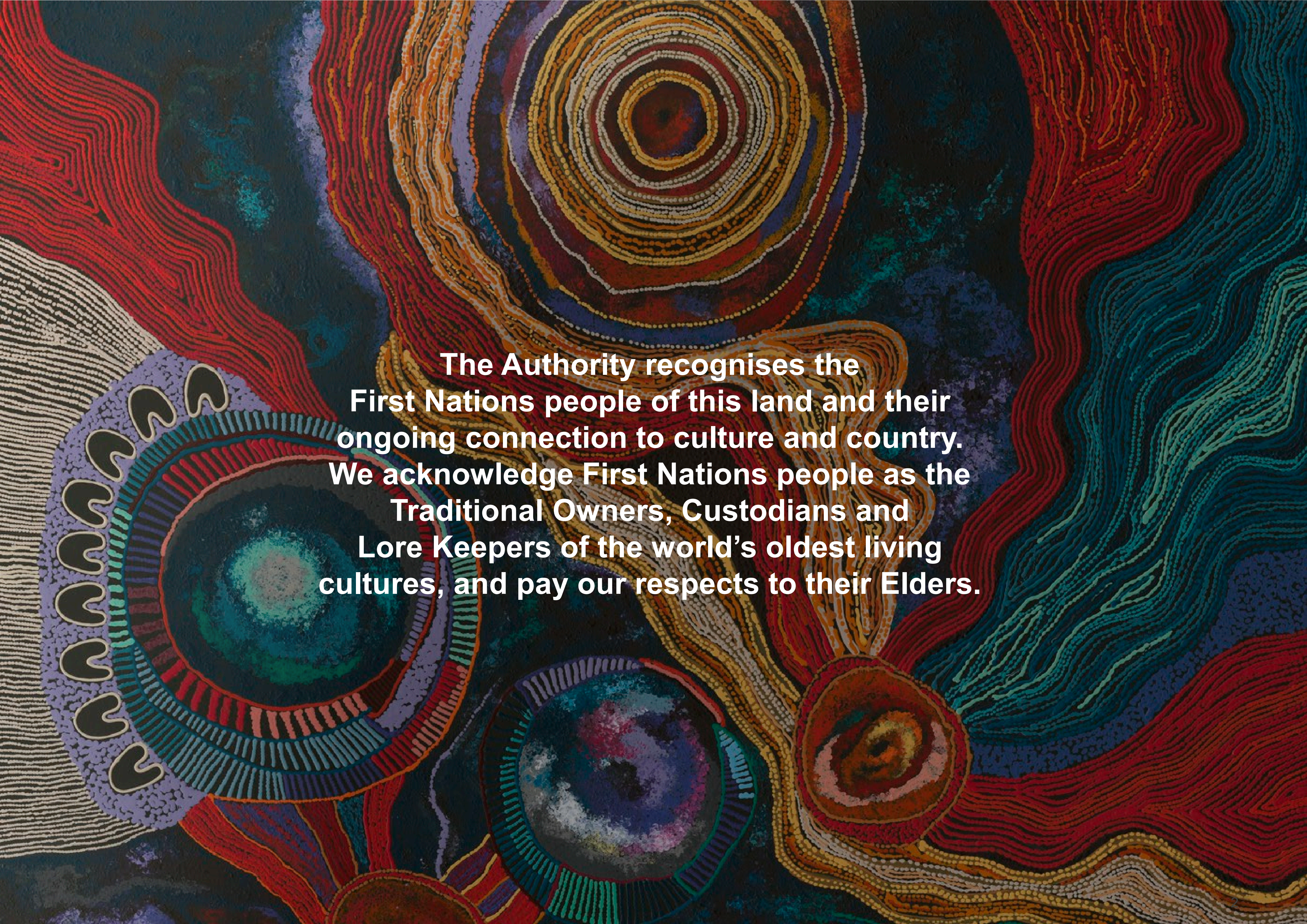
At a Glance: 2026 ACCU Scheme Review

Enhancing the stability and integrity of the Australian Carbon Credit Unit Scheme

September 2026

CLIMATE CHANGE AUTHORITY



The Authority recognises the First Nations people of this land and their ongoing connection to culture and country. We acknowledge First Nations people as the Traditional Owners, Custodians and Lore Keepers of the world’s oldest living cultures, and pay our respects to their Elders.

