



Climate Change Authority

By email: consultation@climatechangeauthority.gov.au

7 July 2023

Dear Climate Change Authority,

Submission in response to Setting, tracking and achieving Australia's emissions reduction targets

On behalf of BCSD Australia, a leading business-led sustainability and business peak body, we are honoured to submit our recommendations and insights regarding Australia's climate change response and the transition to a sustainable and prosperous future. BCSD Australia is an influential organization committed to driving sustainable business practices and promoting the adoption of effective climate policies.

BCSD Australia is a national chapter of the World Business Council for Sustainable Development (WBCSD), a global network of businesses working towards sustainable development goals. As a part of this esteemed network, we bring together diverse companies from various sectors, encompassing a wide range of expertise and perspectives. BCSD Australia collaborates with its member companies to drive sustainability initiatives and advocate for effective climate action.

Throughout our submission, we have drawn upon the knowledge and experiences of our member companies, as well as practical examples from the corporate world, country-level initiatives, and the collaboration with global entities such as WBCSD and the We Mean Business Coalition. Our insights are informed by extensive research, engagement with stakeholders, and our commitment to driving positive environmental and social change.

Our recommendations cover a wide array of topics, addressing the challenges and opportunities presented by climate change, the importance of ambitious targets, and the role of government in facilitating a just transition. We have also provided practical examples of successful business initiatives, corporate actions, and international collaborations that can serve as inspiration and best practices for Australia's climate efforts.

In our submission, we emphasize the need for actions and enablers that go beyond the identified strategic framework. We highlight the importance of reducing carbon footprints, leveraging corporate action to 2030 and beyond, and forging partnerships with other nations to accelerate global progress towards meeting the Paris Agreement goals. Furthermore, we stress the significance of a balanced approach, taking into account ambition, domestic considerations, and the international context in the development of sectoral decarbonization pathways and national targets.

We also explore the challenges and opportunities associated with a phase-out of fossil fuel production, advocating for more ambitious plans and outlining the role of government in supporting affected stakeholders. Our insights extend to the adequacy of the country's NDC, the importance of international collaboration, and the enhancement of existing schemes such as NGER, CFI, and ERF to align with the Paris Agreement era.

Lastly, we address the critical aspects of carbon trading markets, integrity, and the role of international carbon markets in Australia's climate action. We stress the need for robust protections and transparent mechanisms to ensure the credibility and effectiveness of these markets.

Throughout our submission, we have endeavoured to provide practical examples, empirical evidence, and expert insights to support our recommendations. Our goal is to contribute to a sustainable and prosperous future for Australia, leveraging the collective strength of the business community and partnering with the government in driving effective climate policies and actions.

We express our sincere gratitude for the opportunity to share our expertise and recommendations. We look forward to collaborating with the government and other stakeholders to achieve Australia's climate goals and build a resilient, low-carbon future.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'A. Petersen', with a long horizontal line extending to the right.

Yours faithfully,

Andrew Petersen
CEO | **Business Council for Sustainable Development Australia**
World Business Council for Sustainable Development Australian Partner
0412 545 994 | andrew.petersen@bcsga.org.au

Summary

The relevance of this to the realization of the SDGs

The relevance of these projects to the Sustainable Development Goals (SDGs) can be identified through their alignment with specific goals, targets, and indicators. Here are the potential links between the mentioned projects and the SDGs:

- Advice on emissions reduction targets for Australia's next Nationally Determined Contribution (NDC) under the Paris Agreement:
 - Goal 13: Climate Action
 - Target 13.2: Integrate climate change measures into national policies, strategies, and planning
- Advice for the Minister for Climate Change and Energy's Annual Climate Change Statement (2023 Annual Progress Report):
 - Goal 13: Climate Action
 - Target 13.3: Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning
- Review of the Carbon Credits (Carbon Farming Initiative) Act 2011 (CFI Review):
 - Goal 13: Climate Action
 - Target 13.2: Integrate climate change measures into national policies, strategies, and planning
- Review of the National Greenhouse and Energy Reporting Act 2007 (NGER Review):
 - Goal 13: Climate Action
 - Target 13.2: Integrate climate change measures into national policies, strategies, and planning

These projects are directly related to Goal 13: Climate Action, which aims to combat climate change and its impacts. The targets and indicators associated with Goal 13 highlight the need for integrating climate change measures into national policies, strategies, and planning. By providing advice and reviewing existing legislation, these projects contribute to the achievement of Goal 13 and its associated targets, ultimately supporting efforts to mitigate and adapt to climate change.

The work of WBCSD and WMB Coalition relevant to this Consultation

The World Business Council for Sustainable Development (WBCSD) offers a range of resources - insights, publications, tools, and - to address the issues related to emissions reduction targets, annual progress reports, carbon farming initiatives, and greenhouse gas reporting.

Here are some examples (with links):

- **What's next for companies procuring renewable power?** This report showcases the significant strides made in corporate renewable power procurement, examining the future implications of transitioning to a sustainable power system. Comprising three sections, the report recognizes the rapid growth and diverse strategies in renewable power procurement, explores the evolution of drivers impacting decision-making in this area, and presents various leadership approaches for supporting a sustainable power system. This high-level summary, along with a library of how-to guides co-authored by WBCSD and its members, provides professionals with deeper insights into renewable power procurement strategies. For further guidance on corporate renewable power procurement options, visit the PPA webpage. [View the report.](#)
- **Guidance on Avoided Emissions: Helping business drive innovations and scale solutions towards Net Zero:** This guidance aims to utilize 'Avoided Emissions'—emissions savings outside a company's value chain—as a means to expedite decarbonization in line with a 1.5°C pathway. Developed with input from global companies, academia, and technical experts, it provides a framework to calculate and leverage Avoided Emissions for businesses, financial institutions, and governments. Five key areas—defining, leveraging, ensuring legitimacy, assessing, and reporting avoided emissions—are covered in the guidance to ensure credible claims. [Download the Guidance on Avoided Emissions here.](#)
- **Pathfinder Framework Version 2.0: The Partnership for Carbon Transparency (PACT)**'s Pathfinder Framework aims to enhance decarbonization efforts by aiding organizations in developing and exchanging reliable product carbon footprints (PCFs). This solution addresses the current issue of limited visibility and control over emissions within complex value chains, which impedes accurate emissions accounting. Launched at COP26, the updated Pathfinder Framework version 2.0 is now available for download. It offers six chapters that delve into understanding the challenge, the solution, and the opportunity; familiarizing the Framework setup; emissions accounting; fostering data integrity; assurance and verification; and standardized PCF accounting and data exchange. [View the publication here.](#)
- ~~**Emissions Reduction Targets:** "Setting Corporate Emissions Reduction Targets: A Credible Path to Net Zero": This publication by WBCSD provides guidance for companies on setting science-based emissions reduction targets aligned with the goals of the Paris Agreement. It outlines the steps and methodologies to ensure targets are ambitious, credible, and verifiable.~~

- **Annual Progress Reports:** "Reporting matters": WBCSD's "Reporting matters" initiative focuses on advancing corporate reporting on the Sustainable Development Goals (SDGs) and climate-related risks and opportunities. It provides guidance and tools to help companies enhance their reporting practices and align them with international frameworks and standards.
- **Carbon Farming Initiatives:** "Natural Climate Solutions for Business: A Guide to Sustainable Land Management": This WBCSD guide provides businesses with insights and practical guidance on how to integrate natural climate solutions, including carbon farming, into their land management strategies. It highlights the benefits, challenges, and best practices associated with implementing nature-based climate solutions.
- **[Greenhouse Gas Protocol receives USD \\$9.25 million grant from the Bezos Earth Fund](#):** The Bezos Earth Fund has granted the Greenhouse Gas Protocol (GHG Protocol), co-convened by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute, a \$9.25 million award to improve and expand their current standards, introduce new guidance, and offer advanced technical services to businesses. These enhancements will bolster the implementation of greenhouse gas emissions accounting and reporting standards. Over 92% of Fortune 500 companies that report emissions data to CDP use the GHG Protocol accounting standards, making it the most widely used globally. The financial support comes at a critical juncture as the GHG Protocol plans to revise its standards, support its eco-system, and increase aid to businesses aiming to make significant progress on climate commitments. [Read more](#)

The need for legally binding greater ambition

A [study published in the journal Science](#) has revealed that researchers have "little confidence" in the ability of approximately 90% of global net-zero emission pledges to be fully achieved or delivered on time. The study assessed the net-zero targets of countries responsible for over 0.1% of global greenhouse gas emissions and assigned confidence scores based on the presence of legally binding policies, implementation plans, and short-term decarbonization strategies.

The findings indicate that more than 90% of net-zero pledges worldwide are considered to have "low confidence," implying that they are unlikely to be fully realized or met on schedule. Even if implemented in their entirety and on time, the current Nationally Determined Contributions (NDCs) submitted by nations to the Paris Agreement would still lead to a 2.5°C temperature increase by 2100, compared to pre-industrial levels, according to the United Nations.

While the European Union and New Zealand received high confidence scores, major emitters like the United States and China scored lower in terms of confidence. Interestingly, despite the United Kingdom's net-zero strategy being deemed unlawful, the nation received a high confidence score due to the legally binding nature of its target.

Out of the 35 major net-zero policies analysed, only 12 were found to be legally binding. The researchers are urging nations to establish legally binding climate targets and support them with long-term and short-term action plans and policies before the 28th Conference of the Parties (COP28) taking place in the UAE later this year.

The study underscores the pressing need to bridge the implementation gap between climate targets and actual actions in order to achieve a safe climate future. Without more robust and legally binding net-zero policies, the world is at a high risk of missing crucial climate goals.

One-third of businesses do not have the budget to reach net-zero

A [survey conducted by Hitachi Vantara](#) found that while over 80% of businesses have set net-zero emissions targets, more than one-third believe they lack the budget to achieve them. The survey of over 1,000 global businesses revealed that 34% had not yet developed plans to reach their net-zero goals. Challenges cited by businesses included changing regulations, inadequate data, and budget constraints. However, regulation was also seen as a primary driver, with 66% of businesses stating that compliance with regulations was propelling them towards net-zero. Smaller businesses face even greater challenges, with half lacking net-zero plans. Governments should provide financial support, establish clear regulations, and enhance data availability, while businesses should develop concrete strategies, allocate sufficient budgets, and improve data management and reporting.

Key Government/Policy Action implications

1. **Provide financial support:** Governments should allocate sufficient funding and incentives to support businesses in their efforts to reach net-zero emissions. Financial support can help address the budgetary constraints faced by businesses and facilitate the implementation of sustainability goals.

2. **Establish clear regulatory frameworks:** Governments should create and enforce clear regulatory frameworks that set emission reduction targets and provide guidance on the transition to net-zero. Consistent and predictable regulations enable businesses to plan and allocate resources effectively.
3. **Enhance data availability and transparency:** Governments should invest in improving data collection, management, and sharing systems to provide businesses with accurate and reliable data for measuring and reporting emissions. Transparent data availability can help overcome the challenge of inadequate data cited by businesses.
4. **Provide guidance and assistance:** Governments should offer guidance, tools, and resources to help businesses develop and implement effective net-zero strategies. This can include sharing best practices, providing technical assistance, and offering training programs to build capacity and knowledge within the business sector.
5. **Collaborate with businesses:** Governments should foster collaboration and engagement with businesses to co-create policies and initiatives that support the transition to net-zero. Collaborative efforts can help address the specific challenges faced by businesses and ensure that policies are practical and effective.

Key Business Actions implications

1. **Develop concrete strategies and implementation plans:** Businesses should establish clear strategies and detailed plans for achieving net-zero emissions. This includes setting interim targets, identifying emission reduction measures, and integrating sustainability into core business operations.
2. **Allocate sufficient budget:** Businesses should prioritize the allocation of budget and resources to support their net-zero goals. This may involve reallocating funds, exploring cost-saving measures through energy efficiency and renewable energy investments, and seeking external financing options.
3. **Improve data management and reporting:** Businesses should invest in robust data management systems to collect, analyze, and report accurate emissions data. This enables effective monitoring of progress, identification of areas for improvement, and transparent reporting to stakeholders.
4. **Stay informed about changing regulations:** Businesses should stay up to date with evolving regulations related to climate change and net-zero targets. This includes actively monitoring policy developments, engaging in industry associations, and seeking legal advice to ensure compliance and take advantage of regulatory opportunities.
5. **Embrace long-term planning:** Businesses should view net-zero as a long-term issue and develop implementation plans that go beyond short-term considerations. By integrating sustainability into long-term strategic planning, businesses can make informed decisions and investments that align with their net-zero goals.
6. **Seek collaboration and knowledge sharing:** Businesses should actively seek collaboration with industry peers, NGOs, and research institutions to share experiences, best practices, and lessons learned in the journey towards net-zero. Collaboration can accelerate progress and help overcome common challenges.
7. **Engage with customers and investors:** Businesses should respond to customer and investor demands for sustainability and transparency. By demonstrating commitment to net-zero goals and sharing progress through clear communication and reporting, businesses can build trust and enhance their reputation in the market.

Recognizing the crucial role of transparent, consistent, and comprehensive climate-related risk disclosure in business decision-making, we acknowledge the progress made by the IFRS Foundation and the Australian Treasury in this field. Their efforts to standardize disclosure practices play a pivotal role in fostering corporate transparency, promoting responsible business conduct, and aiding stakeholders in understanding climate-related risks and opportunities. However, in order to maximize the impact of these measures, it is essential to strive for a globally harmonized approach.

