



Response to submissions to public consultation paper: Seeking views on the draft Audit Thresholds Instrument 2025

The Clean Energy Regulator (the CER) undertook two rounds of public consultation to inform the development of the Audit Thresholds Instrument 2025. The first public [consultation paper](#) - *Seeking views from ACCU Scheme stakeholders on the Audit Thresholds Instrument*, provided an overview of how the Audit Thresholds Instrument works and asked for feedback on the Audit Thresholds Instrument 2015. It also asked stakeholders about potentially including alternative assurance for Low risk projects under the [Carbon Credits \(Carbon Farming Initiative\) \(Environmental and Mallee Plantings–FullCAM\) Methodology Determination 2024](#). It received a total of 20 submissions during the consultation period from 18 November to 15 December 2024.

The second public [consultation paper](#) - *Seeking views on the draft Audit Thresholds Instrument 2025* contains our response to submissions from the first round of public consultation. It also provided an overview of proposed changes incorporated into an attached draft Audit Thresholds Instrument 2025 for comment. It received 23 submissions during the consultation period from 22 January 2025 to 5 February 2025. Our response to these submissions is provided in Table 1 below.

Table 1 Response to submissions to the second public consultation paper: *Seeking views on the draft Audit Thresholds Instrument 2025*

Summary of responses to consultation questions	Clean Energy Regulator response
<p>1. Do you think the draft Instrument strikes the right balance between supporting participation and abatement, ensuring integrity of abatement, and facilitating a risk-based approach to compliance?</p> <p>Submissions overwhelmingly agreed that the draft Audit Threshold Instrument strikes the right balance.</p> <p>The following suggestions/concerns were raised:</p> <ul style="list-style-type: none"> Audit thresholds should be defined by area not by abatement volumes. Small changes to requirements keep happening during the life of a project which makes things uncertain and confusing. 	<ul style="list-style-type: none"> The Carbon Credits (Carbon Farming Initiative) Rule 2015 (CFI Rule) does not allow the Audit Thresholds Instrument to define audit thresholds by area size as s75(3) CFI Rule is based on annual average abatement. The Audit Thresholds instrument 2025 largely mirrors the previous instrument. This means it won't result in changes to audit requirements for new or existing projects, except for those that choose to opt in to the new alternative assurance arrangements for low-risk environmental plantings projects. Once in place, the Audit Thresholds Instrument 2025 can be amended by the CER Board if further proposals for alternative assurance are made and assessed as suitable.



<ul style="list-style-type: none"> The Audit Thresholds Instrument should be reviewed more often over the next few years because remote sensing technology is evolving quickly. 	<ul style="list-style-type: none"> The CFI Rule is due to sunset in 2027, and the Audit Thresholds Instrument will need to be remade to align with this.
<p>2. Are there any integrity risks that have not been considered in the draft Instrument?</p> <p>Of those that responded to this question most indicated they did not think there were any integrity risks that have not been considered.</p> <p>This suggestion was made:</p> <ul style="list-style-type: none"> Mallee plantings should be included in alternative assurance for low-risk environmental plantings 2024 projects. 	<ul style="list-style-type: none"> The CER is of the view that audits are required for mallee plantings as they have stricter allowable species requirements compared to a mixed-species planting and generally have a higher abatement yield in FullCAM compared to a mixed-species planting.
<p>3. Is there any other evidence that we have not considered that would support changes to the audit requirements proposed under the draft Instrument?</p> <ul style="list-style-type: none"> Most submissions answered no, were unsure or did not answer the question. 	
<p>4. Do you have any further feedback to provide on the draft Instrument or alternative assurance arrangements for low-risk environmental plantings 2024 projects?</p> <p>The following suggestions/concerns were raised:</p> <ul style="list-style-type: none"> A small number of suggestions were made to correct or clarify the text in the instrument. Suggestion that the criteria for alternative assurance for low-risk environmental plantings 2024 projects is modified to allow a family or first-party relationship between the title holder and the proponent. Concerns that the criteria for low-risk environmental planting 2024 projects was not adjusted to apply to proponents other than owner, leaseholder or native title holder. 	<ul style="list-style-type: none"> The CER has amended the incorrect reference to column 6 in subsection 3 of the draft instrument. We have also made amendments to clarify that the 200-hectare size limit for low-risk environmental plantings 2024 projects includes projects with multiple carbon estimation areas and the combined project total cannot be more than 200 hectares. The CER considered the suggestion that eligibility should be expanded beyond proponents who are owners, leaseholders or native title holders. However, we concluded that this would increase risk and complicate assessment processes required to ensure proponents have the legal right to undertake the project.