The review in one minute

Key findings

- ✓ The Australian Carbon Credit Unit (ACCU) Scheme remains fundamentally sound.
- ✓ Reforms are strengthening integrity, governance and transparency; these are still being implemented and need time to mature.
- ✓ The rules about storing carbon for 25 rather than 100 years need review.
- ✓ The Government should provide clear information about when ACCUs are the best tool and where other policies are better.
- ✓ Targeted improvements can further strengthen confidence and support investment.

Our recommendations

Carbon storage and ACCU use (permanence) – 2 recommendations

Public value – 1 recommendation

Transparency – 1 recommendation

Method development – 2 recommendations

These will help make sure the ACCU Scheme remains effective, credible and fit for the future. See page 5 for more information.

Overview: The ACCU Scheme

What is an ACCU?

One ACCU represents one tonne of emissions avoided or removed from the atmosphere through activities like reforestation and capturing methane from landfills.

Eligible projects that reduce emissions or store carbon can earn ACCUs. ACCUs can then be sold or used by organisations to meet emissions obligations under the Safeguard Mechanism or to meet voluntary commitments.

Fast facts

Operating since 2011

2,608 registered projects

190.5 million ACCUs issued

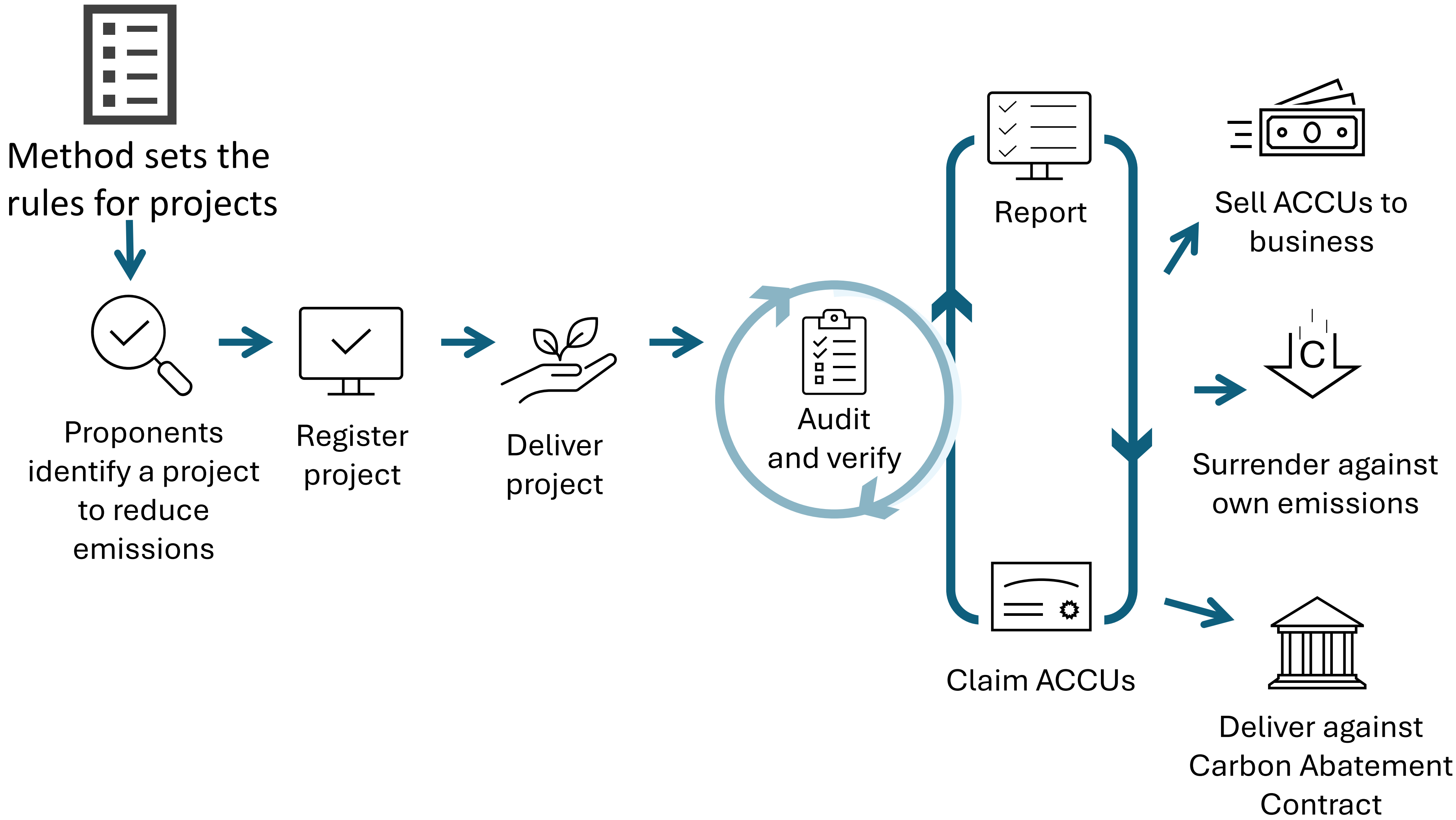
12 active methods currently open to new projects

