



WHAT WE HAVE HEARD SO FAR: REVIEW OF THE NATIONAL GREENHOUSE AND ENERGY REPORTING LEGISLATION

The Climate Change Authority is reviewing the *National Greenhouse and Energy Reporting* legislation. This legislation underpins:

- the mandatory reporting by companies of emissions and energy data to the Australian Government; and
- the safeguard mechanism, which places emissions limits on large emitters.

We have consulted widely to inform our understanding of which aspects of the legislation are working well and where there are opportunities for improvement.

We received **40** submissions on our issues paper and have met with over **100** individuals from more than **80** organisations on the review so far. The submissions (other than those marked as confidential) can be accessed on our website www.climatechangeauthority.gov.au/consultations.

We thank those who have taken the time to share their expertise and knowledge with us.

We have put together an overview of the information gathered through consultations and submissions. We encourage you to have a look at it and the submissions and get in contact if you have additional evidence you wish to provide or other issues you wish to raise.

Please note the overview is intended to reflect the feedback we have received so far. It does not reflect the views of the Authority but rather the different views of stakeholders.

The Authority is now focused on finalising the review. It will be based on the Authority's own research and analysis and informed by the extensive consultation the Authority has undertaken as well as the submissions received. The Authority will publish the review, which will include findings and recommendations by 31 December 2018.



Feedback on reporting energy and emissions data

There is widespread support for the scheme, which people say is working well. Industry and others appreciate that the scheme is underpinned by robust methods, which provide high quality data to inform a range of activities such as developing government policies.

What's working well?

Many said the scheme has reduced duplication by **streamlining** existing schemes into the reporting framework.

Many reporters support current **data** publication arrangements to protect commercial information.

The **methods** for measuring emissions and energy were described as **best practice, generating high quality data.**

Most said the **Emissions and Energy Reporting System** is generally fit for purpose and user friendly.

Many said the emissions data helps Australia manage its emissions and meet **international reporting** obligations.

Government told us the data was used to inform **government policies and programs** e.g. the energy data is used to develop energy efficiency measures.

Some said reporting assists the **private sector** in sustainability reporting, evaluating energy efficiency and identifying climate risk.

Some said the threshold and sectors, entities and gases currently within the scheme's **scope** are suitable.

What could be improved?

A limited range of opportunities for further **streamlining** were identified: e.g. with state government data collection.

Banks and others said **data** useability could be improved through increased publication and data analysis.

Many reporters want further **incremental improvements** to reduce the costs of reporting immaterial energy or emissions data under the **methods.**

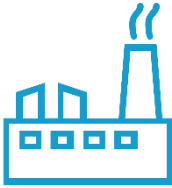
Many reporters said the **reporting system** would benefit from additional functions e.g. an upload and download facility and pre-filling of data.

There is less understanding among reporters of how the energy data (as opposed to the emissions data) is used by government and others e.g. to support **international reporting.**

Some said reporting on government operations could inform additional **policies** aimed at reducing emissions from government.

A number of people said reporting alone does not lead to changes in **private sector** operations as other drivers are important.

Others said the **scope** of what is reported should be expanded on a mandatory or voluntary basis, e.g. lower the threshold, include additional sectors or information such as scope 3 emissions or offsets or extend the entities covered.



Feedback on the safeguard mechanism

Most organisations told us they are comfortable with how the safeguard scheme operates. Many called for clarity around its future operation. Some said it should be strengthened, while others said additional mechanisms would be needed to reduce compliance costs.

What's working well?

Most organisations are comfortable with the scheme's **operation** and said the **options for managing compliance are working**.

Many said the mechanism provides a **framework for managing Australia's emissions**.

Some said strengthening the **safeguard mechanism** to achieve emissions reductions would have a significant cost impost and impact competitiveness of Australian industry.

What could be improved?

Some raised concerns about the **scheme's costs** e.g. auditing costs for baseline applications and purchasing offsets.

Submissions called for further clarity on Australia's climate settings with some saying the scheme should be used to **reduce emissions** in line with our international targets.

Many companies with compliance obligations said there should be **additional mechanisms for reducing costs** such as greater access to offsets and international units and lowering the threshold and expanding the scope to share the emissions reduction burden across the economy.



Feedback on administration of the legislation

Organisations told us the Clean Energy Regulator and Department of the Environment and Energy are doing a good job in administering the legislation. They are education-focused, engaged, pragmatic and professional. Some suggested improvements.

What's working well?

Most said the **Regulator** is doing a good job providing support to companies to meet their obligations under the legislation. Some described them as a model regulator.

Many said the **Department's** annual review of the measurement determination should continue.

Submissions said the education and audit regime underpins high levels of **compliance and data quality**.

Many said the **audit framework** is well designed and generally balances the cost and quality of audits.

Some said the **compliance** timelines are appropriate.

What could be improved?

Some encouraged the **Regulator** to provide enhanced guidance on particular issues such as aspects of the measurement determination.

Many said the **Department** should consult more before developing draft amendments to the measurement determination and provide more notice of changes.

Some said the consistency of **data** over time could be improved. A few people asked to understand how the Regulator identifies companies that should be reporting but are not yet doing so.

Some companies said **audits** could be better targeted e.g. avoid re-auditing information that had been voluntarily audited.

Some said the **reporting timeline** should be more frequent, align with other reporting requirements or occur before applications for managing emissions under the safeguard are due, such as applications for multi-year monitoring periods or calculated baselines.