Australian Climate Policy Survey 2021

Carbon Market Institute

About the 2021 Survey

The Carbon Market Institute (CMI) conducts an annual survey of the attitudes in Australian business and industry on international and domestic climate policy, carbon markets and pricing and corporate climate risk, disclosure and strategy. This survey has been conducted since 2014, and is in its seventh year, allowing the CMI to track trends.

Several new questions have been added in 2021 to reflect changes in climate policy domestically and globally. New questions cover the International Energy Agency (IEA) Net-Zero 2050 Report milestones, global capital flows and the prioritisation of countries and companies with decarbonisation policies and actions, corporate emissions reduction targets, co-benefit frameworks, and domestic voluntary carbon markets. We also ask about barriers to investment, not just drivers.

The starkest changes in data, when comparing year-on-year results, relate to future predictions of a higher 2030 carbon price, an increase in the number of companies factoring in a carbon price, and growing recognition in organisations at board and executive management levels of the material financial and strategic risks posed by climate change. Our survey reveals that policy or regulatory uncertainty is the primary barrier listed to investment.

The survey was conducted electronically, over a three-week period across August and September 2021. It was sent to a wide database of senior executives and employees working for businesses with a large emissions profile, to investors, carbon project developers, carbon market experts and professional service providers. CMI would like to thank all respondents for participating.

Survey data reflects a broad market perspective and should not be attributed to the position of any single individual or organisation. This year we received a surge in responses with 409 individuals completing the survey, compared to 234 responses in 2020. Over the last 12 months, the CMI has also experienced an upsurge in its membership (up 36% this financial year), as Australian corporate interest and activity in carbon markets and climate action increases.

409 respondents from Australian business

73% hold c-suite & senior management roles

28% report emissions under the NGER scheme

> *Targets help provide certainty and predictability for business, industry, investors, and the broader community*
>
> Survey Respondent

Executive Summary

BACKGROUND

Many countries are moving fast to implement policies to lower greenhouse gas emissions. The Biden Administration in the USA has re-joined the Paris Agreement. China has launched its national emissions trading scheme. Net-zero emissions targets now cover 70% of the global economy, including every G7 country.

The valuations of carbon reductions - or the price on carbon - is rising. In the UK it is >$70 a tonne; in New Zealand it's >$65 a tonne. Recently, an Australian carbon forward trade was contracted for $28.75 a tonne, well surpassing fixed prices under the Gillard Government's 2012 Carbon Pricing Mechanism.

Global trade is on the cusp of entering new climate-related rules, as the EU announces plans for a carbon border adjustment mechanism, with many other countries expected to follow suit. These policies are designed to ensure a level playing field by adding tariffs to carbon intensive imports from jurisdictions with weak policies.

With the Paris Agreement now operational, many countries have moved beyond initial net-zero by 2050 goals to increase their 2030 climate targets. This was encouraged by global leaders at the April Leaders Summit on Climate and is on the agenda at the COP26 November global gathering in Glasgow.

South Korea has proposed a new emissions target of 40% below 2017 levels by 2030. Japan will strive to cut emissions by 46% from 2013 levels by 2030. The Australian Government's 2030 target remains at 26-28% below 2005 levels and Prime Minister Morrison has stated that it will "preferably" see Australia at net-zero emissions by 2050.

Of greatest concern is that Australia still does not have adequate decarbonisation or emissions reduction policies. This month, the Government will release a 2050 Long-Term Emissions Reduction Strategy that may address some of these concerns.

> *As one of the highest per capita emitters, and most exposed to the effects of climate change, Australia needs to take strong action*
>
> Survey Respondent

The Government's compliance Safeguard Mechanism, which covers industrial emissions of 194 large facilities, showed an extremely limited result in its last reporting cycle. In September 2021, the Government began consultation on reforms to support voluntary action, while industry analysts such as the Grattan Institute joined CMI in calling for a broader compliance evolution of the mechanism. This should incentivise long term investments, with a tightening of emission reduction baselines to a Paris-aligned trajectory.

Despite a lack of policy ambition, Australia's sequestration and carbon market related policy architecture is world leading and is prioritised in the Government's 2020 Low Emissions Technology Investment Roadmap; this roadmap is also soon to be updated.

