Issues Paper:
2025 Annual Progress Report

CLIMATE CHANGE AUTHORITY

The Climate Change Authority (the Authority) is an independent statutory body established to provide expert advice on climate change policy issues.

We are seeking your input to our 4th Annual Progress Report (APR), including an assessment of the performance of the Safeguard Mechanism. We will submit our advice to the Minister for Climate Change and Energy and publish our report in late 2025.

We want to hear from you

We welcome all submissions and invite you to focus on questions below. You may answer as many or as few of these questions as you wish and raise other matters of concern to you.

We also invite you to refer us to relevant submissions you have made to other consultation processes, or any relevant research and data.

You can make a submission via our **Consultation Hub until 17:00 AEST, 1 September 2025**.

Contacts

Should you require further information about making a submission, please contact the Authority via freecall **1800 475 869** or email at **consultation@climatechangeauthority.gov.au**.

Background to this consultation

The Authority will deliver its 4th APR at the end of this year. This report contains the Authority's advice to inform the Minister for Climate Change and Energy's annual climate change statement. The Authority's advice and the Minister's statement are both required under the *Climate Change Act 2022*.

The 2025 APR will continue to build on the Authority's previous advice. The report will include tracking progress towards Australia's emissions reduction targets and the impact of climate policy. We will continue to refine our use of leading indicators that show where emissions are heading and where progress is lagging. Our aim is to present these in a way that is meaningful and accessible for policy makers, industry leaders, climate actors and all Australians.

In each APR, the Authority must provide advice on whether cumulative Safeguard facility emissions are declining consistently with the targets set out in the *National Greenhouse and Energy Reporting Act 2007*.

Questions

Supporting and enabling the transition to a net zero economy

1. How well is the Australian Government supporting the transition to net zero?

2. What changes could the Australian Government make to improve the effectiveness of existing policies or address gaps in supporting Australia's transition to a low-emissions, climate-resilient, and prosperous economy? In your response, you may wish to consider areas such as:

    i. Delivering emissions reductions, including accelerating the deployment of low emissions technologies and practices

    ii. Supporting sectoral and workforce transitions

    iii. Addressing socio-economic priorities for a just transition, and ensuring equitable outcomes for First Nations, rural, and regional communities

    iv. Overcoming the 'green premium', including market-based mechanisms and finance needed to facilitate and incentivise the transition

    v. Developing Australia's new low emissions export industries and contributing to decarbonisation of transnational supply chains

    vi. Overcoming challenges associated with data and information gaps, development approvals, workforce planning, governance, and investment decisions.

    vii. Rapidly building and maintaining community support for the deployment of renewable energy infrastructure and green industries. In particular:

        - How can the Australian Government better support regions hosting renewable energy infrastructure and green industries?
        - How can the Australian Government improve benefit-sharing arrangements to ensure the benefits align with the needs of First Nations, rural and regional communities?

    viii. Advancing adaptation priorities.

Deploying renewable energy infrastructure

3. What are the main challenges to deploying the renewable energy and related infrastructure needed to reach Australia's targets, including:

    - the 82% renewable energy target by 2030
    - the Capacity Investment Scheme targets (at least 26 GW of renewable generation capacity and 14 GW of clean dispatchable capacity by 2030)
    - net zero by 2050.

4. What can the Australian Government do to address these challenges?

The Safeguard Mechanism

5. How effective is the Safeguard Mechanism in driving onsite emissions reductions at Australia's largest industrial facilities since its 2023 reform?

6. What changes could the Australian Government make to the mechanism to help achieve Australia's emissions reductions targets, considering for example:
    - coverage
    - baseline settings
    - decline rates
    - flexibility mechanisms
    - rules on ACCU use?

7. What additional incentives could help drive on-site emissions reductions?

8. How can reporting on the Safeguard Mechanism be enhanced to build community confidence and enable better oversight?

9. How could the Authority improve its approach to assessing the performance of the Safeguard Mechanism? (For example, the approach to estimating emissions from new and expanding facilities.)