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CERT Review Team

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

Via email: CER-CERT@cer.gov.au

Dear CERT Review Team

RE: Property Council submission to the 2023 Corporate Emissions Reduction Transparency Report Consultation Paper

The Property Council of Australia welcomes the opportunity to make a submission to the ongoing consultation on the *2023 Corporate Emissions Reduction Transparency (CERT) Report*.

The Property Council of Australia is the leading advocate for Australia's largest industry – property. Our industry represents 13 percent of Australia's GDP, employs 1.4 million Australians, and generates \$72 billion in tax revenues. Property Council members invest in, design, build and manage places that matter to Australians across all major building asset classes.

Australia's property industry leaders are world leaders in sustainability. They have consistently led global ESG indices like the Dow Jones Sustainability Index and the Global Real Estate Sustainability Benchmark, which they have topped for eleven consecutive years. Many of our leading members have ambitious sustainability strategies with commitments to net zero emissions by 2030 or sooner, with several portfolios having reached this milestone already.

There is an emerging consensus within industry that the International Sustainability Standards Board (ISSB) standards will be used by most entities to report on corporate emissions. It is important that the approach taken by CERT should align with the requirements of ISSB to avoid imposing additional reporting burden on the property sector.

The Property Council makes the following comments in relation to the targeted questions from the consultation paper:

1. Independent assurance of commitments and supporting information

Independent assurance of commitments is a valuable way of demonstrating high quality data and defending against greenwashing claims.

Where a property organisation provides information to NGERs with a view to reporting via the CERT they may be providing information that has already been independently verified and this feature of the data should be recognised in the CERT. This will streamline the process for participating organisations and avoid issues of duplicating verification efforts.

2. Jurisdictional surrenders of LGCs

The CERT should recognise jurisdictional surrender of LGCs in the market-based emissions inventory thus avoiding electricity consumers having to double up on purchasing renewable electricity when striving to mitigate scope 2 emissions.

The Property Council supports the approach to recognising the Jurisdictional Renewable Percentage (JRP) calculated as follows:

$$JRP = \frac{(Total\ LGCs\ surrendered\ by\ the\ jurisdiction)}{(Gross\ electricity\ used\ by\ jurisdiction\ in\ MWh)} * 100$$

3. Residual Mix Factor (RMF)

For those organisations reporting a market-based emissions inventory the RMF is relevant for any electricity not covered by LGCs.

The Property Council supports the Federal Government publishing the RMF in the same way and simultaneously with the publication of location-based factors.

Noting that these emission factors are likely to change rapidly going forward it would enhance the emissions reporting of all organisations if these factors were brought up to date quickly. We note that the factors currently being applied to recent electricity consumption are a three-year rolling average with the most recent figure, the “latest estimate” figure is likely the 2019/20 (National Greenhouse Accounts Factors – Australian National Greenhouse Accounts August 2021). This means it is a combination of information from 2017 to 2020 applied to electricity being used in 2022.

We note the proposed amendments to the NGER Scheme¹ commits to discontinue the practice of applying a three-year average but it is not yet clear:

- what emission factor information will be provided
- what schedule it will be provide to
- how it is calculated
- if there will be consistency between NGERs legislated factors and the National Greenhouse Account Factors workbook.

We also note that the emission factors applied by NGERs can differ from those published in the National Greenhouse Accounts Factors causing confusion about the correct factor.

¹ National Greenhouse and Energy Reporting (NGER) Scheme – 2022 proposed amendments

We encourage the government to improve the speed and consistency with which greenhouse factors are provided to the community for improved accuracy of emissions inventories.

We note the proposed method of determining the RMF is to apply a factor to the National Emissions Factor. While we agree with the method, we express a preference for greater transparency in the determination of all emission factors and would prefer to see the RMF calculated from first principles for easier traceability.

We propose that the RMF be calculated as follows:

$$RMF = \frac{(Total\ emissions\ from\ electricity\ generation\ in\ tonnes)}{(Total\ electricity\ generated - LGCs\ created - SRES\ related\ generation\ all\ in\ MWh)}$$

The inclusion of small-scale generation in the calculation supports the approach that Climate Active takes in recognition of electricity exported from small scale PV systems assuming that “Total electricity generated” includes Small-scale Renewable Energy Scheme (SRES) power.

As described in the Climate Active Electricity Accounting methods “exported electricity from small scales systems can be treated as a credit in a carbon neutral account, regardless of whether STCs have been on-sold.”

Subtracting the SRES generation from the denominator aligns the RMF with this methodology supporting the principle that each zero-emission unit of electricity can only be claimed by one consumer.

The RMF will vary across the different grids supplying electricity to Australian consumers.

We propose that the RMF is published for each grid (NEM, SWIS, NWIS, Darwin grid).

The Property Council would welcome further engagement on the issues raised above. Please reach out to Tim Wheeler, National Policy Manager on TWheeler@propertycouncil.com.au or +614 9173 1496 should you wish to discuss this submission in more detail.

Yours sincerely and with thanks,



Mike Zorbas

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