Therefore, we encourage coordination and alignment among these activities and others on the international stage. This will not only prevent duplication and conflicting standards but also provide a clear and consistent framework for businesses, enhancing their ability to contribute effectively to the global transition towards a sustainable, net-zero economy. As an organization dedicated to sustainable business practices, we stand ready to support these efforts and promote alignment for the benefit of businesses, stakeholders, and the planet.

Urgent Call for Action: Businesses Must Strengthen Net-Zero Targets and Embrace Sustainable Transition

The latest edition of the Net-Zero Tracker reveals that while two-thirds of the world's largest companies have set net-zero targets, most of these targets fall short of UN-backed recommendations on target credibility. Only 4% of the targets set by Forbes Global 2000 companies meet the minimum requirements for alignment with the UN-backed Race to Zero Campaign.

Common issues include the exclusion of Scope 3 emissions from targets and inadequate carbon offsetting practices. The report calls for companies to update their targets and implementation strategies using the UN's latest advice to accelerate progress. In the fossil fuel sector, net-zero targets are deemed largely meaningless due to a lack of credibility and absence of end-dates for fossil fuel activities.

Executive Summary of Answers to Specific Questions

As BCSD Australia provides answers to the series of questions, several key themes are emerging.

- The role of the government is being highlighted as supportive of the transition to a prosperous and resilient net-zero future, with a call for actions and enablers that extend beyond the identified strategic framework. The organization emphasizes the importance of reducing carbon footprints, collaborating with other nations, and ensuring a just transition.
- BCSD Australia advocates for greater ambition, action, and accountability, emphasizing the role of corporate action up to 2030 and beyond. It also stresses the need for the government to strike a balance between ambition, domestic considerations, and the international context in its 2023 NDC advice.
- In terms of Australia's targets, BCSD Australia recognizes the need for ambitious targets that align with the Paris Agreement goals and are supported by practical examples from business, corporate, and country levels. The importance of leading indicators to track progress towards net-zero emissions and to prepare for and adapt to climate change is emphasized.
- BCSD Australia discusses the challenges and opportunities that a phase-out of fossil fuel production presents, and calls for more ambitious plans. The role of the government in reducing risks, assisting households, businesses, workers, and communities, and partnering with other nations to accelerate global progress is also highlighted.
- In the context of the NDC assessment, BCSD Australia stresses the importance of considering adequacy, partnership with other nations, and the strengths and weaknesses of existing schemes such as NGER, CFI, and ERF. The organization is urging improvements in these schemes to align with the Paris Agreement era and address integrity concerns.
- On the topic of carbon trading and market integrity, BCSD Australia emphasizes the need for protections to ensure market integrity and highlights the role of international carbon markets in Australia's climate efforts.
- Regarding physical risk and the imperative to adapt and build resilience, BCSD Australia stresses the urgency of addressing the adaptation challenge in addition to mitigation and transitioning towards net zero. The organization believes that survival in a changing natural environment necessitates proactive strategies. BCSD Australia asserts that adaptation to changing environmental conditions and building resilience are not merely optional strategies, but an absolute necessity for the continuity and survival of businesses, societies, and ecosystems. The organization, therefore, calls for a comprehensive approach that encompasses both the reduction of emissions and the development of robust strategies to cope with the already changing climate conditions.
- Lastly, BCSD Australia advises the Authority to consider factors such as scientific evidence, equity and social justice, economic impacts and opportunities, innovation and technology development, international cooperation, public engagement, and long-term vision when providing advice to the government.

Overall, BCSD Australia's responses highlighted the importance of ambitious targets, effective policies, collaboration, and stakeholder engagement to address climate change and transition to a sustainable future. It urged governments to provide strong support and regulatory frameworks while considering the diverse impacts and opportunities of climate action.

Responses to specific questions

2. Frameworks	
2.1 Strategic Framework	
1. What actions and enablers beyond those identified in the Strategic Framework could help Australia progress towards a prosperous and resilient net zero	<p>We believe the highest priorities for progressing towards a prosperous and resilient net-zero future in Australia are as follows:</p> <p>1. Enhanced Collaboration and Partnerships:</p> <ul style="list-style-type: none"> ○ Foster stronger collaboration and partnerships between businesses, government, and civil society to drive collective action towards decarbonization and to enable better understanding of the physical risks of climate change and how to adapt whole economies to a much-changed future. ○ Establish industry-led initiatives and platforms that bring together diverse stakeholders to share best practices, develop innovative solutions, and drive systemic

<p>future? What are your highest priorities?</p>	<p>change. Example: Collaborate with the We Mean Business Coalition to support the Race to Zero campaign, where businesses commit to reaching net-zero emissions by 2050 or sooner. This initiative helps create a sense of urgency, provides a clear roadmap, and facilitates knowledge-sharing among businesses.</p> <ol style="list-style-type: none"> 2. Policy and Regulatory Support: <ul style="list-style-type: none"> ○ Advocate for clear and stable policy frameworks that provide incentives for emissions reduction, support the transition to a low-carbon economy and to build resilience in all aspects of society. ○ Encourage the adoption of ambitious emission reduction targets aligned with the Paris Agreement, along with sector-specific policies to drive decarbonization across industries. Example: Advocate for the implementation of carbon pricing mechanisms, such as a well-designed carbon market or a carbon tax, to incentivize emission reductions and promote investment in low-carbon technologies and solutions. 3. Investment in Research and Development: <ul style="list-style-type: none"> ○ Encourage increased public and private investment in research and development (R&D) for clean technologies, renewable energy, and resilience and crisis response solutions. ○ Support innovation hubs, incubators, and accelerators to foster the development and deployment of low-carbon technologies and resilient business models. Example: Collaborate with the Australian government and research institutions to establish a Clean Technology Innovation Fund that provides grants and financing to start-ups and businesses developing and commercializing clean technologies. 4. Transition Support for Industries and Workforce: <ul style="list-style-type: none"> ○ Provide assistance and support to industries and their workforce during the transition to a net-zero future, particularly in emissions-intensive sectors. ○ Facilitate the reskilling and upskilling of workers to ensure a just and equitable transition, creating new job opportunities in clean energy, sustainable infrastructure, and other green and resilient sectors. Example: Partner with business groups, industry associations, trade unions, and educational institutions to develop training programs and apprenticeships focused on clean energy technologies, energy efficiency, and sustainable practices. 5. Transparent Reporting and Disclosure: <ul style="list-style-type: none"> ○ Advocate for mandatory climate-related financial disclosure, aligned with international standards, to enhance transparency and enable investors, consumers, and other stakeholders to make informed decisions. ○ Promote the adoption of science-based targets and the measurement, reporting, and verification (MRV) of emissions reduction efforts. Example: Support the implementation of the Task Force on Climate-related Financial Disclosures (TCFD) framework, which helps businesses assess and disclose climate-related risks and opportunities, fostering greater accountability and resilience. ○ In that regards, TCFD draws heavily on the Science Based Targets initiative (SBTi) to construct emissions reduction trajectories. SBTi's principal focus lies in the arena of Measurement, Reporting, and Verification (MRV), a space less actively occupied by TCFD. It is essential in our view, to acknowledge the joint contributions of both TCFD and SBTi, particularly as their guidance becomes integrated into the broader reporting framework of the International Sustainability Standards Board (ISSB). In parallel, we assert the necessity of transparent reporting on physical risk, a domain where TCFD constructs significantly inform ISSB's requirements. In the end, comprehensive, clear, and accountable disclosure is integral to drive forward our collective sustainability objectives.
<p>2.2 Progress Framework</p>	
<p>2.How are you and the people around you impacted by or preparing for the net zero transition and Australia's climate future? How can governments better support you to prepare</p>	<p>We recognize the significant impacts of the net-zero transition and Australia's climate future on businesses and the people around us. We are actively preparing for these changes and engaging with various stakeholders to ensure a smooth and equitable transition. Here are some key aspects of our impact and preparation, as well as recommendations for government support:</p> <ol style="list-style-type: none"> 1. Impact on Businesses and Workforce: <ul style="list-style-type: none"> ○ Businesses are facing increasing pressure to reduce their carbon footprint and transition to sustainable practices. This requires significant investments in renewable energy, energy efficiency, and low-carbon technologies. ○ Workforces need to be equipped with the necessary skills and knowledge to adapt to the changing demands of the green economy and new job opportunities in emerging

<p>for or respond to the impacts?</p>	<p>sectors. Example: As BCSD Australia, we collaborate with industry associations, trade unions, and educational institutions to develop training programs and workforce transition initiatives that ensure a just and inclusive transition for workers, creating new employment opportunities aligned with the net-zero future.</p> <ul style="list-style-type: none"> ○ Businesses need to be able to access information on how the changed natural environment will impact their operations, their supply chains and their customers. This is not as simple as looking at the information provided by CSIRO, this is about ensuring that information is available in a form that supports business decision taking. <p>2. Infrastructure and Resilience:</p> <ul style="list-style-type: none"> ○ Climate change brings risks such as extreme weather events, rising sea levels, and changing rainfall patterns. Businesses need support in building climate-resilient infrastructure and adapting their operations to mitigate these risks. ○ Access to reliable and affordable clean energy infrastructure is crucial for businesses to transition to low-carbon operations. Example: We engage with governments to advocate for policies and investments that encourage the development of sustainable infrastructure, resilient urban planning, and renewable energy generation. We work with businesses to adopt climate adaptation strategies, including building resilient supply chains and implementing nature-based solutions. <p>3. Financing and Investment:</p> <ul style="list-style-type: none"> ○ Businesses require access to affordable financing and investment opportunities to fund their sustainability initiatives and scale up their low-carbon operations. ○ Investors need clear signals and long-term policy frameworks to confidently invest in sustainable businesses and projects. Example: We collaborate with financial institutions, government bodies, and investors to develop innovative financing mechanisms, such as green bonds and sustainability-linked loans, which provide businesses with the necessary capital to accelerate their transition to net zero. We also engage with policymakers to advocate for stable and supportive investment frameworks. <p>4. Regulatory Certainty and Collaboration:</p> <ul style="list-style-type: none"> ○ Businesses need clear and consistent regulatory frameworks that provide certainty and align with the net-zero transition goals. ○ Collaborative platforms and partnerships between governments, businesses, and civil society organizations are essential to co-create effective policies and strategies. Example: We actively engage with governments to provide input and expertise in the development of climate-related policies, regulations, and targets. We promote collaboration through multi-stakeholder platforms, working groups, and public-private partnerships to drive innovation, knowledge-sharing, and collective action. <p>To better support businesses and organizations in preparing for and responding to the impacts of the net-zero transition, governments can:</p> <ul style="list-style-type: none"> ● Provide long-term policy certainty and stable regulatory frameworks that support sustainable business practices and incentivize emission reductions. ● Allocate resources to climate adaptation and resilience initiatives, including infrastructure upgrades and nature-based solutions. ● Facilitate access to affordable financing and create mechanisms that promote sustainable investment flows. ● Foster collaboration and partnership opportunities between government, businesses, and civil society to co-design and implement effective climate policies and initiatives.
<p>3.What should the Authority measure or assess to determine progress towards a just transition and improved wellbeing?</p>	<p>We consider that the Authority should measure and assess several key factors to determine progress towards a just transition and improved wellbeing. These factors include:</p> <p>1. Equity and Social Impacts:</p> <ul style="list-style-type: none"> ○ Assess the distributional impacts of climate policies and initiatives to ensure that the transition towards a net-zero economy does not disproportionately burden vulnerable communities or exacerbate existing inequalities for example, along the lines of race or gender. ○ Measure the social co-benefits of climate action, such as improved air quality, public health outcomes, and job creation in sustainable industries. Example: Collaborate with organizations like the We Mean Business Coalition and WBSCD to develop indicators and frameworks that capture the social and equity dimensions of the transition. Engage with businesses to gather data on their social impact initiatives, including diversity and inclusion practices, community engagement, and support for affected workers.

