

22 May 2026

To: Department of Climate Change, Energy, the Environment and Water (DCCEEW)
Re: Submission to the Carbon Credits and Other Legislation Amendment (Integrity and Transparency) Bill consultation

Thank you for the opportunity for the Institute for Energy Economics and Financial Analysis (IEEFA) to provide input to the Carbon Credits and Other Legislation Amendment (Integrity and Transparency) Bill consultation.

IEEFA is an independent energy finance think tank that examines issues related to energy markets, trends and policies. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy.

This submission builds on IEEFA's [April 2025 submission](#) to the National Greenhouse and Energy Reporting (NGER) public consultation, which documented systematic method-change distortions in open-cut coal mine methane reporting. IEEFA has the following recommendations:

- B. CAIC (Q2). IEEFA supports the ERAC-to-CAIC transition and the expanded 45-day consultation period
- B. CAIC (Q3). CAIC should be given explicit functions to:
 - monitor and publicly report on the status of expired or lapsing methods, including the risk of lost abatement after method expiry (i.e. opportunity cost).
 - monitor and publicly report on progress in implementing accepted government review recommendations, with specific reference to the CCA December 2023 NGER Act review and the unimplemented Method 2 sampling recommendation.
- I1. NGER Publication Powers.
 - IEEFA supports new publication rule-making power. Regulations under section 23A should require publication of facility-level measurement-method information and material method changes.
 - Item 14 should be amended to remove the FY2026 restriction, allowing publication regulations to require provision of a minimum of five years of historical data to strengthen fossil fuel methane method-change transparency and allow for time-series comparability.



- Section 23A regulations require that any Safeguard baseline restatement consequent upon a method change be published simultaneously, identifying the quantum attributable to the method switch.
- J1. Deregistration. Deregistration should not create a reporting gap for continuing emissions sources.

Kind regards,

Andrew Gorringer, Energy Finance Analyst, Australian Coal

This analysis is for information and educational purposes only and is not intended to be read as investment advice. Please [click here](#) to read our full disclaimer.

Scope of this submission

This submission responds directly to the questions raised in the consultation document.

B. Establishment of the Carbon Abatement Integrity Committee (CAIC)

Q2. Will the proposed amendments enable the CAIC to efficiently and effectively support and oversee the delivery of proponent-led methods?

IEEFA supports the proposal to replace the Emissions Reduction Assurance Committee (ERAC) by formalising the CAIC. Subsections 123D(2) and (3) propose to expand the consultation period from 28 days to 45 days, which is welcomed, such that adequate consideration is given for submissions before review and making recommendation on Australian Carbon Credit Unit (ACCU) methods. The consideration of new or existing methods to mitigate emissions such as coal mine fugitive emissions has added complexity, which tends to increase the required technical assessment time. In addition, the increasing development of top-down measurements may offer insights on large emitters, which would require additional time to assess.

Q3. Should the CAIC be provided other functions to enable it to support the Scheme as it continuously improves?

IEEFA considers the process for remaking expired methods is flawed.

The Coal Mine Waste Gas (CMWG) method expired in March 2025. In a [DCCEEW media statement](#) in April 2026, it was announced that the method will not be remade. This decision was made without a detailed public announcement; without published CAIC or ERAC advice on the discontinuation; and without the kind of transparent priority-setting process that the new section 123E is intended to establish. The media statement stated that the CMWG method “will not be remade in view of the declining marginal value of those activities as the grid decarbonises and recognising the incentives that exist through the obligations under the Safeguard Mechanism”.

This was the only carbon crediting mechanism available to support coal mine abatement project economics. The issue is that ERAC’s own review confirmed the integrity of CMWG credits, and that 11 new projects were registered in FY2025 alone – the highest single-year uptake in the method’s history. Meanwhile, there have been no new commercial-scale coal mine waste gas projects established in the 14 months since the method’s expiry. If the government’s view is that the CMWG method had declining marginal value to participants, then surely the market would determine that.

IEEFA submits that this high-integrity scheme would have increased application if it was made available to open-cut coal mines, for which methane abatement is typically not otherwise economically viable.

Further, the global warming potential (GWP) of methane has grown in Intergovernmental Panel on Climate Change assessments, affirming the continued benefits of flaring or combusting waste methane. Australia currently uses the AR5 value of 28 for NGER reporting of methane, up from 25 in AR4, and lower than the 29.8 value indicated in AR6 for coal mine methane, which is yet to be adopted in Australia. As for the Safeguard Mechanism, the FY2025 data confirmed current settings can make ACCU/SMC surrender a lower-cost compliance pathway than physical methane abatement. Baselines for the [major open-cut coal miners](#) actually *increased* by 1.3% overall in FY2025.