Emissions avoided and removed since 2011 are about the same as 2 years of emissions from Australia's transport sector

54 Historical or revoked methods that still govern existing registered projects

First Nations-owned carbon projects generate significant emissions reductions and revenue, supporting ranger programs, community services and more

How the ACCU Scheme works



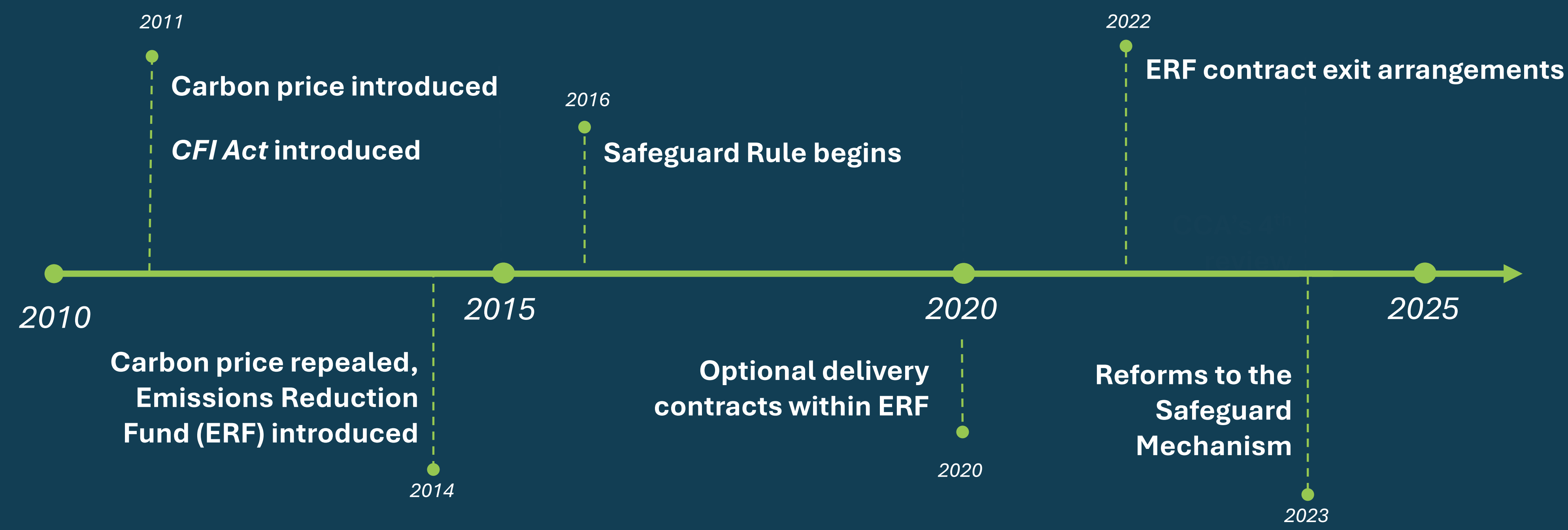
Graphic source: Clean Energy Regulator, 2025