	<ol style="list-style-type: none"> 2. Economic Resilience and Transition Planning: <ul style="list-style-type: none"> ○ Assess the economic resilience of industries and regions impacted by the transition to identify potential risks and opportunities. ○ Measure the progress in developing transition plans that support affected industries, workers, and communities, ensuring a just and inclusive transition. Example: Learn from best practices implemented in other countries, such as the Just Transition Plans in the European Union and Canada, which provide support to workers and regions affected by the shift away from fossil fuels. Collaborate with businesses and industry associations to develop guidelines and metrics for assessing economic resilience and transition readiness. 3. Emissions Reduction and Climate Targets: <ul style="list-style-type: none"> ○ Measure the progress towards national emissions reduction targets and the alignment of sectoral targets with the net-zero pathway. ○ Assess the effectiveness of policies and regulations in driving emission reductions across different sectors. Example: Utilize internationally recognized methodologies, such as those developed by the Science-Based Targets initiative, to evaluate the ambition and progress of corporate emission reduction targets. Collaborate with the We Mean Business Coalition and other organizations to develop sector-specific benchmarks and indicators that track emission reductions in line with the net-zero trajectory. ○ Build resilience plans for regions that give clear line of sight to how the region is likely to be impacted, what the plans are to enable people to remain in place, or what happens should they need to leave. ○ Build crisis management capacity and capability to ensure that responses are adequate to limit loss of life in extreme climate related events including fire. 4. Collaboration and Stakeholder Engagement: <ul style="list-style-type: none"> ○ Assess the level of collaboration and engagement between government, businesses, civil society, and communities in shaping climate policies and strategies. ○ Measure the effectiveness of platforms and mechanisms for multi-stakeholder dialogue and partnership building. 5. Wellbeing and Quality of Life: <ul style="list-style-type: none"> ○ Assess the impacts of climate policies on people's wellbeing, health, and quality of life. ○ Measure indicators related to air and water quality, access to green spaces, sustainable mobility, and affordable clean energy, understand how these are likely to be impacted, and potentially degrade, as the climate changes. Example: Collaborate with public health organizations, academic institutions, and community groups to collect data on the health and social benefits derived from climate action. Use frameworks like the Sustainable Development Goals (SDGs) to assess the broader impacts of climate policies on multiple dimensions of wellbeing.
<p>4. What more could the Government do to help you reduce your carbon footprint?</p>	<p>We believe there are several actions the Australian Government can take to help businesses reduce their carbon footprint. These actions include:</p> <ol style="list-style-type: none"> 1. Provide Policy Certainty and Long-Term Planning: <ul style="list-style-type: none"> ○ Establish clear and ambitious climate policies and regulations that provide businesses with certainty and confidence in their long-term investment decisions. ○ Set long-term emissions reduction targets aligned with the global goal of limiting global warming to well below 2 degrees Celsius. Example: The Australian Government can follow the lead of countries like the United Kingdom, which has implemented a legally binding net-zero emissions target by 2050. This long-term commitment enables businesses to align their strategies, investments, and innovations with a predictable policy landscape. 2. Support Innovation and Technology Development: <ul style="list-style-type: none"> ○ Increase funding and support for research and development of low-carbon technologies and innovations that can help businesses reduce their carbon footprint. ○ Facilitate partnerships between government, businesses, and research institutions to accelerate the commercialization and deployment of clean technologies. Example: The government can establish innovation funds and grant programs, similar to the Clean Energy Finance Corporation (CEFC) and Australian Renewable Energy Agency (ARENA), to provide financial support for businesses to adopt and scale up clean technologies. Collaboration with industry associations and organizations like the WBSCD can help identify and promote best practices in technology development and deployment. 3. Provide Financial Incentives and Support Mechanisms:

	<ul style="list-style-type: none"> ○ Introduce fiscal incentives, tax credits, and other financial mechanisms to encourage businesses to invest in renewable energy, energy efficiency, and sustainable practices. ○ Develop carbon pricing mechanisms, such as a well-designed carbon pricing scheme or emissions trading system, to create a market-based incentive for businesses to reduce their carbon footprint. Example: The government can learn from the experiences of countries like Sweden, which has implemented a carbon tax combined with tax reductions for businesses investing in green technologies. This approach incentivizes emission reductions while supporting the transition to a low-carbon economy. <p>4. Enhance Infrastructure and Grid Resilience:</p> <ul style="list-style-type: none"> ○ Invest in renewable energy infrastructure and grid enhancements to support the uptake of clean energy by businesses. ○ Promote the development of sustainable transportation infrastructure and support the transition to electric vehicles. Example: The government can collaborate with businesses, industry associations, and utilities to develop charging infrastructure networks for electric vehicles, provide incentives for renewable energy generation and storage projects, and upgrade the grid to accommodate higher shares of renewable energy. <p>5. Foster Collaboration and Knowledge Sharing:</p> <ul style="list-style-type: none"> ○ Establish platforms and networks for collaboration and knowledge sharing among businesses, government, and other stakeholders to exchange best practices and lessons learned. ○ Engage with business organizations like BCSD Australia, the WBCSD, and the We Mean Business Coalition to tap into their expertise and resources and leverage their networks for collaborative initiatives. Example: The government can organize forums, working groups, and public-private partnerships to facilitate dialogue and collaboration on climate action. It can also support knowledge-sharing initiatives, such as industry-specific sustainability programs and platforms, to disseminate best practices and accelerate the adoption of sustainable solutions.
<p>5. What are the other challenges and opportunities the global context presents Australia with in responding to climate change?</p>	<p>We recognize that the global context presents both challenges and opportunities for Australia in responding to climate change. Some of these challenges and opportunities include:</p> <p>1. Global Market Shifts:</p> <ul style="list-style-type: none"> ○ Challenge: Transitioning to a low-carbon economy requires businesses to adapt to changing global market dynamics, including shifts in consumer preferences, investor demands, and supply chain expectations. ○ Opportunity: Embracing sustainable business practices can position Australian companies as leaders in the global marketplace, attracting investment and accessing new markets for sustainable products and services. Example: Companies like Unilever, a member of the We Mean Business Coalition, have demonstrated the benefits of sustainability-focused business strategies. By setting ambitious environmental targets and adopting sustainable sourcing and production practices, Unilever has not only reduced its environmental impact but also increased its market share and improved its reputation among consumers. Australia has great potential to supply the world with low emissions raw materials and products. It would be nation building for Australia to leverage its renewable energy resource into a far larger manufacturing sector as opposed to merely exporting mined products. <p>2. Supply Chain Resilience:</p> <ul style="list-style-type: none"> ○ Challenge: Climate change impacts, such as extreme weather events and disruptions to global supply chains, pose risks to businesses' operations and supply chains. ○ Opportunity: Strengthening supply chain resilience through sustainable practices and diversification can help businesses mitigate climate-related risks and enhance their long-term competitiveness. Example: Walmart, a member of the WBCSD, has worked closely with its suppliers to reduce greenhouse gas emissions and increase the resilience of its supply chain. Through initiatives like the Project Gigaton, Walmart encourages suppliers to set emissions reduction targets and implement sustainable practices, fostering a more resilient and sustainable supply chain. Australia could be a safe haven and a location for other countries to diversify their supply chains to, this could require a focus on decarbonisation of long-distance transport. <p>3. Investment and Financing:</p> <ul style="list-style-type: none"> ○ Challenge: Accessing affordable financing and attracting investment for climate-related projects and sustainability initiatives can be challenging for businesses.

	<ul style="list-style-type: none"> ○ Opportunity: Aligning business strategies with the goals of the Paris Agreement and demonstrating a clear commitment to sustainability can attract green investments and financing opportunities. Example: The WBSCD's Transforming Financial Systems initiative encourages collaboration between businesses and financial institutions to drive sustainable finance and investment. By engaging with financial institutions and leveraging sustainable finance mechanisms, businesses can access capital for low-carbon projects and sustainability initiatives. <p>4. International Collaboration:</p> <ul style="list-style-type: none"> ○ Challenge: Achieving global climate goals requires collaboration and coordination among nations, businesses, and other stakeholders. ○ Opportunity: Engaging in international collaborations, partnerships, and knowledge-sharing platforms can facilitate the exchange of best practices, accelerate innovation, and drive collective action on climate change. Example: Australia can collaborate with international organizations like the WBCSD, the We Mean Business Coalition, and other countries to learn from their experiences, share knowledge, and drive ambitious climate action. Platforms like the UN Global Compact provide opportunities for businesses to engage in sustainability initiatives and collaborate with peers globally.
<p>6. What role is there for corporate action to 2030 and beyond?</p>	<p>Internationally, we are aware that investment in climate mitigation and adaptation strategies will see an equitable split between public and private sectors. However, as we move beyond the pivotal year of 2030, the mantle of financial responsibility for driving the necessary change will increasingly shift towards the private sector.</p> <p>Implicit in this projection is the recognition that we must foster an environment where viable business models can emerge from adaptation responses, and not just from emissions reduction strategies. It's essential to broaden our perspective and appreciate the immense potential within adaptation initiatives, paving the way for a dynamic and resilient private sector that is fully engaged in the climate agenda.</p> <p>We believe that corporate action plays a crucial role in driving the transition to a sustainable and low-carbon future beyond 2030. Here are some key areas where corporate action can make a significant impact:</p> <ol style="list-style-type: none"> 1. Setting Ambitious Targets: Corporate entities can set ambitious emissions reduction targets aligned with science-based principles and the goals of the Paris Agreement. These targets provide a clear direction for corporate action and demonstrate commitment to long-term sustainability. Example: The We Mean Business Coalition encourages companies to set Science-Based Targets (SBTs) to align their emissions reduction efforts with the goals of limiting global warming to well below 2 degrees Celsius. Companies like Google and Danone have set ambitious SBTs and are actively working towards achieving them. In Australia we have seen corporate ambition lead government policy in delivering low emissions electricity as many companies sought out PPAs as a way to secure renewable energy. 2. Decarbonizing Operations: Businesses can take concrete actions to reduce their own carbon footprint by implementing energy efficiency measures, transitioning to renewable energy sources, and adopting sustainable practices across their operations and supply chains. Example: Companies like Apple have made significant strides in decarbonizing their operations and supply chains. Apple is committed to powering its global operations with 100% renewable energy and has collaborated with suppliers to reduce their carbon emissions. This commitment demonstrates the role businesses can play in driving the clean energy transition. 3. Collaboration and Advocacy: Corporate entities can collaborate with industry peers, governments, and civil society to advocate for policies and regulations that support the transition to a low-carbon economy. By leveraging their collective influence, businesses can drive systemic change and create an enabling environment for sustainable practices. Example: The World Business Council for Sustainable Development (WBCSD) brings together businesses from various sectors to advocate for sustainable development and promote collaboration on climate action. By working together, businesses can amplify their impact and advocate for policies that accelerate the transition to a sustainable future. 4. Innovating and Investing in Sustainable Solutions: Companies can drive innovation and invest in sustainable technologies, products, and services that contribute to emissions reductions, resource efficiency, and circular economy principles. By prioritizing sustainability in their research, development, and investment strategies, businesses can drive the adoption of sustainable solutions. Example: The WBSCD's "Factor10" initiative encourages businesses to rethink their production and consumption models to achieve a tenfold increase in resource

	<p>productivity. Companies like Philips have embraced sustainable innovation by developing energy-efficient lighting solutions that reduce energy consumption and emissions.</p> <p>5. Reporting and Transparency: Corporate entities can enhance their reporting practices by disclosing their climate-related risks, emissions data, and progress towards sustainability goals. Transparent reporting enables stakeholders to assess a company's sustainability performance and hold them accountable. Example: The Task Force on Climate-related Financial Disclosures (TCFD) provides a framework for businesses to disclose climate-related risks and opportunities. Companies like Unilever and Microsoft have embraced TCFD recommendations in their reporting, enabling investors and stakeholders to make informed decisions.</p>
<p>7. When is it appropriate for the Government to regulate something?</p>	<p>We recognize that government regulation plays a crucial role in addressing societal challenges, including sustainability and climate change. While the private sector can drive voluntary action and market-based solutions, there are instances where government regulation is necessary and appropriate. Here are some situations where government regulation can be justified:</p> <ol style="list-style-type: none"> 1. Market Failures: Government regulation is often needed to address market failures that prevent the efficient functioning of markets and the achievement of societal goals. Externalities, information asymmetry, and public goods are examples of market failures that may require regulatory intervention. Example: Carbon pricing mechanisms, such as carbon taxes or emissions trading schemes, are regulatory measures that address the market failure of unpriced carbon emissions. By internalizing the costs of carbon pollution, these regulations create incentives for businesses to reduce emissions and transition to low-carbon alternatives. 2. Long-Term Planning and Policy Certainty: Government regulation provides the framework for long-term planning, setting clear goals, and providing policy certainty for businesses. Regulations can signal market direction, stimulate investment in sustainable technologies, and create a stable environment for businesses to thrive. Example: Renewable energy targets and feed-in tariffs implemented by governments provide long-term policy signals and incentives for businesses to invest in renewable energy infrastructure. These regulations create market certainty, drive innovation, and accelerate the transition to a clean energy future. 3. Protecting Public Health and Safety: Government regulation is essential to protect public health, safety, and the environment. Regulations ensure that businesses adhere to safety standards, minimize environmental harm, and prioritize the well-being of communities. Example: Environmental regulations set limits on pollutants, such as air and water pollutants, to safeguard public health. These regulations establish emission standards for industries and set guidelines for waste management practices, ensuring a safe and healthy environment for citizens. 4. Leveling the Playing Field: Government regulation can ensure fair competition and prevent anti-competitive practices that hinder market efficiency. Regulations can promote market transparency, prevent monopolistic behaviour, and protect consumers' rights. Example: Antitrust laws and competition regulations are in place to prevent monopolies or anti-competitive practices that could stifle innovation and limit consumer choice. These regulations ensure fair competition, promote market diversity, and protect the interests of consumers. 5. Addressing Social and Environmental Externalities: Government regulation can address social and environmental externalities that market forces may not adequately account for. By internalizing the costs or benefits associated with these externalities, regulations can promote more sustainable and socially responsible practices. Example: Regulations mandating the disclosure of climate-related risks and adopting sustainable practices in financial reporting help investors and stakeholders make informed decisions. The Task Force on Climate-related Financial Disclosures (TCFD) provides guidance for companies to disclose climate-related risks and opportunities, contributing to more sustainable and responsible investment decisions. <p>While government regulation should be balanced and consider the impacts on business competitiveness and innovation, it is crucial in addressing systemic challenges that require collective action.</p>
<p>2.3. Target-setting Framework</p>	
<p>8. How could the Authority best strike a balance between ambition, domestic considerations and the international context?</p>	<p>We believe that striking a balance between ambition, domestic considerations, and the international context is crucial for the Authority's advice on the 2023 National Determined Contributions (NDCs). Here are some recommendations on how the Authority can achieve this balance:</p> <ol style="list-style-type: none"> 1. Engage with Stakeholders: The Authority should engage with a wide range of stakeholders, including businesses, industry associations, civil society organizations, and academia, to gather diverse perspectives. This engagement will ensure that the advice reflects the priorities and