IEEFA recommends the CAIC be given an explicit function to monitor and publicly report on the status of expired or lapsing methods, including the opportunity cost of expiring methods.

Additional recommended CAIC functions

IEEFA recommends that the CAIC be given an explicit function to monitor and publicly report on progress in implementing recommendations from the government's accepted review outcomes, including the Climate Change Authority's (CCA) [December 2023 review](#) of the National Greenhouse and Energy Reporting (NGER) Act. The government agreed in principle to the CCA's recommendation to "as a matter of urgency, review Method 2 for extraction of coal in open cut coal mining with respect to sampling requirements and standards". The government's own February 2026 progress report on ACCU Scheme reforms outlines actions taken and future intent to improve the scheme integrity in line with the Chubb Review recommendations. That the Method 2 sampling review remains unimplemented some 29 months after the CCA's recommendation underscores the case for CAIC to have a formal, published monitoring function – not merely an advisory one.

NGER Act – Publication Powers

1.1. New publication rule-making power by regulation

The consultation document includes the following statements:

"The CCA 2023 NGER review made several recommendations about the publication of NGER data to increase transparency, enhance data analysis and better inform consumers, investors and other decision-makers."

"Item 4 of Schedule 3 of the Bill would introduce a flexible rule-making power to require publication of prescribed kinds of information submitted under the NGER scheme."

“... section 23A of the NGER Act confirms that the prescribed kinds of information may relate to individual facilities and measurement methods, or be published in a specified time series, as recommended by the CCA.”

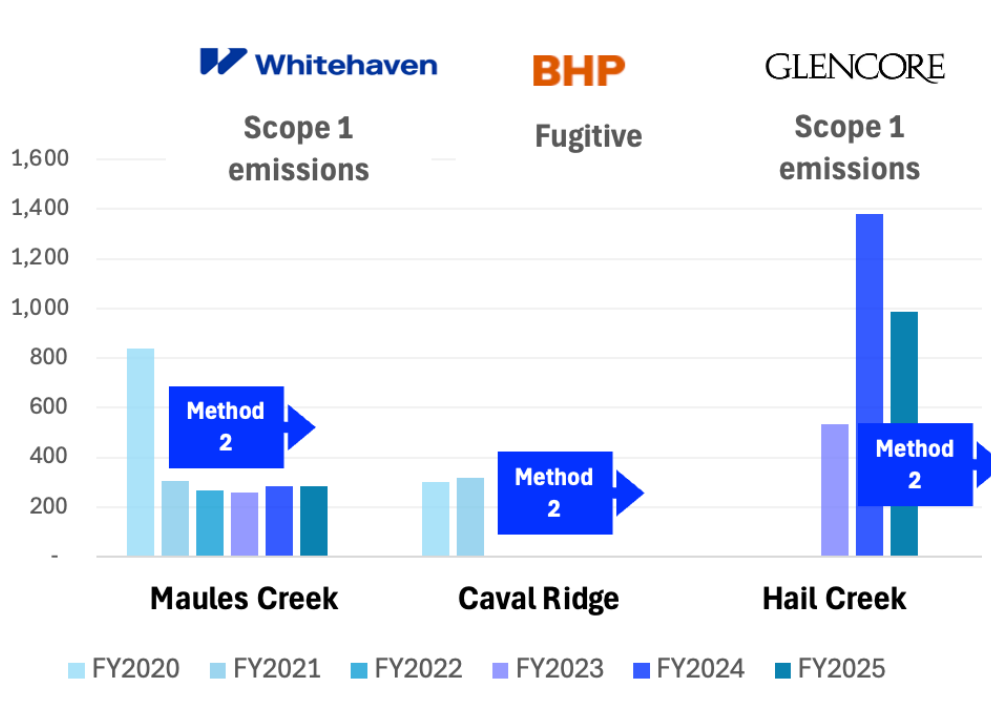
“Item 14 of Schedule 3 of the Bill provides that any new publication requirements in regulation may apply only in relation to information submitted in relation to the 2025-26 and later NGER reporting years.”

IEEFA welcomes the additional transparency requirements. However, in IEEFA’s view, Item 14 should not be restricted to information from the FY2026 and later periods, as this would unreasonably restrict any ability to determine trends in relevant information.

For example, IEEFA has [reported](#) that the energy intensity of coal mines has grown rapidly over the past four to five years. Coal mining is one of the largest consumers of diesel fuel in the Australian economy, yet published data is scarce and is not published at a facility level. Should governments decide that it is not unreasonable to require a mine to report its energy inputs, including diesel use and diesel intensity, so as to improve monitoring or control in the sector, this transparency provision would be required.