The Government's Clean Energy Regulator (CER) is developing an Australian Carbon Exchange to encourage increased participation in the carbon market. The CER's Emissions Reduction Fund this year registered its 1000th emission reduction project, and issued its 100 millionth Australian Carbon Credit Unit (ACCU). While notable, this represents just 2% of Australia's emissions over the decade of its achievement.

As Australia's 2050 and 2030 climate targets trail further behind the rest of the world, an uncertain operating environment for Australian business grows. This uncertainty is hampering investment and increasing risk. Stronger Australian climate policies are required for business to manage risks and capitalise on opportunities as the world moves to transition to net-zero emissions and beyond.

SURVEY RESULTS: POLICY CONCERNS AND OPPORTUNITIES

'Policy or regulatory uncertainty' is the primary barrier to decarbonisation or drawdown (sequestration) investment. This is followed by 'Lack of opportunities with appropriate risk return outcomes', which of course will change with appropriate market mechanisms. 'Lack of internal resources to identify opportunities' and 'Lack of tools to accurately measure decarbonisation/drawdown outcomes' are the next highest barriers listed.

Concern is growing in the business community, year-on-year, about Australia's 2030 target and its contribution towards the Paris Agreement. In 2021, 84% of respondents believe Australia's 2030 target should be increased. In CMI's 2020 survey this figure was 78%.

Business support remains strong and steadfast for Australia's long-term strategy to include a nationwide net-zero emissions target by 2050, this figure stands at 88% in 2021. In CMI's 2020 survey this figure was 88%, in 2019 it was 83%, in 2018 it was 82%.

For the first time, we asked respondents if Australia should commit to net-zero emissions before 2050, and 65% agreed with this statement. 30% stated that Australia should aim to be net-zero by 2040.

Disappointment about Australia's lack of climate ambition is growing in parallel with concern about Australia's risk of carbon border tariff adjustments. As Australia's key trading partners commit to net-zero and begin decarbonising their economies, 81% believe carbon tariffs to be a growing risk to Australia's emissions-intensive economy and exports. In CMI's 2020 survey this figure was 79%, in 2019 it was 70%. This is a strong increase over three years.

Over the last two years, survey respondents overwhelmingly believe (91% in 2021, and 93% in 2020) that the longer Australia delays decarbonisation, the more abrupt, forceful and disruptive the policy response will need to be, especially for carbon-intensive industries.

> "*We need to be doing everything we can, urgently*
>
> Survey Respondent

Following the launch of the IEA's Net-Zero 2050 Report, data reveals the following top five policies are considered a priority for Australia: 1) Energy efficiency prioritisation, including enhanced standards and national schemes, 2) Support for technology development in advanced batteries, 3) Phasing out all unabated coal and oil power plants by 2040, 4) Support for technology development in hydrogen electrolysers and 5) No new coal mines or mine extensions from 2021.

Tightening the compliance aspects of the Safeguard Mechanism is still supported by over three quarters, 79%, of respondents. The same amount, 79%, supported the proposition that voluntary action to reduce emissions below Safeguard baselines should be permitted. In 2020 this was 59%.

There is growing support (89%) for Australia to actively participate in establishing the international linkage of carbon markets to allow flexibility for both import and export of carbon credits. In 2020 this was 84%, in 2019 this was 83%, in 2018 this was 84%.

Finally, a significant majority, 78%, believe that voluntary offsetting of emissions by organisations should only be undertaken alongside direct decarbonisation activities that avoid and reduce emissions.

BUSINESS RISKS, ACTION AND DRIVERS

Risk for Australian business is growing. An overwhelming majority (93%) believe global capital and investment is, or will, prioritise countries and companies with decarbonisation policies and actions. Indeed, the federal treasurer Josh Frydenberg's comments last month reiterate this point, warning the nation may be left behind by shifts in the global economy to address climate change, threatening financial stability and domestic investments.

Recognition at board and executive management levels within organisations of the material financial and strategic risks posed by climate change is increasing rapidly year-on-year. In 2021 it is 92%, in 2020 this was 87%, in 2019 this was 77%.

A highly significant proportion, 83%, state that in the past 12 months their organisation has faced increased engagement from investors/lenders asking how they are addressing emissions reduction.

