



NRM Regions Australia: Submission on the Safeguard Mechanism Review

September 2026

Thank you for the opportunity to make a submission on the review of the Safeguard Mechanism. NRM Regions Australia represents the 54 regional natural resource management (NRM) organisations that cover all of Australia's landscapes, waterways, oceans and communities. Our members work with communities to plan and undertake practical on-ground environmental and land management projects that contribute to landscape-scale benefits.

The work of our members is deeply impacted by climate change. As land management experts embedded in their communities across the country, they are also personally exposed to the impacts of extreme weather events being driven by the warming climate. It is hugely important to the NRM sector that emissions reduction in Australia is informed by the best available scientific evidence and strongly aligned with the Paris climate agreement target of limiting global heating to well-below two degrees.

Regional NRM organisations and their communities also have a direct stake in the way that emissions reductions are achieved. To date, there continues to be a high reliance on carbon offsets derived through the Australian Carbon Credit Unit (ACCU) scheme. Carefully planned and delivered ACCU projects represent an excellent opportunity for regional NRM organisations to deliver on the objectives of their regional NRM plans. This includes reforestation projects that increase habitat extent, quality and connectivity; soil carbon projects that protect groundcover and increase farm productivity; cultural and ecological burning initiatives that reduce the impacts of wildfire on biodiversity and provide opportunities for First Nations caring for Country; and riparian revegetation projects that improve water quality and build flood resilience.

The ability of regional NRM planning to contribute to creating additional, co-benefits and to reduce risk from ACCU projects is recognised in the Carbon Farming Initiative (CFI) Act

(2011) - Section 23 requires project proponents to provide a statement on whether they are consistent with the relevant regional NRM plan. Projects that are aligned with regional NRM plans are less likely to cause unintended consequences occurring from poorly sited or ill-considered carbon farming projects.

While we support the use of high integrity, value-added ACCU projects to offset hard to reduce emissions from critical industries, overreliance on ACCUs to offset emissions from Safeguard facilities could contribute to, or be impacted by the following issues:

- **Higher risk of carbon loss.** As the climate continues to warm, the loss of carbon sequestered in vegetation and soil is likely to increase as a result of both drought and fire.
- **Increased land use competition.** In some regions, carbon farming projects are already accused of taking up valuable agricultural land. At the same time, available agricultural land is already competing with the renewable energy transition, data centres and urban development. Land degradation and desertification as a result of climate change are also impacting the availability of viable agricultural land, and these impacts will only increase.
- **Social licence.** As land use competition increases, the social licence for carbon farming projects may correspondingly decrease.
- **Loss of carbon storage reserve capacity.** It is increasingly likely that the world will not achieve the objectives of limiting emissions to a point that holds global warming at around 1.5 degrees celsius. It will be necessary to go beyond net zero, to net negative emissions, to limit catastrophic climate change. Retaining adequate domestic capacity to capture excess emissions through carbon farming - currently the cheapest option for carbon capture and storage - can help to reduce the overall risks of climate change.

In addition, despite the fact that carbon farming proponents routinely claim they are consistent with their regional NRM plan, many carbon farming projects would fall far short of contributing to regional NRM plan objectives, and occasionally undermine them. Examples of poor consistency with NRM plans include, where carbon farming projects have been planted with non-local native species; burning has been excessive and not aligned with an ecological objective of creating diverse habitats; or where absenteeism may have led to increased pest animal burdens.

It is absolutely essential that Safeguard facilities are investing in the type of ACCUs that are as climate adapted as possible, and that will deliver the greatest benefits per tonne of carbon sequestered and hectare of land used.

In February 2025 **NRM Regions Australia** in partnership with the **Carbon Market Institute** released a report: [*Carbon For Nature: Leveraging carbon farming investment to deliver*](#)

[additional benefits for nature](#). Some of the report's findings and recommendations are relevant to the Safeguard reform.

Our key recommendations for consideration through the Safeguard Mechanism Review, including those informed by the Carbon for Nature report, are :

- 1. Promoting co-benefits:** In reviewing the options for limiting ACCU dependence and risk, we would support a qualitative approach that may also have a quantitative threshold. For example, the total portfolio of ACCUs purchased by any Safeguard facility within a year must contain at least 50% value-added ACCUs, where those ACCUs will produce verified environmental, cultural or social benefits. This could also include a quantitative limit, for example, Safeguard facilities must limit their use of ACCUs to account for less than 20% of their required reductions, and any additional ACCUs purchased must deliver verified co-benefits.