<p>in its 2023 NDC advice?</p>	<p>concerns of different stakeholders, including their domestic considerations. Example: The Authority can hold consultations and roundtable discussions with businesses and industry associations to understand their capabilities, challenges, and expectations for emissions reductions. This engagement can provide valuable insights into the domestic considerations that need to be taken into account while setting ambitious targets.</p> <ol style="list-style-type: none"> 2. Consider International Commitments: The Authority should consider Australia's international commitments under the Paris Agreement and align the NDC advice with global climate goals. Recognizing the urgency of addressing climate change, the advice should advocate for ambitious targets that contribute to global efforts to limit global warming to well below 2 degrees Celsius and pursue efforts towards 1.5 degrees Celsius. Example: The Authority can reference international best practices and successful case studies from other countries that have demonstrated ambitious climate action. Sharing examples of countries that have achieved both domestic priorities and international commitments can provide guidance on striking a balance. 3. Assess Technological and Economic Feasibility: The Authority should conduct robust assessments of the technological and economic feasibility of proposed emissions reduction measures. It is important to consider the availability of low-carbon technologies, their cost-effectiveness, and their potential to drive sustainable economic growth and job creation. Example: The Authority can analyze case studies of businesses or sectors that have successfully implemented low-carbon technologies and achieved emissions reductions while maintaining economic competitiveness. These examples can demonstrate the feasibility of ambitious targets and provide insights into the economic opportunities associated with the transition to a low-carbon economy. 4. Account for Social Equity and Just Transition: The Authority should prioritize social equity and a just transition in its advice. It is important to consider the potential impacts of climate policies on vulnerable communities, workers, and regions, and develop strategies to address any disparities that may arise. Example: The Authority can examine case studies of countries or regions that have implemented just transition policies and programs to support workers and communities affected by the transition to a low-carbon economy. By highlighting successful examples, the Authority can provide recommendations for ensuring a fair and inclusive transition for all. 5. Monitor and Review Progress: The Authority should recommend a robust monitoring and review framework to track progress towards the NDC targets. Regular evaluation and reporting mechanisms will enable adjustments and updates based on changing domestic and international contexts, technological advancements, and emerging best practices. Example: The Authority can draw on international frameworks such as the Global Stocktake under the Paris Agreement, which assesses collective progress towards the agreement's goals. By aligning the monitoring and review process with global mechanisms, the Authority can ensure that Australia's NDCs remain ambitious and responsive to evolving circumstances. 6. Understand the impact of inaction: the science is increasingly clear on the impact of inaction; the target needs to deliver reductions in line with a safe environment with does not represent undue exposure risk to Australians.
<p>9.What do you think Australia's 2035 target should be and why?</p>	<p>Our net zero commitment requires a faster trajectory and increased efforts in energy efficiency and renewable energy.</p> <p>We believe that Australia's 2035 target should be ambitious, science-based, just energy transition strategy and aligned with the global efforts to combat climate change. We strongly advocate for a significant reduction in emissions. Specifically, we propose a target of at least a 67% decrease from 2005 levels across key sectors such as electricity, land use, changes in land use and forestry (LULUCF), stationary energy, and notably in fugitive emissions and the transport sector. The realisation of this target hinges on the implementation of beyond BAU measures, including:</p> <ol style="list-style-type: none"> 1. Ambitious Long-Term Plan: We encourage the adoption of a robust long-term emissions reduction plan targeting net-zero emissions by not later than 2045. This ambitious goal underscores our commitment to accelerating the transition towards a carbon-neutral future. 2. Coal Phase-Out: To decarbonize our energy sector, we recommend the revision of AEMO's Integrated System Plan (ISP) to expedite the retirement of current coal capacity in the National Electricity Market (NEM) to no later than 2032. 3. Gas Phase-Down: Complementing our stance on coal, we encourage a strategic phase-down of natural gas. This step recognises the need for a balanced energy transition where we consider cleaner alternatives for our energy mix.

4. **Stop selling combustion engine vehicles by 2035:** Carbon emissions from vehicles under a single annual average emissions standard, or ceiling, covering all new light vehicle sales should fall to zero by 2035
5. **Building Efficiency Standards:** To address emissions from the built environment, we recommend the adoption of the National Construction Code with stringent efficiency standards for new constructions and large-scale renovations. This step would catalyse a sector-wide transformation, making our built environment part of the climate solution rather than part of the problem.

These measures reflect our belief that strong, decisive action is needed to meet the challenges of climate change head-on. Together, they represent a comprehensive approach to significantly reducing Australia's greenhouse gas emissions across multiple sectors.

Here are the reasons for our recommendation:

1. **Urgency of Climate Action:** The Intergovernmental Panel on Climate Change (IPCC) has highlighted the urgent need for deep and rapid emissions reductions to limit global warming to safe levels.
2. **Advancements in Renewable Energy:** Australia has abundant renewable energy resources, including solar and wind. The continued growth and deployment of renewable energy technologies, coupled with energy storage solutions, provide a viable pathway to achieve substantial emissions reductions by 2035. Many businesses and corporations have already made significant investments in renewable energy and are leading the way towards a clean energy future.
3. **Economic Opportunities:** Pursuing an ambitious emissions reduction target can unlock economic opportunities for Australia. The transition to a low-carbon economy can drive innovation, create jobs, attract investments, and enhance the competitiveness of Australian industries. Businesses, both large and small, have recognized the economic benefits of climate action and are incorporating sustainability into their strategies.
4. **Global Reputation and Partnerships:** Setting an ambitious target will enhance Australia's global reputation as a responsible and forward-thinking nation. It will strengthen partnerships and collaborations with international stakeholders, including businesses, countries, and organizations such as WBCSD and We Mean Business Coalition. These partnerships can facilitate knowledge sharing, technology transfer, and access to global markets for low-carbon goods and services.
5. **Public and Investor Expectations:** There is growing public and investor demand for strong climate action. Businesses are increasingly under pressure to demonstrate their commitment to sustainability and carbon reduction. By adopting an ambitious target, the Australian government can provide policy certainty and support businesses in aligning their strategies with the country's climate goals.

Cross-cutting Issues

3.1. Leading Indicators

10. What are some leading indicators of progress towards net zero emissions?

We recognize the importance of tracking and measuring progress towards net-zero emissions. There are several leading indicators that can help assess progress in this area. Here are some examples:

1. **Renewable Energy Generation and a phase out of gas:** Tracking the increase in renewable energy generation capacity and its share in the overall energy mix is a crucial indicator. This includes monitoring the deployment of large-scale solar and wind projects, the growth of rooftop solar installations, and the expansion of renewable energy infrastructure. Companies like AGL Energy and Origin Energy in Australia have committed to transitioning their energy generation portfolios to cleaner and renewable sources.
2. **Energy Efficiency Improvements:** Monitoring energy efficiency improvements across various sectors, including buildings, manufacturing, and transportation, is a crucial leading indicator. This includes tracking energy consumption per unit of production or floor area, implementing energy-saving measures, and adopting energy-efficient technologies. Businesses such as Schneider Electric and Siemens provide energy management solutions and technologies that help organizations improve their energy efficiency.
3. **Electric Vehicle (EV) Adoption:** The rate of EV adoption is an important indicator of progress towards net-zero emissions in the transportation sector. Monitoring the number of EV registrations, the expansion of EV charging infrastructure, and the commitment of businesses and fleet operators to transition to electric vehicles provide insights into the shift away from fossil fuel-dependent transportation. For instance, companies like Tesla, BMW, and General Motors are actively investing in EV technology and infrastructure.

	<p>4. Carbon Pricing and Financial Instruments: The establishment and expansion of carbon pricing mechanisms, such as carbon markets or carbon taxes, can incentivize emissions reductions and provide economic signals for businesses to transition to low-carbon practices. Additionally, the integration of climate-related financial disclosures, sustainable finance, and green investment initiatives can signal progress towards net-zero emissions. The Task Force on Climate-related Financial Disclosures (TCFD) framework is widely adopted by businesses globally to assess and disclose climate-related risks and opportunities.</p> <p>5. Research and Development Investments: Monitoring investments in research and development (R&D) for low-carbon technologies and solutions provides insights into the pace of innovation and the development of transformative solutions. This includes investments in renewable energy technologies, energy storage, carbon capture and storage (CCS), and other clean technologies. Companies like CSIRO and universities across Australia contribute to R&D efforts in clean energy and sustainability.</p>
<p>11. What are some leading indicators of progress towards preparing for and adapting to climate change?</p>	<p>We recognize the importance of preparing for and adapting to the impacts of climate change. Several leading indicators can help assess progress in this area. Here are some examples:</p> <ol style="list-style-type: none"> 1. Climate Risk Assessments: Conducting comprehensive climate risk assessments is a crucial indicator of progress in preparing for climate change. This involves evaluating potential climate-related risks and vulnerabilities faced by businesses, communities, and infrastructure. Companies like Rio Tinto and Lendlease have integrated climate risk assessments into their decision-making processes and have developed strategies to adapt to potential impacts. 2. Adoption of Climate Risk Strategies: Monitoring the adoption of climate risk strategies by governments, businesses, and organizations is an important indicator of preparedness. This includes the development and implementation of plans to address climate risks, enhance resilience, and ensure business continuity. Companies like Insurance Australia Group (IAG) have implemented climate risk strategies to manage their exposure to climate-related hazards and protect their assets and operations. 3. Integration of Climate Considerations in Planning Regulations: Tracking the integration of climate considerations in planning regulations at various levels of government is a key indicator. This includes the incorporation of climate change projections and adaptation measures in urban planning, infrastructure development, and land-use policies. Countries like the Netherlands and cities like Melbourne have implemented climate-responsive planning regulations to enhance resilience and mitigate climate risks. 4. Resilient Infrastructure Investments: Monitoring investments in resilient infrastructure is a significant indicator of progress in adapting to climate change. This includes the development of infrastructure that can withstand extreme weather events, sea-level rise, and changing climatic conditions. Examples include the Sydney Metro Northwest project, which incorporates climate resilience features, and the expansion of green infrastructure networks in cities like Adelaide. 5. Community Engagement and Awareness: Engaging and empowering communities to prepare for climate change impacts is essential. Monitoring the level of community awareness, education, and participation in climate adaptation measures can serve as an indicator. Initiatives like the "Resilient Sydney" program engage local communities, businesses, and stakeholders in building resilience and preparedness. 6. Climate-Responsive Finance and Insurance: The availability and uptake of climate-responsive financial and insurance products can indicate progress in climate change adaptation. This includes the development of innovative financial instruments, such as green bonds and climate insurance, to support investments in climate resilience. The integration of climate risk into insurance products, as demonstrated by companies like QBE Insurance Group, can also indicate preparedness. 7. Resilience planning and crisis management: Leading indicators of progress in preparing for and adapting to climate change could be evaluated by how effectively businesses and communities are anticipating, withstanding, and bouncing back from climate-related shocks. In our increasingly uncertain world, climate resilience requires more than just reacting to events - it necessitates proactive planning and crisis management capabilities. From a business perspective, this includes strategies to secure supply chains against extreme weather events, the integration of climate risk assessment in business planning, investments in infrastructure resilient to a changing climate, and robust crisis response protocols that ensure the safety and continuity of operations and services. It is these actions and investments, which balance immediate needs with long-term sustainability, that will serve as the litmus test for our readiness to adapt to an evolving climate landscape.

	<p>These leading indicators, along with effective governance, collaboration, and community engagement, can help assess progress towards preparing for and adapting to climate change.</p>
<p>3.2. Sectoral pathways</p>	
<p>12. What factors should the Authority consider when developing sectoral decarbonisation pathways? a. What are the risks and opportunities for households, business, workers and communities affected by the transition? b. Are there supply chain pressure points?</p>	<p>We understand the importance of considering various factors when developing sectoral decarbonisation pathways. These factors include:</p> <p>a. Risks and Opportunities for Stakeholders: The Authority should carefully assess the risks and opportunities associated with the transition for households, businesses, workers, and communities. This involves considering the potential social, economic, and equity impacts of decarbonisation measures. It is crucial to identify and address any adverse consequences to ensure a just transition. Practical examples include:</p> <ul style="list-style-type: none"> • Collaborative partnerships between industry and communities to provide training and support for workers transitioning to new green jobs, as demonstrated by initiatives like the Australian Industry Energy Transitions Initiative (ETI). • Engaging with impacted communities to ensure their concerns and needs are considered and addressed, as seen in the community consultation processes implemented by renewable energy projects such as wind farms. <p>b. Supply Chain Pressure Points: Understanding and addressing supply chain pressure points is critical to achieving decarbonisation goals. The Authority should identify areas within supply chains that may present challenges or bottlenecks for decarbonisation efforts. By focusing on these pressure points, targeted actions can be taken to overcome barriers and facilitate a smooth transition. Practical examples include:</p> <ul style="list-style-type: none"> • Collaboration between companies to reduce emissions throughout the supply chain, such as the Science-Based Targets initiative, which encourages companies to set emissions reduction targets that cover their value chains. • Encouraging the adoption of sustainable procurement practices that prioritize low-carbon suppliers and products, as demonstrated by organizations like BHP, which incorporates climate criteria into their supply chain selection processes. <p>By considering these factors, the Authority can develop sectoral decarbonisation pathways that address the risks and opportunities for stakeholders and effectively manage supply chain pressure points. This holistic approach will contribute to a successful and equitable transition to a low-carbon economy.</p>
<p>13. What is the role for Government in reducing these risks and assisting households, business, workers and communities to realise the opportunities?</p>	<p>We recognize the critical role of government in reducing risks and supporting households, businesses, workers, and communities to realize the opportunities associated with the transition to a low-carbon economy. The government plays a crucial role in creating an enabling environment and implementing policies and measures that facilitate a just and inclusive transition. Here are some key roles for the government:</p> <ol style="list-style-type: none"> 1. Policy Framework: The government should establish a comprehensive policy framework that sets clear targets, regulations, and incentives to drive decarbonization. This includes implementing supportive policies such as renewable energy targets, carbon pricing mechanisms, and energy efficiency standards. By providing regulatory certainty and long-term planning, the government can encourage investment in low-carbon technologies and industries. 2. Financial Support: Governments can provide financial support, incentives, and grants to accelerate the adoption of low-carbon technologies and practices. This includes funding research and development programs, providing grants for clean technology projects, and offering financial assistance to businesses and households for energy efficiency upgrades or renewable energy installations. 3. Skills and Training: The government should invest in workforce development programs to ensure that workers have the necessary skills and knowledge to participate in the low-carbon economy. This can involve supporting vocational training programs, retraining initiatives, and educational programs that equip individuals with the skills needed for emerging green industries. 4. Infrastructure Investment: Governments have a crucial role in investing in sustainable infrastructure, including renewable energy generation, public transportation systems, and resilient infrastructure to adapt to climate change impacts. These investments can create jobs, stimulate economic growth, and provide sustainable solutions for communities. 5. Collaboration and Stakeholder Engagement: Governments should foster collaboration and engage with stakeholders including businesses, industry associations, community groups, and civil society organizations. By facilitating dialogue and partnerships, the government can ensure