Climate risk reporting remains a high priority for the business community. 83% of survey respondents believe that Australia should introduce mandatory reporting of climate-related risks. In 2020 this was 84%, in 2019 this was 77%, in 2018 this was 82%.

A large majority, 84%, believe organisations with emission reduction targets should be expected to demonstrate how their targets and trajectories align with the Paris Agreement 1.5°C temperature goal. This is consistent with international calls for targets that are science-based, robust and credible.

Companies are preparing for inevitable carbon pricing reforms whether they be direct or indirect. A significant increase of survey respondents said that their company is factoring in a carbon price in investment and/or operational decisions. In 2021 this is 54%, in 2020 this was 38%.

Another sharp increase in the data occurred regarding Australia's national (implicit) price on carbon by 2030, this year 74% of respondents expect the price to be >$30 per tonne by 2030, in 2020 this was 55%, in 2019 this was 58%.

66% of survey respondents expect the price of ACCUs to be more than $40 per tonne by 2030. At the last CER auction in April 2021, the cost of an ACCU was $15.99.

CONCLUSION

Just weeks out from the critical UN Climate Summit, COP26, our leading business sentiment survey reveals growing concern at home about Australia's 2030 and 2050 targets, decarbonisation policies and the looming risk of carbon border tariffs.

This survey shows that the vast majority of business respondents support net zero emissions by 2050 and stronger 2030 targets. With most of Australia's key trading partners already committed to net zero, and to 2030 cuts twice to three times as deep as Australia's 26-28%, concern about carbon border tariff adjustments is growing year-on-year. Australian businesses are increasingly concerned we will be penalised internationally if we don't catch up.

The major identified barrier to decarbonisation or drawdown/sequestration investments is policy or regulatory uncertainty. The survey reveals this could be addressed by reducing mandated Safeguard Mechanism baselines, a currently static pollution limit for larger emitters. This initiative and others, such as mandatory climate risk reporting, are very strongly supported by business respondents who are seeking clearer guidance from governments for crucial investment decisions.

> "*Emissions should be reduced by a minimum of 50% by 2030*
>
> Survey Respondent

Key Findings

Australia's 2050 and 2030 emissions reduction targets, carbon border tariffs, barriers to decarbonisation and/or drawdown, global capital and investment flows, the Safeguard Mechanism, the price on carbon.

88% believe Australia should set an economy-wide net-zero emissions target by 2050 (in 2020 this was 88%, in 2019 this was 83%, in 2018 this was 82%)

84% believe Australia's 2030 target should be increased (in 2020 this was 78%)

81% believe carbon tariffs to be a growing risk to Australia's emissions-intensive economy and exports (in 2020 this was 79%, in 2019 this was 70%)

'Policy or regulatory uncertainty' is the primary barrier to decarbonisation and/or drawdown (sequestration) investment

92% state there is recognition in their organisation at board and executive management levels **of the material financial and strategic risks posed by climate change** (in 2020 this was 87%, in 2019 this was 77%)

91% believe the longer Australia delays decarbonisation, **the more abrupt, forceful and disruptive the policy response will need to be,** especially for carbon-intensive industries (in 2020 this was 93%)

79% believe mandatory baselines allocated under the Safeguard Mechanism **should be set to reduce over time** in line with the trajectory of Australia's 2030 emissions reduction target

83% believe Australia should introduce mandatory reporting of climate-related risks (in 2020 this was 84%, in 2019 this was 77%, in 2018 this was 82%)

93% believe global capital and investment **is or will prioritise countries and companies** with decarbonisation policies and actions

74% believe Australia's national (implicit) price on carbon **to be >$30 per tonne by 2030** (in 2020 this was 55% >$30, in 2019 this was 58% >$30)

84% believe organisations with emission reduction targets **should be expected to demonstrate how their targets and trajectories align** with Paris Agreement 1.5°C goals

Long-Term Strategy & Domestic Policy

Over the last 12 months, the Australian Government has focused on its October 2020 Low Emissions Technology Roadmap, with its five priority technologies, and several initiatives responding to the King Review. An annual review will be released in October. The Government remains committed to releasing a Long-Term Strategy before the November COP26. The Government has indicated it will "preferably" see Australia at net-zero emissions by 2050.

