



Energy, Policy and Partnerships Section  
Clean Energy Regulator  
GPO Box 621  
Canberra ACT 2601

via email [CER-CERT@cer.gov.au](mailto:CER-CERT@cer.gov.au)

## Consultation for the Corporate Emissions Reduction Transparency (CERT) report

26 September 2022

Thank you for the opportunity to provide our perspectives on the 3rd public consultation on Corporate Emissions Reduction Transparency (CERT) report.

We welcome the approach you have undertaken to pilot and assess the effectiveness of each iteration of the CERT. We also note and welcome your acknowledgement of the proposed standards from the International Sustainability Standards Board (ISSB) and the need for Australian policy makers, regulators and standard setters to continue to engage to ensure the CERT report aligns with the ISSB framework.

### Q1 - Q4: Independent assurance of commitments and supporting information

The conversation around the importance of independent assurance over non-financial information is occurring as part of the consultation process for the ISSB's draft sustainability standards. As such we would recommend that the Clean Energy Regulator consider the opportunities and challenges impacting independent assurance outlined by the various submissions made to the ISSB<sup>1</sup>, including the joint submission from the Australian Accounting Standards Board (AASB) and the Auditing and Assurance Standards Board (AUASB) which can be found here:

[https://www.aasb.gov.au/media/gjpbg5xr/issb\\_submission\\_ifrs\\_s1\\_and\\_s2a.pdf](https://www.aasb.gov.au/media/gjpbg5xr/issb_submission_ifrs_s1_and_s2a.pdf).

- **Q1: Would recognition of the independent assurance of company commitments and/or progress statements increase transparency where progress data cannot otherwise be verified by the Clean Energy Regulator (e.g., international, scope 3 and emissions intensity commitments)?**

In our view recognition of independent assurance in these circumstances would increase transparency and enhance trust. Evidence shows information which has been independently assured is judged by investors and other stakeholders to be more credible than information without such assurance.

However, given the CERT is a voluntary reporting scheme, we acknowledge that it may not be practical to make independent external assurance mandatory as it could be seen as a barrier for participation in CERT.

- **Q2: Is limited assurance a sufficient minimum standard for the CERT report?**  
Yes.

We note that in order to meet the expectations of investors and other stakeholders, the ultimate ambition should be that there is *reasonable assurance* over all material non-financial disclosures. However, as noted by many submissions to the recent ISSB

<sup>1</sup>

<https://www.ifrs.org/projects/work-plan/general-sustainability-related-disclosures/exposure-draft-and-comment-letters/#view-the-comment-letters>

**PricewaterhouseCoopers, ABN 52 780 433 757**  
28 Sydney Avenue, Forrest ACT 2603  
[www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

consultation, there are limitations on the ability for *reasonable assurance* to be provided, for example due to the immaturity of systems underpinning non-financial information. Given these challenges, in our view, it is sufficient for *limited assurance* to be the minimum standard for the CERT report.

- **Q3: Do Climate Active, RE100 and Science Based Targets provide sufficient verification and assurance to be included in the CERT report? Should other assurance arrangements and frameworks be considered?**

In our view, all assurance should be anchored around the AUASB Assurance Standards. With regards to Greenhouse gases, the ASAE 3410: Assurance Engagements on Greenhouse Gas Statements<sup>2</sup> remains the key standard to support assurance over these disclosures.

We believe strongly in the importance of internationally harmonised reporting and assurance frameworks to ensure like-for-like reporting across the globe. With this in mind, we note that the International Auditing and Assurance Standards Board (IAASB) is considering developing a “stand-alone” standard under the umbrella of ISAE 3000 (Revised) specifically for assurance on sustainability reporting. Australia stakeholders should continue to contribute to the development of this standard and, if adopted, ensure it is implemented in Australia.

- **Q4: Is independent assurance of commitments and/or progress appropriate for companies with complex reporting arrangements, such as equity-share or calendar year reporting?**

In principle we support independent assurance being applied as broadly as practicable to promote integrity in sustainability reporting. The complexity and/or lack of alignment to the CERT timeframes by entities should be taken into account by the Clean Energy Regulator when determining if any relief from assurance requirements is required in the short to medium term. Consideration should also be given to how the ISSB standards might be applied in Australia, including which entities might be caught by these new standards.

#### **Q5: Jurisdictional surrenders of LGCs**

- **Q5: Is the proposed approach for calculating a Jurisdictional Renewables Percentage appropriate for use in the CERT report’s market-based accounting?**

We have not undertaken a detailed review of this proposal, so we are unable to offer a point of view.

#### **Q6: Residual Mix Factor (RMF)**

- **Q6: Is the proposed RMF methodology appropriate for the CERT report’s scope 2 market-based accounting?**

We have not undertaken a detailed review of this proposal, so we are unable to offer a point of view.

Should you require any further information, please do not hesitate to contact me on +61 (0)407 928 635 or [jan.mccahey@pwc.com](mailto:jan.mccahey@pwc.com).

Yours faithfully,



Jan McCahey  
PwC Australia Partner

---

<sup>2</sup> [https://www.auasb.gov.au/admin/file/content102/c3/Jun14\\_Standard\\_on\\_Assurance\\_Engagements\\_ASAE\\_3410.pdf](https://www.auasb.gov.au/admin/file/content102/c3/Jun14_Standard_on_Assurance_Engagements_ASAE_3410.pdf)