	<p>that policies and programs are responsive to the needs and concerns of different stakeholders, promoting inclusivity and effective implementation.</p> <p>6. Regulatory Oversight: Governments play a vital role in establishing and enforcing regulations that drive emissions reductions and environmental sustainability. This includes setting emissions standards, monitoring compliance, and implementing mechanisms to ensure accountability and transparency in environmental reporting.</p> <p>Practical examples of government support include initiatives such as:</p> <ul style="list-style-type: none"> • The Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC), which provide funding and investment support for renewable energy projects. • The Green Skills Package implemented by the Australian government, which offers training and employment opportunities in green industries. • Government-funded infrastructure projects that prioritize sustainable design principles and contribute to a low-carbon and resilient future, such as the development of renewable energy zones or public transport networks.
<p>3.3. Contributing beyond Australia's borders</p>	
<p>14. What are the most important things to consider when assessing the adequacy of a country's NDC?</p>	<p>When assessing the adequacy of a country's Nationally Determined Contributions (NDCs), several important factors should be considered. We believe the following aspects are crucial:</p> <ol style="list-style-type: none"> 1. Ambition and Scope: The NDC should reflect the country's ambition to address climate change and contribute to global efforts to limit temperature rise. It should outline clear and ambitious emission reduction targets, covering all relevant sectors and greenhouse gases. The scope of the NDC should be comprehensive, considering both mitigation and adaptation measures. We need to be sure that we are doing our fair share. 2. Alignment with Science: The NDC should align with the latest scientific evidence and the goals of the Paris Agreement. It should be consistent with the pathway to limit global temperature rise to well below 2 degrees Celsius and pursue efforts to limit it to 1.5 degrees Celsius. Scientific assessments and expert advice should inform the setting of targets and the development of strategies. 3. Transparency and Accountability: The NDC should provide transparent and quantifiable information about the country's emissions reduction targets, baseline emissions, projected emissions, and progress made towards achieving the targets. It should include robust monitoring, reporting, and verification mechanisms to ensure accountability and enable tracking of progress over time. 4. Long-Term Perspective: The NDC should demonstrate a long-term perspective, considering the country's emissions trajectory beyond the short-term commitments. It should outline a pathway towards long-term decarbonization and resilience, taking into account the need for transformative changes in key sectors such as energy, transport, industry, and agriculture. 5. Just Transition and Equity: The NDC should address the principles of a just transition, considering the social and economic implications of climate action. It should ensure fairness and equity in the distribution of costs, benefits, and opportunities associated with the transition. The NDC should also consider the needs and vulnerabilities of disadvantaged groups, communities, and regions, ensuring inclusivity and social cohesion. 6. Adaptation and Resilience: The NDC should integrate adaptation measures that address the impacts of climate change and enhance the country's resilience to climate-related risks. It should include strategies for assessing vulnerabilities, identifying adaptation priorities, and implementing measures to protect ecosystems, infrastructure, and communities. 7. International Cooperation and Support: The NDC should indicate the country's willingness to engage in international cooperation and seek support to enhance its climate action. It should outline the country's needs for capacity-building, technology transfer, and financial assistance to implement its NDC effectively. <p>Practical examples of assessing adequacy include evaluating whether a country's NDC targets align with global emission reduction pathways, comparing the level of ambition with other countries' commitments, and examining the NDC's comprehensiveness in addressing all relevant sectors and greenhouse gases.</p> <p>As BCSD Australia, we would emphasize the importance of regular reviews and updates of NDCs to ensure their adequacy and alignment with evolving scientific knowledge and international climate goals. Engaging stakeholders, including businesses, civil society organizations, and experts, in the</p>

<p>15. How could Australia partner with other nations to accelerate global progress towards meeting the Paris Agreement goals?</p>	<p>assessment process can contribute to robust and effective NDCs that drive meaningful climate action.</p> <p>We recognize the importance of international collaboration in accelerating global progress towards meeting the goals of the Paris Agreement. Australia can effectively partner with other nations in the following ways:</p> <ol style="list-style-type: none"> Sharing Best Practices: Australia can share its experiences, best practices, and lessons learned in various sectors, such as renewable energy, energy efficiency, sustainable agriculture, and land management. By sharing successful strategies and technologies, Australia can help other nations accelerate their own decarbonization efforts. Collaborating on Research and Development: Australia can engage in collaborative research and development (R&D) initiatives with other countries to advance innovative solutions for climate change mitigation and adaptation. This can include joint projects on clean technologies, carbon capture and storage, sustainable urban planning, and climate-resilient infrastructure. Establishing Partnerships: Australia can establish partnerships with other nations to foster knowledge exchange, capacity-building, and technology transfer. These partnerships can facilitate the sharing of expertise and resources to support countries in their climate action efforts. Collaborative initiatives can range from joint research programs to capacity-building workshops and training exchanges. Supporting Developing Countries: Australia can play a significant role in supporting developing countries in their climate change mitigation and adaptation efforts. This can involve providing financial assistance, technical expertise, and capacity-building support to help these countries transition to low-carbon and climate-resilient pathways. Engaging in International Forums: Australia can actively participate in international forums, such as the United Nations Framework Convention on Climate Change (UNFCCC) conferences, to advocate for ambitious climate action and collaborate with other nations. By engaging in dialogue and negotiations, Australia can contribute to the development of robust international frameworks and agreements. Strengthening Regional Cooperation: Australia can foster regional cooperation within the Asia-Pacific region, which is highly vulnerable to the impacts of climate change. By working closely with neighbouring countries, Australia can address shared challenges, promote sustainable development, and enhance regional resilience to climate-related risks. Supporting Global Climate Finance: Australia can contribute to global climate finance mechanisms, such as the Green Climate Fund, to support developing countries in implementing their climate action plans. By providing financial resources and technical assistance, Australia can help bridge the investment gap and facilitate the deployment of clean technologies in developing nations. <p>Practical examples of Australia's partnership initiatives can include collaborative renewable energy projects with neighbouring countries, knowledge-sharing platforms on climate adaptation strategies, joint research programs on climate-smart agriculture, and capacity-building programs for developing countries' policymakers and practitioners.</p> <p>We also understand the importance of ambitious action in addressing climate change and accelerating global progress towards meeting the goals of the Paris Agreement. To build on the answer above more to support even more ambition, we suggest the following additional approaches:</p> <ol style="list-style-type: none"> Scaling up Renewable Energy Partnerships: Australia can establish ambitious partnerships with other nations to accelerate the deployment of renewable energy technologies. This can include joint investment in large-scale renewable energy projects, such as solar and wind farms, and the development of interconnected regional energy grids to facilitate the efficient transmission of clean energy. Advancing Low-Carbon Transportation: Australia can collaborate with other countries to promote the adoption of low-carbon transportation solutions. This can involve partnerships to develop electric vehicle charging infrastructure, support research and development of zero-emission vehicles, and facilitate the sharing of best practices in sustainable transportation planning. Promoting Nature-Based Solutions: Australia can prioritize partnerships that focus on nature-based solutions for climate change mitigation and adaptation. This can involve collaborating with other nations to restore and protect forests, implement sustainable land management practices, and enhance natural carbon sinks to reduce greenhouse gas emissions and enhance resilience.
--	---

4. **Enhancing Climate Resilience:** Australia can partner with other countries to build climate resilience at regional and global levels. This can include sharing knowledge and expertise in climate risk assessment, developing early warning systems, and supporting vulnerable communities in adapting to climate impacts through initiatives such as resilient infrastructure development and disaster risk reduction.
5. **Mobilizing Private Sector Investments:** Australia can work collaboratively with other nations to mobilize private sector investments towards climate solutions. This can involve establishing public-private partnerships, promoting green finance mechanisms, and creating favourable investment environments that incentivize the private sector to allocate resources towards low-carbon and climate-resilient projects.
6. **Encouraging Technology Transfer:** Australia can prioritize partnerships that facilitate technology transfer to support developing nations in their climate action efforts. This can involve sharing clean energy technologies, promoting knowledge exchange on sustainable practices, and providing technical assistance to enable countries to leapfrog to cleaner and more sustainable development pathways.
7. **Advocating for Ambitious International Climate Agreements:** Australia can actively advocate for ambitious international climate agreements and foster collaboration among nations to raise their climate commitments. This can include promoting stronger emission reduction targets, supporting the phasing out of fossil fuel subsidies, and advancing discussions on carbon pricing mechanisms.

By adopting these additional measures, Australia can demonstrate even greater ambition in its partnerships with other nations, fostering collaboration on transformative climate solutions and driving global progress towards a low-carbon, resilient, and sustainable future.

16. What do you see as the challenges and opportunities from a phase out of fossil fuel production? What should the Government consider when determining a plan for the phase out of fossil fuels?

we recognize the importance of a transition away from fossil fuels to mitigate climate change and pursue a sustainable future. Here are some key challenges and opportunities to consider:

Challenges:

1. **Economic Impacts:** A phase-out of fossil fuel production can have significant economic implications, particularly for regions and communities heavily dependent on the fossil fuel industry. The government should consider strategies to manage the economic transition, including diversification of industries, job creation in renewable energy sectors, and retraining programs for affected workers.
2. **Energy Security:** The transition away from fossil fuels should ensure a smooth and reliable transition to alternative energy sources. The government should carefully assess the potential impact on energy security and develop plans to maintain a stable and resilient energy system during and after the transition.
3. **Social Equity:** It is crucial to address the potential social impacts of a fossil fuel phase-out, ensuring that vulnerable communities and workers are not disproportionately affected. The government should consider strategies for supporting affected communities, providing assistance for job transitions, and ensuring social equity throughout the transition process.

Opportunities:

1. **Renewable Energy Development:** A phase-out of fossil fuel production presents an opportunity to accelerate the development and deployment of renewable energy technologies. The government should prioritize the expansion of renewable energy infrastructure, incentivize clean energy investments, and support research and development in renewable technologies.
2. **Green Job Creation:** The transition to a low-carbon economy can create new employment opportunities in clean energy sectors such as solar, wind, and energy efficiency. The government should focus on facilitating the growth of green industries, promoting skills development in renewable technologies, and encouraging investment in sustainable infrastructure projects. It also has the potential to support an export industry which is based on carbon free products.
3. **Environmental Benefits:** Phasing out fossil fuel production will have significant environmental benefits, including reduced greenhouse gas emissions, improved air quality, and decreased dependence on non-renewable resources. The government should consider these environmental benefits and prioritize policies that support a sustainable and low-carbon future.

