence, technical input or stakeholder connections to support the Department. Should you wish to discuss this submission further, please do not hesitate to contact:

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