

19/03/2021

## Submission to the consultation into the Clean Energy regulator's of Corporate Emissions Reduction Transparency report

On behalf of Citizens' Climate Lobby Australia and our 3,000 plus members nation-wide, we thank you for this opportunity to make a submission to the Clean Energy regulator.

Citizens' Climate Lobby (CCL) is a non-profit, non-partisan, grassroots advocacy and education organisation, focused on advancing climate change solutions through democracy. Many of our members have joined us because they are concerned for humanity's future and the planet our children will inherit. CCL exists to create the political will for a liveable world; i.e. a world where everything possible is done to reduce greenhouse emissions, and preserve the world as we know it.

We welcome the Clean Energy Regulator's intention to increase the transparency of corporate emissions reduction and encourage more companies to disclose how they are tracking regarding their targets.

Pushing corporations to reach their goal is not enough to tackle the climate change crisis we're facing. According the IPCC, in order to limit global warming to 1.5°C above pre-industrial levels, we'll need to reach net zero emissions by 2050<sup>1</sup>. We suggest adding to the report, the percentage of emissions reduction required each year to achieve the IPCC's recommended

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<sup>1</sup> [IPCC 2019 Summary for Policymakers](#), Section C, p12

emissions reduction and the yearly decrease required by the corporation to reach its target. This will help to align the company's commitments with what actually needs to be achieved.

In order to demonstrate a company's progress, the report could show the yearly emission reductions over different time periods (one, three and five years for example). This will make it easier to identify the trends and assess if a business is on track to reach both its own target and that required by the IPCC.

We believe that in order to encourage more companies to reduce their emissions and be accountable, offering public disclosure and credibility won't be sufficient. To drive businesses to make a significant impact will require stronger policies. We need to create strong market incentives and price signals that will guide companies' towards ambitious emission reductions. .

The current ERF emissions reduction capacity needs to be greatly increased. The simplest way to achieve increased capacity is to fully implement the Safeguard Mechanism to protect all the emissions abated by the ERF. This is what the Safeguard Mechanism was designed to do. It is essential that baselines are steadily lowered to incentivise the innovations and technologies needed to enable our economy to transition to zero-carbon.

The simplest most efficient and most transparent policy instrument to drive down corporate emissions is the [Australian Climate Dividend](#). This 'fee and dividend' carbon pricing system assesses a steadily-rising fee on fossil fuel emissions and returns the net revenue evenly to Australian households. Border adjustments protect our economy from countries without an equivalent price. Businesses transitioning faster to net zero will then have a competitive market advantage over their competitors.

This will greatly reduce the need for complex regulation and monitoring as the Climate Dividend will drive most sectors of the economy towards zero with minimal extra effort on the part of government and regulators. Companies will still need to account for and report on their emissions to remain on target but much of the work will be done by the climate dividend.

In summary we recommend to:

1. Align corporations' targets and progress towards the need for Australia to achieve net zero emissions by 2050
2. Steadily decrease the ERF Safeguard Mechanism baselines to increase the effectiveness of the ERF and eliminate the need to fund it with taxpayer funds
3. Implement a fee and dividend system to provide a glide-path that enables producers to transition their companies to low carbon activity. The dividend to households would stimulate a climate-smart, clean and resilient post-COVID recovery.

Thank you for your consideration of our submission. If needed, I can be reached at [info@ccl.org.au](mailto:info@ccl.org.au).

Yours sincerely,

Rod Mitchell  
National Chair