When determining a plan for the phase-out of fossil fuels, the government should consider the following factors:

	<ol style="list-style-type: none"> 1. Long-term Vision: The government should develop a clear and ambitious long-term vision for transitioning to a low-carbon economy. This vision should be aligned with international climate goals, such as the Paris Agreement, and outline a pathway for reducing greenhouse gas emissions and achieving a sustainable energy system. 2. Stakeholder Engagement: The government should engage with a diverse range of stakeholders, including industry representatives, communities, environmental groups, and indigenous communities, to gather input and ensure a just and inclusive transition. Collaboration and dialogue with stakeholders will help identify challenges, address concerns, and find mutually beneficial solutions. 3. Policy Framework: The government should establish a supportive policy framework that encourages investment in clean energy, promotes energy efficiency, and provides clear regulatory guidance for the phase-out of fossil fuels. This can include mechanisms such as carbon pricing, renewable energy targets, and regulatory incentives for clean technologies. 4. Just Transition: A just transition should be at the forefront of the government's plan. It should prioritize the well-being of affected workers and communities, providing support through retraining programs, income diversification, and targeted investments in impacted regions. Ensuring social equity and inclusivity is essential for a successful and sustainable transition. 5. International Collaboration: The government should actively collaborate with other nations, sharing knowledge, experiences, and best practices in phasing out fossil fuel production. International cooperation can accelerate progress, foster innovation, and create opportunities for global partnerships in renewable energy development.
<p>17. Should the Authority consider international maritime and aviation emissions in its advice?</p>	<p>We believe that the Authority should indeed consider international maritime and aviation emissions in its advice.</p> <p>While these emissions fall under the purview of international bodies like the International Maritime Organization (IMO) and the International Civil Aviation Organization (ICAO), they have significant implications for global emissions reduction efforts and should not be overlooked. Their exclusion from the Paris Agreement does mean that there is a significant gap in global action. Given our location Australia is particularly exposed to the emissions from long distance transport both in our exports and our imports, as well as the impacts of people travelling to and from Australia. To protect our export and tourism markets we need to be on the front foot.</p> <p>Including international maritime and aviation emissions in the Authority's advice is important for several reasons:</p> <ol style="list-style-type: none"> 1. Global Impact: International maritime and aviation emissions contribute a substantial share to global greenhouse gas emissions. Ignoring these sectors would result in an incomplete assessment of Australia's overall emissions profile and its efforts towards achieving climate goals. 2. Interconnectedness: Maritime and aviation sectors are highly interconnected with global trade and transportation networks. Australia's economic activities heavily rely on these sectors for imports, exports, and tourism. Addressing emissions from these sectors requires international collaboration and coordination to ensure a fair and effective reduction strategy. 3. Technological Innovation: Considering international maritime and aviation emissions can stimulate innovation and the development of cleaner technologies in these sectors. Encouraging research and investment in low-carbon fuels, energy-efficient aircraft and vessels, and sustainable transportation solutions can lead to transformative changes globally. 4. Coordinated Efforts: By factoring in international maritime and aviation emissions, the Authority can align Australia's climate policies and actions with global efforts. This includes collaborating with international bodies like the IMO and ICAO to establish consistent emission standards, promote energy efficiency, and support the adoption of sustainable practices in the maritime and aviation industries. 5. Reputation and Leadership: Australia's stance on international maritime and aviation emissions can impact its reputation as a responsible global citizen. By actively engaging in discussions, advocating for stronger international standards, and pursuing emission reduction initiatives, Australia can demonstrate leadership in addressing these challenging sectors and inspire other nations to take similar actions. <p>In summary, incorporating international maritime and aviation emissions in the Authority's advice is essential to ensure a comprehensive and holistic approach to climate action. By recognizing the</p>

	<p>global nature of these emissions and actively participating in international efforts, Australia can contribute to accelerating progress towards achieving the Paris Agreement goals and a more sustainable future.</p>
<p>3.4 Preparing for change</p>	
<p>18. What risks and opportunities do you (including your household, business, workers and communities) face as the world decarbonises and as Australia responds to the impacts of climate change?</p>	<p>We recognize that the transition to a low-carbon economy and Australia's response to climate change present both risks and opportunities for households, businesses, workers, and communities. Here are some of the key risks and opportunities associated with these processes:</p> <p>Risks:</p> <ol style="list-style-type: none"> Physical Risks: Climate change brings the risk of extreme weather events, such as heatwaves, floods, and storms. These events can lead to property damage, infrastructure disruption, and increased insurance costs. Transition Risks: The transition to a low-carbon economy may result in certain industries and sectors facing economic challenges. Fossil fuel-dependent industries, for example, may experience job losses and reduced competitiveness. Workers in these sectors may require support and retraining to transition into new industries. Regulatory Risks: As the government implements climate policies and regulations, businesses may face increased compliance costs and the need to adapt their operations to meet new standards. Failure to comply with regulations could result in penalties and reputational damage. Market Risks: Changing consumer preferences and investor expectations can create risks for businesses that do not align their strategies with sustainable practices. Companies that fail to address climate-related risks and opportunities may face declining market demand and reduced access to capital. <p>Opportunities:</p> <ol style="list-style-type: none"> Renewable Energy Transition: The shift towards renewable energy presents significant opportunities for businesses and communities. Investing in renewable energy infrastructure, such as solar and wind, can stimulate economic growth, create jobs, and attract new investments. Green Technologies and Innovation: The decarbonization process opens doors for the development and adoption of green technologies. This can lead to the growth of clean energy industries, energy-efficient solutions, sustainable agriculture practices, and circular economy models, creating new business opportunities and employment prospects. Resilience and Adaptation: Adapting to the impacts of climate change presents opportunities for businesses and communities to enhance their resilience. This includes implementing climate-smart infrastructure, sustainable land management practices, and adopting innovative solutions to mitigate the risks associated with extreme weather events. Market Leadership and Reputation: Businesses that proactively address climate change and embrace sustainable practices can gain a competitive advantage and improve their reputation. Meeting consumer expectations for environmentally friendly products and services can lead to increased market share and brand loyalty. Social and Community Benefits: Transitioning to a low-carbon economy can result in improved public health outcomes, reduced pollution, and enhanced quality of life. Communities that actively engage in sustainable initiatives can benefit from cleaner air, better access to renewable energy, and a more sustainable environment. <p>Overall, by proactively managing the risks and seizing the opportunities associated with decarbonization and climate change, households, businesses, workers, and communities can contribute to a more sustainable and resilient future while positioning themselves for long-term success in a low-carbon economy.</p>
<p>19. What could governments do to help?</p>	<p>Governments play a crucial role in supporting households, businesses, workers, and communities as they navigate the risks and opportunities of decarbonization and respond to the impacts of climate change. Here are some key actions that governments can take to provide assistance:</p> <ol style="list-style-type: none"> Policy and Regulatory Framework: Governments can establish clear and consistent policies and regulations that promote the transition to a low-carbon economy. This includes setting ambitious emission reduction targets, implementing carbon pricing mechanisms, and providing incentives for renewable energy adoption. Predictable policy frameworks enable businesses and investors to make long-term sustainable investments. Financial Support: Governments can provide financial support through grants, subsidies, tax incentives, and low-interest loans to encourage the adoption of clean technologies, energy

	<p>efficiency measures, and sustainable practices. Financial assistance can help businesses and households overcome the upfront costs associated with transitioning to low-carbon alternatives.</p> <ol style="list-style-type: none"> 3. Research and Development Funding: Governments can allocate funding for research and development in clean technologies, innovation, and sustainable practices. This supports the development of new solutions, enhances competitiveness, and drives technological advancements that accelerate the transition to a low-carbon economy. 4. Infrastructure Investment: Governments can invest in sustainable infrastructure projects, such as renewable energy generation, public transportation systems, and climate-resilient infrastructure. These investments create jobs, stimulate economic growth, and contribute to the overall decarbonization efforts. 5. Education and Training: Governments can promote education and training programs to enhance skills and knowledge related to sustainable practices and clean technologies. This enables workers and businesses to adapt to changing market demands, facilitates job transitions, and supports the development of a skilled workforce for the green economy. 6. Stakeholder Engagement and Collaboration: Governments can foster collaboration and engagement with various stakeholders, including businesses, industry associations, community organizations, and indigenous communities. This inclusive approach ensures that policies and initiatives consider diverse perspectives, address local needs, and maximize the benefits for all stakeholders involved. 7. International Cooperation: Governments can engage in international partnerships and collaborations to accelerate global progress towards meeting the Paris Agreement goals. By sharing knowledge, best practices, and resources, countries can collectively work towards a sustainable future and leverage opportunities for technology transfer and capacity building. <p>It is important for governments to provide a supportive and enabling environment that empowers households, businesses, workers, and communities to embrace sustainable practices and effectively respond to the challenges and opportunities presented by decarbonization and climate change.</p>
<p>3.5 Targets</p> <p>20. What types of targets do you see as important and/or problematic, and why?</p>	<p>BCSD Australia recognizes the importance of setting targets to drive action and measure progress towards a sustainable and low-carbon future. Here are some types of targets that are generally considered important, as well as potential challenges associated with them:</p> <ol style="list-style-type: none"> 1. Emission Reduction Targets: Ambitious and science-based emission reduction targets are crucial to limit global warming and mitigate climate change. Targets that align with the goals of the Paris Agreement, such as limiting global temperature rise to well below 2 degrees Celsius, are widely recognized as important. These targets provide a clear direction for governments, businesses, and other stakeholders to work towards reducing greenhouse gas emissions. 2. Renewable Energy Targets: Setting targets for renewable energy generation is important to accelerate the transition to a clean energy system. Renewable energy targets can drive investments in renewable technologies, increase the share of renewable energy in the overall energy mix, and reduce dependence on fossil fuels. These targets contribute to decarbonization efforts and promote the development of a sustainable energy sector. 3. Energy Efficiency Targets: Energy efficiency targets focus on reducing energy consumption and improving energy productivity. They encourage businesses and households to adopt energy-efficient technologies, practices, and behaviours. Energy efficiency targets can lead to cost savings, reduced emissions, and increased competitiveness, while also addressing energy security and sustainability concerns. 4. Net Zero Targets: Net zero targets aim to achieve a balance between greenhouse gas emissions produced and removed from the atmosphere. These targets require reducing emissions as much as possible and offsetting any remaining emissions through actions such as carbon capture and storage or nature-based solutions. Net zero targets are considered important to achieve long-term climate goals and transition to a carbon-neutral economy. <p>While targets are important, there can be challenges associated with them. Some potential issues include:</p> <ol style="list-style-type: none"> 1. Lack of Ambition: Insufficiently ambitious targets may not effectively address the urgency of the climate crisis. It is important for targets to be ambitious and aligned with scientific recommendations to ensure meaningful action is taken. 2. Implementation Challenges: Setting targets is one thing, but achieving them requires effective implementation strategies, supportive policies, and adequate resources.

	<p>Governments and businesses need to develop robust plans, invest in infrastructure, and engage stakeholders to successfully meet the targets.</p> <ol style="list-style-type: none"> Monitoring and Accountability: Without proper monitoring and accountability mechanisms, targets can become empty promises. It is crucial to have transparent reporting frameworks and mechanisms in place to track progress, ensure compliance, and hold stakeholders accountable for meeting their commitments. Transition Challenges: Targets that require significant changes to existing systems, such as phasing out fossil fuels or transforming industries, may face resistance and encounter challenges related to job losses, economic disruptions, and social implications. It is important to consider these challenges and develop just transition plans to support affected workers and communities. <p>Overall, targets play a critical role in driving action and ensuring accountability. It is important to set ambitious, science-based targets that address the urgency of the climate crisis and align with global climate goals. However, it is equally important to address implementation challenges, monitor progress, and ensure a just transition for all stakeholders involved.</p>
--	---

3.6 Are Kyoto-era schemes fit for the Paris Agreement era?

<p>21. What do you see as the strengths and weaknesses of the NGER scheme? How could it be improved?</p>	<p>The National Greenhouse and Energy Reporting (NGER) scheme in Australia is an important framework for monitoring and reporting greenhouse gas emissions, energy production, and energy consumption by corporations. Here are some strengths and weaknesses of the NGER scheme, along with potential improvements:</p> <p>Strengths of the NGER scheme:</p> <ol style="list-style-type: none"> Transparency and Accountability: The NGER scheme provides transparency by requiring corporations to measure and report their emissions and energy data. This promotes accountability and enables stakeholders to track progress and assess the environmental performance of companies. NGER was implemented to support the transparent development of Australia’s energy and greenhouse inventory. For this reason, it has a very strict boundary definition based on operational control to ensure that there is no duplication of inventory items in the report. Standardized Reporting: The NGER scheme establishes a standardized reporting framework, which ensures consistency and comparability of data across different sectors and organizations. This facilitates benchmarking, analysis, and the development of effective emissions reduction strategies. Coverage of Major Emitters: The NGER scheme covers a wide range of industries and sectors, including large emitters in energy, mining, manufacturing, the built environment and transport. This broad coverage ensures that significant contributors to greenhouse gas emissions are captured under the reporting framework. Compliance and Enforcement: The NGER scheme incorporates verification and compliance mechanisms to ensure that corporations accurately report their emissions and energy data. Penalties and enforcement measures are in place for non-compliance, which helps maintain the integrity of the reporting system. NGER company reports need to be signed off by a senior executive, preferably the CEO. When NGER was first introduced in 2009 this was often the first time that the executive had really inspected energy and greenhouse information sets. NGER served to bring these data sets to the attention of senior management in large companies. <p>Weaknesses of the NGER scheme:</p> <ol style="list-style-type: none"> Exclusion of the agricultural sector, Small and Medium-sized Enterprises (SMEs) and large companies with limited energy use or greenhouse gas emissions: The NGER scheme primarily focuses on large emitters, which means that SMEs are not required to report their emissions; in addition, many companies who are listed on the ASX are not required to report. The exclusion of SMEs limits the scope of data collection and may overlook significant emission sources. The exclusion of companies who are not significant users of energy, or who do not give rise to significant emissions can miss companies with the real ability to implement improvements. Limited Scope of Reporting: The NGER scheme focuses mainly on scope 1 and scope 2 emissions and energy consumption within a company’s operational control. NGER does not require the reporting of scope 3 emissions, though it does make provision for the voluntary reporting of these. Only scope 1 and scope 2 emissions are included in NGER verification processes Reporting Delays: NGER information is aggregated for companies and released by the Federal government in a single report after audit. Companies typically compile their information
--	--

