



ADAM BANDT MP

Mr Grant Hehir
Auditor-General
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

24 March 2022

Dear Auditor General,

I request that the Australian National Audit Office audit the integrity of carbon credit methodology determinations made under the Carbon Credits (Carbon Farming Initiative) Act 2011, and the administration of the Act by the Clean Energy Regulator.

Allegations in the media raised by Professor Andrew Macintosh, former chair of the Emissions Reduction Assurance Committee, bring into serious question both the genuine carbon abatement delivered under various projects under the Act, and the value for money received by the taxpayer for more than \$1 billion of expenditure in carbon credit auctions.

The quality and validity of these carbon units is of immense importance to a properly functioning market that is estimated to be worth \$50 billion by 2030 according to McKinsey.

Most concerning, Professor Macintosh has raised serious concerns about the integrity of the three methodologies with the highest number of credits issued, which collectively make up more than two thirds of all credits issued under the scheme:

- Human-Induced Regeneration of a Permanent Even-Aged Native Forest
- Avoided Deforestation
- Electricity Generation from Landfill Gas

These findings from Professor Macintosh build on previous research from Polly Hemming, Richie Merzian and Annica Schoo at The Australia Institute, who also found serious integrity and additionality issues with the Avoided Deforestation methodology.

All Commonwealth and state and territory governments in Australia have now committed to net-zero emissions. The integrity of any carbon crediting scheme is critical to ensuring that claimed offsets for continued emissions represent genuine carbon abatement.

Thank you for considering my request.

Yours faithfully,

Adam Bandt MP
Leader of the Australian Greens
Federal Member for Melbourne