The ACCU market has changed

ACCUs are one of several tools helping Australia reduce emissions.

From 2014 to 2022, the Australian Government was the main buyer of ACCUs through the Emissions Reduction Fund. Today, Safeguard facilities account for around 80% of ACCU demand, using ACCUs to help meet their emissions obligations.

The ACCU Scheme operates in an evolving space



Building on recent reforms

Recent reviews found the scheme was fundamentally sound

The Authority's 2023 review and the 2022 Independent Review of ACCUs (the Chubb Review) recommended improvements to governance, integrity and transparency.

Many of these reforms have already been implemented or are in progress.

Progress so far

	2023 Authority review	2022 Chubb review
	15 recommendations	16 recommendations
	6 not yet implemented	1 not yet implemented
	6 in progress	7 in progress
	3 implemented	8 implemented

See Appendix C of the 2026 ACCU Review for full details.

Recommendations: Permanence

Why it matters

Permanence matters because carbon emissions remain in the atmosphere for a very long time. To genuinely offset those emissions, the carbon removed must be stored for a similarly long period. As Safeguard facilities become the main buyer of ACCUs, it is important to make sure current permanence settings are fit for purpose.

Carbon sequestration in the land can be reversed by events like fires, drought, floods, diseases, tree removal for harvesting or land clearing.

Recommendation 1

Review permanence settings

Complete and publish the first assessment of the risk of reversal buffer and permanence period discount by the end of 2027.

Recommendation 2

Assess use of 25-year permanence ACCUs in Safeguard

Examine whether ACCUs from 25-year permanence projects remain appropriate for Safeguard Mechanism compliance.

What success looks like

- ✓ Stronger confidence in carbon storage of ACCUs
- ✓ Better alignment between risks and policy settings
- ✓ Greater long-term market certainty

Recommendations: Public value and transparency

Why it matters

Buyers need clear information about the ACCUs they purchase. This helps companies manage risks, identify projects with broader benefits and make informed investment decisions. Better information also strengthens confidence in the ACCU Scheme and improves market transparency.

Many ACCU projects deliver benefits beyond carbon. Government purchasing can be used to achieve multiple objectives.

Recommendation 3

Prioritise public benefits

Future Government purchasing should prioritise projects with credible public and First Nations benefits.