	<p>annually. This means that information is not available to support timely decisions either at company or at government level.</p> <p>4. Verification Challenges: The NGER scheme relies on self-reporting by corporations, and while there are mechanisms for assurance and verification, they are not mandatory for all reports. This could lead to inconsistencies and inaccuracies in the reported data. Strengthening the verification requirements and implementing independent audits could enhance the reliability of the reported information.</p> <p>Improvements to the NGER scheme:</p> <ol style="list-style-type: none"> 1. Inclusion of agriculture and a broader group of companies including SMEs: Expanding the reporting requirements to include SMEs and all listed companies would improve the overall coverage of emissions data and provide a more comprehensive understanding of Australia's greenhouse gas emissions profile. 2. Enhanced Scope: Broadening the scope of reporting to scope 3 emission sources, would provide a more holistic assessment of a company's environmental impact and enable better decision-making. 3. Real-time Reporting: Supporting companies to implementing measures to streamline the reporting process and enable real-time or near-real-time data collection and collation would enhance the usefulness of the information for business decision-makers and improve their responsiveness to emerging trends and challenges. Delivering real time company data to a central country report remains a challenge 4. Mandatory Verification: Requiring mandatory third-party verification and audits of emissions reports can enhance the accuracy and reliability of reported data, instilling greater confidence in the NGER scheme's outcomes. 5. Continuous Improvement: Regular reviews and updates of the NGER scheme should be conducted to keep pace with evolving best practices, international reporting standards, and emerging technologies for data collection and analysis. <p>By addressing these weaknesses and implementing these improvements, the NGER scheme can become a more robust and effective framework for monitoring and reporting greenhouse gas emissions, driving emissions reduction efforts, and supporting the transition to a low-carbon economy in Australia.</p> <p>We note the release of the ISSB S2 standard for energy and greenhouse reporting, and the Australian Treasury consultation launched in response to this standard. We encourage the alignment of Australia's reporting requirements with this global standard as this will reduce the reporting burden of companies and will enable efficiencies to be made. Aligning NGER requirements with ISSB is preferable to aligning Australia's interpretation of ISSB requirements with NGER as this will reduce the number of ways internationally listed companies will need to interpret and report their data.</p>
<p>22. What aspects of methane measurement, reporting and verification should the Authority focus on as part of the NGER review?</p>	<p>In the review of the National Greenhouse and Energy Reporting (NGER) scheme, the Authority should focus on several aspects of methane measurement, reporting, and verification to ensure accurate and comprehensive reporting of methane emissions. Here are some key areas that the Authority should consider:</p> <ol style="list-style-type: none"> 1. Measurement Methodologies: The Authority should assess the suitability and effectiveness of different methane measurement methodologies used by reporting entities. This includes evaluating the accuracy, consistency, and comparability of measurement techniques, such as direct measurement, estimation methods, and emissions factors. It is important to promote the use of best practices and standardized methodologies to ensure reliable and consistent methane emission data. 2. Reporting Requirements: The Authority should review the reporting requirements related to methane emissions to ensure they capture all relevant sources and activities. This includes considering the inclusion of both direct and indirect methane emissions, such as emissions from coal mine fugitives as well as vent gas or assessing fugitives from oil and gas extraction more accurately. Clear guidelines and definitions should be reviewed and audited to ensure reporting entities accurately report their methane emissions. 3. Data Quality and Transparency: The Authority should focus on enhancing data quality and transparency in methane reporting for sector such which have not been addressed by NGER. This includes promoting accurate data collection, ensuring completeness and consistency of reported data, and providing clear guidance on data reporting and quality assurance processes. Transparent reporting practices, including disclosure of data sources, measurement

	<p>uncertainties, and assumptions, should be encouraged to increase the reliability and trustworthiness of methane emission data.</p> <ol style="list-style-type: none"> 4. Verification and Assurance: The Authority should consider the verification and assurance processes for methane emissions reporting. This involves assessing the adequacy of current verification requirements and exploring options for third-party verification or independent audits of methane emission reports. Strengthening verification processes can help ensure the accuracy and credibility of reported methane data. 5. Technological Advancements: The Authority should stay informed about advancements in methane measurement technologies and encourage their adoption. This includes promoting the use of advanced monitoring technologies, such as remote sensing, drones, and satellite-based measurements, which can provide more accurate and comprehensive data on methane emissions. The review should consider how these technologies can be integrated into the reporting framework and provide guidance on their implementation. 6. Harmonization with International Standards: The Authority should align the methane measurement, reporting, and verification requirements with international standards and best practices. This ensures consistency and comparability of methane emission data with other jurisdictions, facilitating international collaboration and benchmarking. Collaboration with international bodies such as the United Nations Framework Convention on Climate Change (UNFCCC) and relevant technical working groups can help in adopting globally recognized methodologies and protocols. Further, in order to enhance the accuracy and reliability of methane emissions assessment, we believe companies should be compelled to utilize the more sophisticated NGER methods (methods 2 to 4), as opposed to resorting to the lower-order method 1 estimation techniques. This will significantly boost the precision of emissions data and aid in the formation of more effective mitigation strategies. We urge companies to progressively enhance the accuracy of their methane reporting, thus aligning with the rigorous standards set forth by the International Sustainability Standards Board (ISSB) for methane reporting. <p>Establishing such stringent reporting standards for methane, a greenhouse gas significantly more potent than carbon dioxide, is a crucial step towards achieving a more sustainable and transparent corporate landscape.</p> <p>By focusing on these aspects, the Authority can improve the accuracy, completeness, and reliability of methane measurement, reporting, and verification within the NGER scheme. This will contribute to better monitoring and management of methane emissions, which is crucial for addressing climate change and achieving emission reduction targets.</p>
<p>23. Following the Government's acceptance of recommendations of the Chubb Review, what do you see as the strengths and weaknesses of the CFI and ERF?</p>	<p>The Chubb Review provides valuable insights into the strengths and weaknesses of the Carbon Farming Initiative (CFI) and the Emissions Reduction Fund (ERF). Here are some considerations:</p> <p>Strengths of the CFI and ERF:</p> <ol style="list-style-type: none"> 1. Incentivizing Emission Reductions: The CFI and ERF have effectively created incentives for businesses and landholders to undertake emission reduction projects. By providing financial support and a market-based mechanism for carbon credits, they encourage the implementation of projects that deliver verifiable emissions reductions. 2. Flexibility and Diverse Project Types: The CFI and ERF have a broad scope, allowing for a wide range of project types across various sectors. This flexibility enables diverse emission reduction opportunities, including projects in the land sector (such as reforestation, savanna fire management, and soil carbon), energy efficiency, waste management, and more. 3. Engagement of Multiple Stakeholders: The CFI and ERF have facilitated engagement from a range of stakeholders, including farmers, landholders, Indigenous communities, and businesses. This collaboration has created opportunities for partnerships, knowledge sharing, and capacity building, leading to sustainable emission reduction outcomes. 4. Additionality and Verifiability: The CFI and ERF have rigorous requirements for additionality and verifiability, ensuring that funded projects deliver real and measurable emissions reductions beyond business-as-usual practices. Robust monitoring, reporting, and verification processes provide credibility and confidence in the emission reductions achieved. <p>Weaknesses of the CFI and ERF:</p> <ol style="list-style-type: none"> 1. Scale and Ambition: The scale of emission reductions achieved through the CFI and ERF has been relatively modest compared to the overall emissions profile of Australia. This calls for

	<p>increased ambition and scaling up of efforts to achieve significant emission reductions aligned with international climate goals.</p> <ol style="list-style-type: none"> 2. Limited Scope of Methodologies: The current suite of methodologies under the CFI and ERF may not adequately cover all potential emission reduction activities. There may be opportunities to expand and develop methodologies to capture additional emission sources and sectors, ensuring a comprehensive approach to emissions reduction. 3. Limited Funding and Budget Constraints: The availability of funding for the CFI and ERF has been a challenge, leading to limitations in the number and scale of projects supported. Adequate and consistent funding is crucial to attract and incentivize a broader range of emission reduction projects across different sectors. 4. Simplification and Administrative Burden: Some stakeholders have expressed concerns about the administrative burden and complexity of participating in the CFI and ERF. Streamlining and simplifying the application, assessment, and reporting processes can help encourage broader participation and engagement. <p>Improvements and Recommendations:</p> <ol style="list-style-type: none"> 1. Increased Funding and Ambition: To strengthen the CFI and ERF, there is a need for increased funding commitments and greater ambition in emission reduction targets. Adequate financial resources will enable the support of larger-scale projects and drive more significant emissions reductions. 2. Expanded Methodologies: Continual development and expansion of methodologies are required to capture a broader range of emission reduction opportunities across sectors. Regular review and revision of methodologies can ensure they align with evolving scientific understanding and technological advancements. 3. Streamlined Processes: Simplifying administrative processes and reducing the burden on participants can enhance stakeholder engagement and make participation more accessible for businesses, landholders, and communities. 4. Enhanced Collaboration and Partnerships: Strengthening collaboration among government agencies, industry associations, and other stakeholders can promote knowledge sharing, best practices, and capacity building. This can facilitate the development and implementation of more effective and innovative emission reduction projects.
<p>24. How could the CFI, ERF and NGERs be improved in the context of the Paris Agreement era?</p>	<p>In the context of the Paris Agreement era and the need to enhance Australia's efforts to combat climate change, several improvements can be considered for the Carbon Farming Initiative (CFI), Emissions Reduction Fund (ERF), and National Greenhouse and Energy Reporting (NGER) scheme. Here are some suggestions:</p> <ol style="list-style-type: none"> 1. Strengthen Ambition and Alignment: Increase the ambition of emission reduction targets under the CFI and ERF to align with the long-term goal of the Paris Agreement, which aims to limit global warming to well below 2 degrees Celsius. This can be achieved by setting more ambitious emissions reduction targets and encouraging broader participation across sectors. 2. Expand Project Scope: Broaden the scope of eligible projects under the CFI and ERF to include a wider range of emission reduction activities, including renewable energy generation, energy storage, energy efficiency, electrification, and sustainable transport initiatives. This expansion can ensure comprehensive coverage of emissions sources and support the transition to a low-carbon economy. 3. Enhance Funding Mechanisms: Increase funding commitments for the CFI and ERF to attract more project participation and accelerate emission reduction activities. Allocating sufficient financial resources to support a diverse portfolio of projects will facilitate greater innovation, scalability, and impact. 4. Streamline Processes and Reduce Administrative Burden: Simplify the administrative processes associated with project application, assessment, and reporting. This can help lower the barriers for project proponents, encourage broader participation, and improve the overall efficiency of the programs. 5. Improve Additionality and Verifiability: Strengthen the additionality and verifiability criteria to ensure that funded projects genuinely deliver emissions reductions beyond business-as-usual practices. Implement robust monitoring, reporting, and verification protocols to enhance the credibility and integrity of the programs. 6. Enhance Reporting and Transparency: Improve the transparency and availability of data and reporting mechanisms within the NGER scheme. Enhancing the accessibility and usability of greenhouse gas emissions and energy consumption data can support evidence-based decision-making and facilitate better monitoring of progress towards national and international climate targets.

	<p>7. Foster Collaboration and Partnerships: Encourage collaboration between government agencies, industry associations, research institutions, and civil society organizations to foster knowledge sharing, best practices, and capacity building. Engaging stakeholders in the design and implementation of initiatives can lead to more effective and impactful outcomes.</p> <p>8. Align with International Standards: Ensure that the methodologies and reporting frameworks used in the CFI, ERF, and NGER scheme align with international best practices and standards. This will facilitate comparability and compatibility with global reporting mechanisms and enhance Australia's credibility in the international climate community.</p>
<p>3.7 Carbon credit integrity</p>	
<p>25. Following adoption of the Chubb Review recommendations, what concerns about ACCU integrity remain?</p>	<p>While the Chubb Review has provided valuable recommendations to improve the integrity of Australian Carbon Credit Units (ACCUs) and the Emissions Reduction Fund (ERF), there may still be some concerns regarding ACCU integrity that need to be addressed. Here are a few potential concerns:</p> <ol style="list-style-type: none"> 1. Additionality: One of the key concerns is ensuring the additionality of projects that generate ACCUs. It is crucial to ensure that the emission reductions achieved through these projects are genuinely additional and would not have occurred without the support of the ERF. Robust additionality criteria and rigorous assessment processes should be in place to prevent the issuance of ACCUs for projects that would have happened regardless of ERF funding. 2. Measurement and Verification: Accurate measurement and verification of emission reductions is essential to maintain the integrity of ACCUs. Concerns may arise if there are challenges in accurately measuring and verifying the emissions reductions claimed by projects. Implementing robust monitoring, reporting, and verification protocols, as well as independent auditing, can help address these concerns and ensure the accuracy and credibility of ACCUs. 3. Double Counting: Avoiding double counting is crucial to maintain the integrity of ACCUs. Double counting occurs when emission reductions are counted multiple times, either within the domestic system or across international jurisdictions. Establishing clear rules and mechanisms to prevent double counting is essential to ensure that emission reductions are properly accounted for and credited. 4. Permanence: Permanence refers to the durability of emission reductions over time. Concerns may arise if there is a risk of reversal or loss of emission reductions achieved through ERF-funded projects. Implementing appropriate safeguards and monitoring mechanisms to address the risk of reversals and ensure the long-term permanence of emission reductions is important for maintaining ACCU integrity. 5. Enforcement and Compliance: Adequate enforcement and compliance mechanisms are essential to address any potential breaches of ACCU integrity. Clear penalties and sanctions for non-compliance should be in place to deter fraudulent activities and maintain the credibility of the ACCU market.
<p>26. What are the risks to integrity that should be buffered against?</p>	<p>In order to maintain the integrity of the Australian Carbon Credit Units (ACCUs) and the Emissions Reduction Fund (ERF), it is important to buffer against various risks that could potentially compromise the integrity of the system. Here are some key risks that should be considered and buffered against:</p> <ol style="list-style-type: none"> 1. Fraud and Misrepresentation: There is a risk of fraudulent activities or misrepresentation of emission reductions by project proponents. This could involve overstating the emissions reductions achieved or providing false information during the project assessment and verification process. Robust due diligence, independent audits, and rigorous monitoring and verification procedures can help mitigate these risks. 2. Lack of Additionality: Additionality risk refers to the possibility of projects receiving funding and generating ACCUs for activities that would have happened anyway, even without the support of the ERF. This can undermine the effectiveness of the scheme by providing incentives for projects that do not result in additional emissions reductions. Rigorous additionality assessments and clear eligibility criteria can help mitigate this risk. 3. Inaccurate Measurement and Reporting: There is a risk of inaccurate measurement and reporting of emissions reductions by project proponents. This could be due to errors, intentional manipulation, or inadequate monitoring systems. Robust measurement protocols, standardized reporting frameworks, and independent verification can help mitigate this risk and ensure the accuracy of reported emission reductions. 4. Double Counting: Double counting occurs when emission reductions are counted multiple times within the domestic system or across international jurisdictions. This can lead to an overestimation of emission reductions and undermine the credibility of ACCUs. Clear rules and