The development of an Australian Government co-benefit standard would need to underpin this work, but could draw on existing work including the Nature Repair Market methods for biodiversity, the Land Restoration Fund's existing co-benefit standard, the Aboriginal Carbon Foundation's Core Benefit standard (if appropriate/agreed), and additional standards for outcomes such as improved resilience to climate change impacts.

- 2. Getting the balance right:** The continued provision of ACCUs to the market, even premium, co-benefit, assured ACCUs, needs to be aligned with other future land use needs. Modelling should be undertaken to determine the percentage of land in Australia that should be used for carbon offsetting; the likely 'mop up' or reserve capacity needed to achieve net negative emissions (which is widely considered necessary given high likelihood of global exceedance of the Paris agreed 1.5 degree target); and the land needed to maintain other critical land use needs, including agricultural production and biodiversity conservation. Modelling should also incorporate projected outcomes for loss of productive agricultural land and general ecosystem productivity and decline as a result of climate change.

Consideration of other community priorities and aspirations for land use at the regional scale must form part of this planning. Climateworks' Land Use Trade-Offs Model (LUTO2) provides an excellent starting point for this modelling, and their pilot program with Victorian Catchment Management Authorities can provide the regional lens required for considering community needs.

As noted above, the CFI Act already requires carbon farming project proponents to consider regional NRM plans. Regional NRM plans cover the whole of the Australian continent and are updated every five years in consultation with their local stakeholders. Investing in regional NRM organisations to incorporate

additional information on carbon farming opportunities that can support achievement of community supported co-benefits across landscapes will leverage the existing plans and legislative directive, while providing a framework for ongoing and adaptive assessment of how carbon farming investment can best be used at an appropriate scale to meet additional objectives that are aligned with community aspirations.

Projected future land use needs and availability that has been informed by robust, scientific modelling and been ground-truthed with regional land managers and communities should be used to support any quantitative ACCU use caps by Safeguard facilities.

3. **International credits:** NRM Regions Australia supports the continuation of the existing requirement for Safeguard entities to offset emissions using only ACCUs or SMCs for several reasons:
 - a. **Achieving additional outcomes for Australians:** Supporting local ACCU projects means any additional co-benefits that can be achieved through directing Safeguard facilities to invest in certain types of ACCUs are accrued in Australia and contribute to the achievement of other domestic policy goals around nature restoration, Closing the Gap, sustainable land use, climate adaptation and risk resilience. Achievement of these additional outcomes supports social license for offsets remaining part of the emissions reduction solution.
 - b. **Potential to undermine at-source emissions reduction:** Many international credits are cheaper than ACCUs. Purchase of international offset credits was the dominant approach used by companies to support voluntary carbon neutral claims under the Australian Government ClimateActive scheme, demonstrating that companies will gravitate towards cheaper offsets where possible. Given concerns that the current ACCU price is already limiting incentives for at-source emissions reduction, providing a cheaper alternative will exacerbate this risk and make value-added ACCUs in Australia even less cost competitive, reducing the opportunities to achieve co-benefits.

Thank you for the opportunity to provide this submission. We would be happy to discuss these points further. Please direct enquiries to NRM Regions Australia CEO Marnie Lassen at marnie@nrmregionsaustralia.com.au or Carbon Lead Rachel Clarke at rachelc@nrmregionsaustralia.com.au.

About NRM Regions Australia

NRM Regions Australia is the national peak body of the 54 regional natural resource management (NRM) organisations which cover the whole of Australia. Our members plan, partner, and deliver projects and programs that support healthy and productive land, viable communities and sustainable industries.

Regional NRM organisations were established across the country 25 years ago to ensure national coverage for environmental restoration and sustainable land management issues. The regional NRM approach has enabled governments to move beyond ad hoc environmental investment by providing the foundations for integrated land management planning and project delivery. The regional NRM model ensures there are skilled, independent professionals in place across the country working with local stakeholders to develop strategic NRM plans that reflect the local environment, and social, cultural and economic contexts to ensure the right projects are delivered in the right places to achieve landscape restoration and resilience. Regional NRM organisations efficiently deliver practical, integrated, on-ground environmental and land management projects to restore nature, promote sustainable agricultural industries, and support vibrant economies and communities.