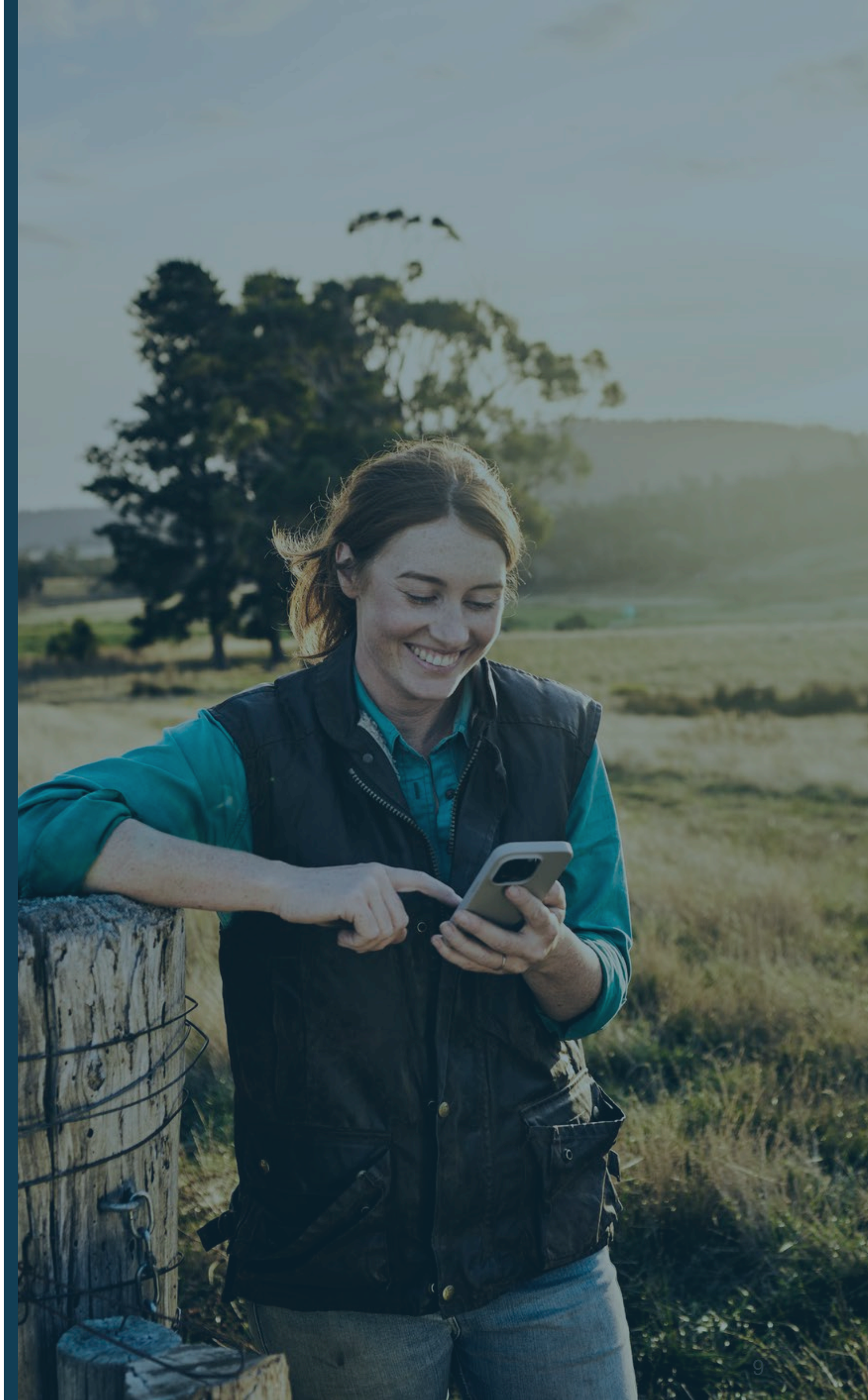
Recommendation 4

Improve transparency

Give buyers clearer, more accessible information about ACCUs, projects and market activity.

What success looks like

- ✓ Increased recognition of public and First Nations benefits
- ✓ Better-informed buyers
- ✓ Greater market transparency
- ✓ Stronger confidence in ACCUs



Recommendations: Method development

Why it matters

ACCUs are one of many policy tools. They’re well-suited to some projects, but not all.

As Australia's policy mix evolves, clear priorities and predictable processes help direct investment to the right opportunities while giving developers and investors confidence about future ACCU supply.

Recommendation 5

Publish a method roadmap

Provide a forward view of method development priorities and expected timelines.