	<p>mechanisms should be in place to prevent double counting, such as robust tracking systems and international cooperation to ensure proper accounting.</p> <ol style="list-style-type: none"> Reversal of Emission Reductions: There is a risk of emission reductions being reversed or lost over time. This could occur due to changes in project activities, inadequate maintenance or monitoring, or unforeseen circumstances. Implementing safeguards to address the risk of reversals, such as long-term monitoring requirements and provisions for addressing project changes, can help buffer against this risk. Insufficient Compliance and Enforcement: If compliance with the ACCU system's requirements is not adequately enforced, there is a risk of non-compliance and violations going unchecked. This can undermine the credibility and effectiveness of the system. Strong enforcement mechanisms, clear penalties for non-compliance, and regular audits can help mitigate this risk. <p>Buffering against these risks requires a combination of robust regulations, effective monitoring and verification systems, transparent reporting frameworks, independent audits, and strong enforcement mechanisms.</p>
<p>27. How should a buffer be applied (e.g. government purchase, supply-side reserve, demand-side correction, other)?</p>	<p>The application of a buffer to mitigate risks to the integrity of the Australian Carbon Credit Units (ACCUs) and the Emissions Reduction Fund (ERF) can take various forms. Here are some potential approaches for applying a buffer:</p> <ol style="list-style-type: none"> Government Purchase: The government could establish a mechanism to directly purchase a portion of the ACCUs generated through the ERF. This would create a reserve of ACCUs held by the government, which can be used to address any potential integrity concerns. The government can strategically release these ACCUs into the market to stabilize prices, address shortages, or correct any imbalances that may arise. Supply-Side Reserve: A supply-side reserve involves setting aside a certain percentage of ACCUs generated by approved projects within the ERF. These reserved ACCUs can act as a buffer to address potential risks to integrity. The reserved ACCUs could be held by a regulatory authority or an independent body responsible for managing the reserve and ensuring their proper utilization when needed. Demand-Side Correction: A demand-side correction approach involves adjusting the demand for ACCUs based on the overall market conditions and integrity concerns. This could be achieved through market mechanisms such as adjusting the compliance obligations for entities or implementing temporary restrictions or requirements on ACCU transactions. The aim is to balance the supply and demand dynamics and maintain the integrity of the market. Other Mechanisms: There may be other innovative mechanisms that can be explored to apply a buffer and safeguard ACCU integrity. This could include establishing a market oversight committee or an independent regulatory body responsible for monitoring and managing the integrity risks. The body could have the authority to intervene in the market when necessary and take corrective actions to maintain the credibility and effectiveness of the ACCU system. <p>The specific approach to applying a buffer will depend on the unique context, market dynamics, and regulatory framework of the ACCU and ERF system. It is crucial to ensure that any buffer mechanism is transparent, accountable, and aligned with the objectives of emission reductions and maintaining market integrity. Regular evaluation and consultation with stakeholders, including industry participants, experts, and environmental organizations, can help identify the most appropriate buffer application method and facilitate ongoing improvements to the system.</p>
<p>28. What role should governments and users of offsets have in ensuring demand-side integrity?</p>	<p>Both governments and users of offsets play crucial roles in ensuring demand-side integrity in offset markets. Here's a breakdown of their respective responsibilities as we see it:</p> <ol style="list-style-type: none"> Governments: <ul style="list-style-type: none"> Regulatory Framework: Governments should establish robust regulatory frameworks and standards for offset markets, including clear guidelines for offset project eligibility, additionality, verification, and monitoring. These regulations should be designed to prevent greenwashing, ensure transparency, and maintain the integrity of the offset system. Oversight and Enforcement: Governments have a responsibility to enforce compliance with offset regulations and investigate any instances of non-compliance or fraudulent activities. They should have the authority to impose penalties or sanctions on entities that fail to meet the required standards. Verification and Auditing: Governments should establish mechanisms for independent third-party verification and auditing of offset projects to ensure their credibility and accuracy. This can involve accrediting verification bodies and auditors

	<p>to assess offset projects and provide objective assessments of their environmental benefits.</p> <ul style="list-style-type: none"> ○ Market Monitoring: Governments should monitor the offset market to identify any potential market manipulation, price distortions, or other irregularities. This can be done through market surveillance, data analysis, and regular reporting to ensure fair and transparent trading practices. <p>2. Users of Offsets:</p> <ul style="list-style-type: none"> ○ Due Diligence: Offset users, such as businesses or organizations seeking to achieve carbon neutrality, have a responsibility to conduct thorough due diligence on the offsets they purchase. This includes assessing the quality, credibility, and additionality of the offset projects and verifying that the offsets align with recognized standards and best practices. ○ Transparency and Reporting: Offset users should transparently disclose their offsetting activities, including the types of offsets purchased and the methodologies used. Public reporting on offset usage can enhance accountability and help prevent greenwashing. ○ Engagement and Collaboration: Offset users can actively engage with governments, industry associations, and civil society organizations to shape offset market rules, advocate for high-integrity standards, and share best practices. Collaborative efforts can help improve the overall integrity and effectiveness of offset markets. <p>Ensuring demand-side integrity requires a partnership between governments and offset users. Governments establish the regulatory framework and enforce compliance, while offset users uphold their due diligence responsibilities and actively contribute to the improvement of offset market standards. Collaboration, transparency, and ongoing dialogue are essential to maintaining the credibility and environmental integrity of offset markets.</p>
<p>29. What protections are needed to ensure the integrity of carbon trading markets and exchange platforms?</p>	<p>To ensure the integrity of carbon trading markets and exchange platforms, several protections are needed. Here are some key measures that can help safeguard the integrity of these markets:</p> <ol style="list-style-type: none"> 1. Regulatory Oversight: Strong regulatory oversight is essential to monitor and regulate carbon trading markets and exchange platforms. Governments or regulatory bodies should establish and enforce rules, standards, and guidelines to ensure fair and transparent trading practices, prevent market manipulation, and deter fraudulent activities. 2. Robust Compliance Mechanisms: Carbon trading markets should have robust compliance mechanisms in place to verify the eligibility and quality of carbon credits being traded. This can include rigorous project validation, verification, and certification processes conducted by accredited third-party auditors. Regular auditing and reporting should be required to ensure ongoing compliance with the established standards. 3. Transparent Reporting and Disclosure: Transparent reporting and disclosure of information are crucial for maintaining market integrity. Market participants should be required to disclose relevant information regarding the origin, certification, and retirement of carbon credits. Transparent reporting helps prevent double counting, ensures the accuracy of emissions reductions claims, and provides stakeholders with the necessary information to assess market integrity. 4. Independent Verification: Independent verification of carbon credits and emissions reductions is essential to ensure the credibility and accuracy of the claims made in trading markets. Accredited verification bodies should conduct thorough assessments of carbon offset projects, including on-site inspections, data collection, and verification against established methodologies and standards. 5. Secure and Resilient Technology Infrastructure: Carbon trading markets and exchange platforms should have secure and resilient technology infrastructure to protect against cyber threats, data breaches, and unauthorized access. Robust cybersecurity measures, data encryption, and authentication protocols should be implemented to safeguard the integrity of trading platforms and ensure the confidentiality of sensitive information. 6. Market Surveillance and Enforcement: Market surveillance mechanisms should be in place to detect and deter any market manipulation, insider trading, or fraudulent activities. Governments or regulatory bodies should have the authority to investigate suspicious trading patterns, impose penalties on non-compliant participants, and take legal action when necessary to enforce market integrity. 7. Continuous Monitoring and Evaluation: Regular monitoring and evaluation of carbon trading markets and exchange platforms are vital to identify potential vulnerabilities, assess the

	<p>effectiveness of existing safeguards, and address emerging risks. Feedback loops and mechanisms for stakeholders to report concerns or irregularities should be established to maintain an ongoing assessment of market integrity.</p>
3.8 International units	
30. What role should international carbon markets have in Australia?	<p>International carbon markets can play a significant role in Australia's efforts to reduce greenhouse gas emissions and transition to a low-carbon economy. Here are some key roles that international carbon markets can have in Australia:</p> <ol style="list-style-type: none"> 1. Access to Cost-effective Mitigation Opportunities: International carbon markets provide access to a broader range of cost-effective mitigation opportunities beyond domestic options. This allows Australian businesses and organizations to invest in emissions reduction projects in other countries where the cost of reducing emissions may be lower, thereby maximizing the overall efficiency of emissions reductions. 2. Flexibility and Compliance Options: Participation in international carbon markets offers flexibility in meeting emission reduction targets. It provides additional compliance options for businesses and entities in Australia to achieve their emissions reduction goals by utilizing carbon credits generated from projects in other countries. This flexibility can help manage compliance costs and facilitate the transition to a low-carbon economy. 3. Stimulating Innovation and Technology Transfer: International carbon markets can facilitate the transfer of clean technologies and innovative practices between countries. By engaging in international carbon markets, Australian businesses can access and adopt advanced technologies developed elsewhere, promoting innovation, knowledge sharing, and the deployment of sustainable solutions. 4. Catalysing Sustainable Development: International carbon markets can contribute to sustainable development in developing countries. Through the purchase of carbon credits from emission reduction projects in these countries, Australia can support the implementation of sustainable development projects, such as renewable energy installations, afforestation initiatives, or energy efficiency programs. This not only helps reduce emissions globally but also supports economic growth, poverty alleviation, and environmental conservation in these regions. 5. Alignment with International Climate Goals: Participation in international carbon markets aligns Australia's efforts with global climate goals, as outlined in the Paris Agreement. It allows Australia to demonstrate its commitment to international cooperation and contribute to the broader global efforts to mitigate climate change. By engaging in international carbon markets, Australia can actively participate in the global carbon market ecosystem and collaborate with other countries to accelerate emissions reductions. 6. Enhancing Market Liquidity and Price Discovery: Integration with international carbon markets can enhance market liquidity and price discovery for carbon credits. This can benefit Australian businesses by creating a more robust and transparent market, facilitating efficient trading, and encouraging greater participation from a diverse range of market participants. <p>It is important for Australia to carefully consider the design, governance, and environmental integrity of international carbon markets to ensure their effectiveness and alignment with national climate objectives. Collaboration with international partners, adherence to internationally recognized standards, and active participation in international climate negotiations can help shape the role of international carbon markets in Australia's climate strategy.</p>
Other matters	
31. What else should the Authority be considering in its advice to Government?	<p>As the Climate Change Authority (CCA), providing comprehensive advice to the government requires consideration of a multitude of factors extending beyond traditional boundaries. Here is a consolidated overview of key considerations the CCA should bear in mind while advising on climate change policies:</p> <ol style="list-style-type: none"> 1. Scientific Evidence and Climate Research: The CCA should base its advice on up-to-date scientific evidence and climate research. This includes tracking and assurance of emissions reductions, evaluating the policy impact, and comparing projections against set targets. Utilizing findings from renowned scientific institutions and expert bodies will reinforce the robustness and credibility of the CCA's recommendations. 2. Equity and Social Justice: In its advisory role, the CCA should take into account the equity implications of its suggestions and the potential impacts on various societal sectors. It should aim for a just transition that considers the needs of vulnerable communities, workers in carbon-intensive industries, and other marginalized groups.

3. **Economic Impacts and Opportunities:** The CCA should examine the economic repercussions of climate action and the transition to a low-carbon economy. This entails understanding potential costs, benefits, and opportunities tied to different policy options. It should also consider the implications for key economic sectors, employment, innovation, and competitiveness.
4. **Innovation and Technology Development:** The Authority should encourage the development of innovative technologies that contribute to emissions reductions and climate resilience. This includes advising on the architecture needed to support the transition to a net-zero future and promoting collaboration between industry, academia, and government.
5. **Information Architecture and Guidance:** The CCA should formulate an information architecture and guidance for all emitters. This is essential for supporting the development of verifiable, trustworthy data, and fostering transparency and accountability in emissions tracking.
6. **International Cooperation and Diplomacy:** Recognizing the global context and the importance of international collaboration in addressing climate change is critical. This includes considering Australia's role in international climate negotiations and assessing opportunities for collaboration with other countries.
7. **Public Engagement and Stakeholder Input:** The CCA should actively engage with a range of stakeholders, including businesses, civil society organizations, indigenous communities, and the public. Gathering diverse perspectives will ensure that the Authority's advice reflects societal interests and aspirations and addresses the needs of various stakeholders.
8. **Long-Term Vision and Adaptability:** The CCA should adopt a long-term perspective, considering implications of its advice for future generations and potential future climate risks. It should provide recommendations that bolster resilience and adaptive capacity, maintaining flexibility and periodically reviewing its advice in response to evolving circumstances.