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

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

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

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

We received **40** submissions on our issues paper and have met with over **100** individuals from more than **80** organisations on the review so far. The submissions (other than those marked as confidential) can be accessed on our website [www.climatechangeauthority.gov.au](file:///C%3A/Users/A22501/AppData/Local/Microsoft/Windows/Temporary%20Internet%20Files/Content.Outlook/K8B3X22C/www.climatechangeauthority.gov.au)/consultations.

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

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

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

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

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

# Feedback on reporting energy and emissions data

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| What’s working well? | What could be improved? |
| Many said the scheme has reduced duplication by **streamlining** existing schemes into the reporting framework. | A limited range of opportunities for further **streamlining** were identified: e.g. with state government data collection. |
| Many reporters support current **data** publication arrangements to protect commercial information. | Banks and others said **data** useabilitycould be improved throughincreased publication and data analysis.  |
| The **methods** for measuring emissions and energy were described as **best practice, generating high quality data**. | Many reporters want further **incremental improvements** to reduce the costs of reporting immaterial energy or emissions data under the **methods**. |
| Most said the **Emissions and Energy Reporting System** is generally fit for purpose and user friendly. | Many reporters said the **reporting system** would benefit from additional functions e.g. an upload and download facility and pre-filling of data. |
| Many said the emissions data helps Australia manage its emissions and meet **international reporting** obligations. | There is less understanding among reporters of how the energy data (as opposed to the emissions data) is used by government and others e.g. to support **international reporting**. |
| Government told us the data was used to inform **government policies and programs** e.g. the energy data is used to develop energy efficiency measures. | Some said reporting on government operations could inform additional **policies** aimed at reducing emissions from government. |
| Some said reporting assists the **private sector** in sustainability reporting, evaluating energy efficiency and identifying climate risk. | A number of people said reporting alone does not lead to changes in **private sector** operations as other drivers are important. |
| Some said the threshold and sectors, entities and gases currently within the scheme’s **scope** are suitable. | Others said the **scope** of what is reported should be expanded on a mandatory or voluntary basis, e.g. lower the threshold, include additional sectors or information such as scope 3 emissions or offsets or extend the entities covered. |



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

# Feedback on the safeguard mechanism

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| What’s working well? | What could be improved? |
| Most organisations are comfortable with the scheme’s **operation** and said the **options for managing compliance are working**. | Some raised concerns about the **scheme’s costs** e.g. auditing costs for baseline applications and purchasing offsets. |
| Many said the mechanism provides a **framework fo**r **managing Australia’s emissions.** | Submissions called for further clarity on Australia’s climate settings with some saying the scheme should be used to **reduce emissions** in line with our international targets.  |
| Some said strengthening the **safeguard mechanism** to achieve emissions reductions would have a significant cost impost and impact competitiveness of Australian industry. | Many companies with compliance obligations said there should be **additional mechanisms for reducing costs** such as greater access to offsets and international units and lowering the threshold and expanding the scope to share the emissions reduction burden across the economy. |

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

# Feedback on administration of the legislation

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| What’s working well? | What could be improved? |
| Most said the **Regulator** is doing a good job providing support to companies to meet their obligations under the legislation. Some described them as a model regulator. | Some encouraged the **Regulator** to provide enhanced guidance on particular issues such as aspects of the measurement determination. |
| Many said the **Department’s** annual review of the measurement determination should continue. | Many said the **Department** should consult more before developing draft amendments to the measurement determination and provide more notice of changes. |
| Submissions said the education and audit regime underpins high levels of **compliance and data quality**. | Some said the consistency of **data** over time could be improved. A few people asked to understand how the Regulator identifies companies that should be reporting but are not yet doing so. |
| Many saidthe **audit framework** is well designed and generally balances the cost and quality of audits**.** | Some companies said **audits** could be better targeted e.g. avoid re-auditing information that had been voluntarily audited. |
| Some said the **compliance** timelines are appropriate. | Some said the **reporting timeline** should be more frequent, align with other reporting requirements or occur before applications for managing emissions under the safeguard are due, such as applications for multi-year monitoring periods or calculated baselines.  |