Reporting of emissions trends is also important when the estimation method has changed. For example, open-cut coal mines have been transitioning fugitive methane reporting methods from Method 1 to Method 2 over a number of years, but that transition remained incomplete in FY2025. Of the 48 open-cut mines reporting in FY2025, 21 facilities were solely using Method 1, 26 used Method 2, and one reported a combined Method 1/Method 2. Changing the reporting method can result in a step changing facility’s reported emissions, which only becomes clear through time-series analysis. This is evident in the reported emissions from mines that have announced changes to methods, such as BHP, Whitehaven and Glencore mines (Figure 1).

Figure 1: Changes to reported emissions due to shifts from Method 1 to Method 2 reporting, thousands of tonnes of carbon dioxide equivalent (CO₂e)



Sources: BHP and Whitehaven sustainability reports. Glencore per Clean Energy Regulator (CER) Safeguard data.

In our 2025 [submission](#) on NGERs we reported: “IEEFA’s analysis indicates that estimating methane emissions using Method 2 has resulted in an approximate 76% fall in self-reported emissions per unit of coal produced in NSW and a 41% decrease in Queensland (Qld) compared with Method 1 default factors. This is based on estimated data from 2022-23, compared with current Method 1 rates.” Assessing absolute emissions improvements from the coal mining sector becomes meaningless without the context of the estimation method.

Given the historical time-series data for both diesel use and fugitive methane is relevant for time periods tracing back to FY2020 or FY2021, IEEFA recommends a minimum provision requirement of five years of historical data for any new publication regulations made under section 23A. This is internally consistent with two aspects of the existing legislative framework. First, as the consultation paper itself notes, section 23A confirms that prescribed information may relate to individual facilities and time series. Second, the NGER Act already requires reporting corporations to retain all supporting data for five years from the end of the relevant reporting year. A publication regime that can only draw on data from 2025-26 onward therefore cannot be justified by data availability constraints – the historical records exist and must be held by law. Item 14’s restriction is a policy choice to limit transparency, not a practical necessity, and would materially reduce the usefulness of section 23A for trend analysis.

In relation to reporting of Safeguard data, this additional information transparency extends to the restatement of baselines due to a method change. For example, when a facility changes from Method 1 to Method 2, its reported Scope 1 emissions change – but the regulator also applies a

step change to the facility baseline. However, the details are not disclosed. At the Hail Creek mine, the Safeguard baseline increased by 102%, from 0.588 million tonnes in FY2023 to 1.19 million tonnes (Mt) of CO₂e in FY2024 when the mine transitioned to Method 2. The combination of an undisclosed emissions restatement and an undisclosed baseline restatement means that neither investors nor the public can independently verify whether a Safeguard facility is genuinely reducing emissions or simply benefiting from an administrative recalibration.

IEEFA recommends section 23A should require that any Safeguard baseline restatement consequent upon a method change be published simultaneously with the restatement, identifying the portion of any emissions change attributable to the method switch.

J1. Deregistration of corporations on regulator's initiative

IEEFA considers that it is not reasonable to remove the burden of responsibility on a facility owner if they are placed into administration.

Abandoned coal mines or mines placed in care and maintenance continue to emit for many years. Abandoned coal mines are long-lived emission sources, not point-in-time events. Abandoned Mine Methane (AMM) from closed underground mines can continue for decades.

[Global Energy Monitor data](#) indicates that Australia closed 25 coalmines between 2015 and 2025.

An increasing number of coal mines are being placed into administration with little or no controls over ongoing emissions. In IEEFA's view, the proposed amendment relieves relevant parties of responsibility for the ongoing regulation of emissions for these facilities. CER deregistration of the reporting corporation does not extinguish the physical emission liability.

Several Safeguard facilities are in care and maintenance or closed with owners or parent companies who have been placed in administration or become insolvent. These include Burton mine (Bowen Coking Coal); Vulcan mine (Vitrinite); Tahmoor coal mine (SIMEC in liquidation); Dartbrook mine (Australian Pacific Coal); and Russell Vale Colliery (Wollongong Resources, mine closed).

The amendment should not relieve the successor, liquidator or responsible government agency of the obligation to continue reporting those emissions under NGER.

IEEFA recommends that the Bill be amended so that where a corporation is deregistered under Item 2, the CER is required to either (a) identify an alternative responsible entity to continue reporting, or (b) report the facility's estimated ongoing emissions itself.