Recommendation 6

Improve the method development process

Increase efficiency, capacity and coordination across the method development process.

What success looks like

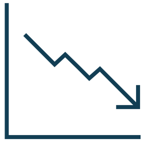
- ✓ Greater investment certainty
- ✓ Faster development of high-quality methods
- ✓ Improved visibility of future ACCU supply
- ✓ More predictable decision-making

ACCUs can help meet Australia’s climate targets

The Safeguard Mechanism sets declining emissions limits for large facilities.

Facilities can:

- reduce emissions onsite
- purchase and surrender ACCUs or other carbon units called Safeguard Mechanism Credits (SMCs).



The result:

- national emissions decline
- Australia makes progress towards its emissions reduction targets.

A well-functioning ACCU market helps reduce emissions across the economy at a lower cost.

Looking ahead

The ACCU Scheme will continue to play an important role in Australia's climate response

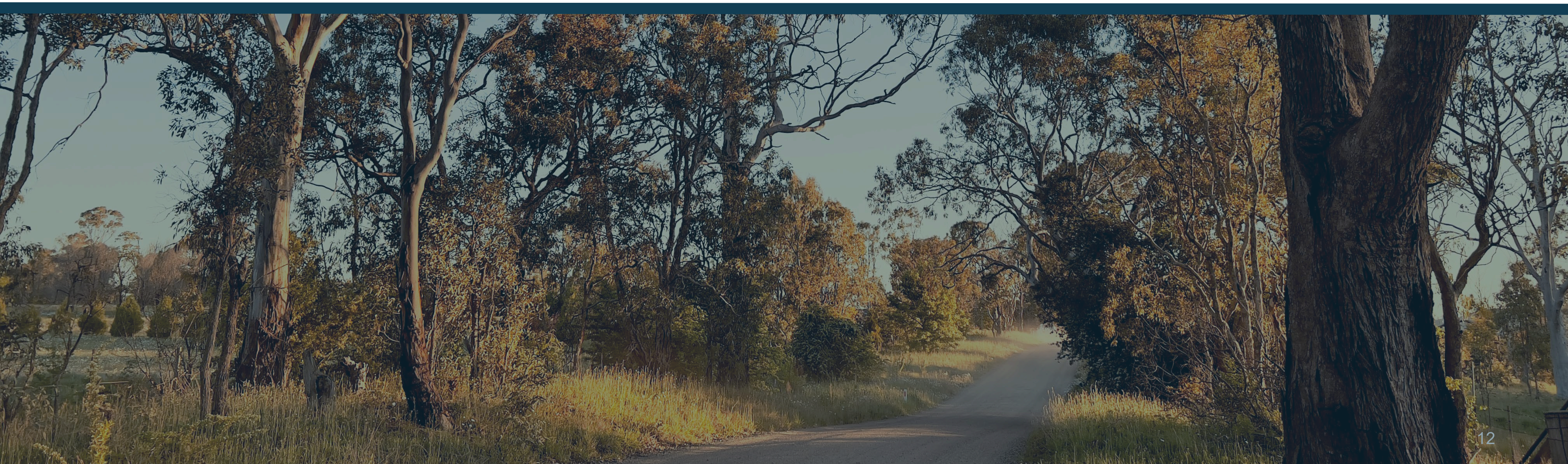
After 15 years of operation, the scheme remains an important part of Australia's climate policy framework.

As the market evolves, continued attention will be needed to:

- focus methods on activities well suited to the ACCU scheme
- support First Nations participation and benefits
- provide clear market signals for investors
- improve transparency and access to information
- maintain confidence in the integrity of ACCUs.

Our conclusion: The ACCU Scheme is fundamentally sound

The Authority's recommendations build on recent reforms and support a stable, credible and effective scheme for the future.



For a copy of the 2026 ACCU Review report

visit www.climatechangeauthority.gov.au

CLIMATE
CHANGE
AUTHORITY