The last 12 months has seen numerous important reports, particularly the IEA Net Zero Report and the IPCC update on the physical climate science. The IEA report identified milestones for transition to net-zero. The IPCC report affirmed the primary role of industry in climate trends and strengthened attribution to changes in weather and climate extremes.

Q6. Australia should set an economy-wide zero net emissions target by 2050.

7%	Strongly Disagree
3%	Disagree
2%	Unsure
16%	Agree
72%	Strongly Agree

88% of respondents believe Australia should **set an economy-wide** net-zero emissions target by 2050.

(In 2020 this was 88%, in 2019 this was 83%, in 2018 this was 82%)

Q7. Australia should commit to be net zero emissions by:

27%	2035
30%	2040
8%	2045
32%	2050
3%	2050+

65% of respondents believe Australia's net zero emissions commitment **should occur before 2050.**

> *If our exports are to remain competitive this [stronger emissions reduction targets] needs to happen*
>
> Survey Respondent

> *We are a small country, very wealthy, with lots of low-hanging fruit to decarbonise*
>
> Survey Respondent

Q8. Should Australia adopt the following IEA Net-Zero 2050 Report milestones?

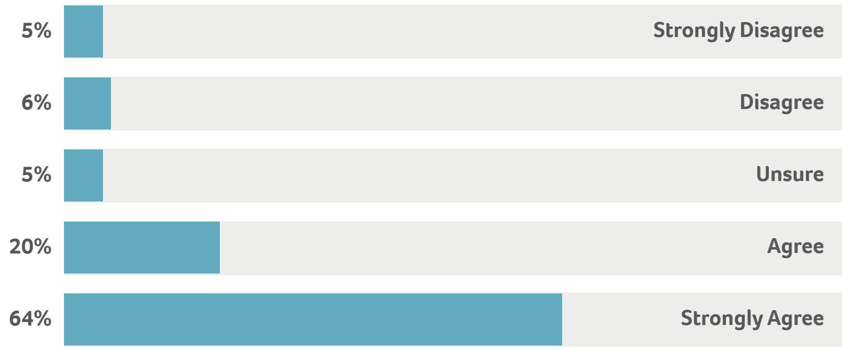
Top 5 Most Important

1. Energy efficiency prioritisation including enhanced standards and national schemes
2. Support for technology development in advanced batteries
3. Phasing out all unabated coal and oil power plants by 2040
4. Support for technology development in hydrogen electrolysers
5. No new coal mines or mine extensions from 2021

Paris Agreement & Australia's NDC Ambition

In 2015, Australia set its nationally determined contribution (NDC) under the Paris Agreement - to reduce emissions by 26-28% on 2005 levels by 2030. Until recently there was little sign it would revisit its commitment to "meet and beat" this target. A five-yearly global stocktake begins in 2023, by 2025 Australia will need to commit to a stronger 2035 NDC (the 'rachet mechanism'). NDCs can be amended at any time.

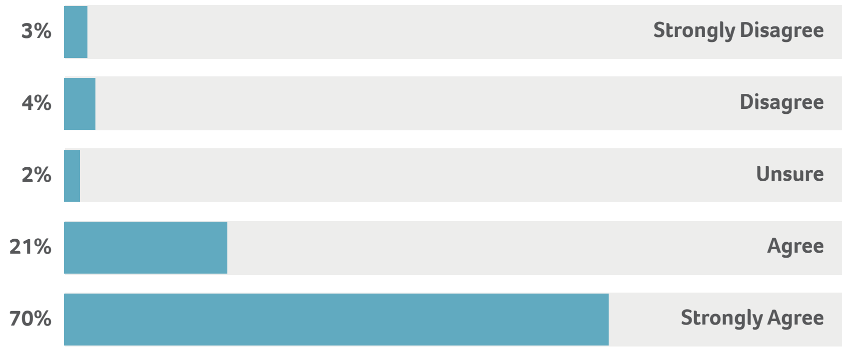
Q9. Australia's current 2030 target of 26-28% reductions is an inadequate contribution towards Paris Agreement climate goals and should be increased.



84% of respondents believe Australia's **current 2030 target is inadequate** and should be increased.

(In 2020 this was 78%)

Q10. The longer Australia delays decarbonisation, the more abrupt, forceful and disruptive the policy response will need to be, especially for carbon-intensive industries.



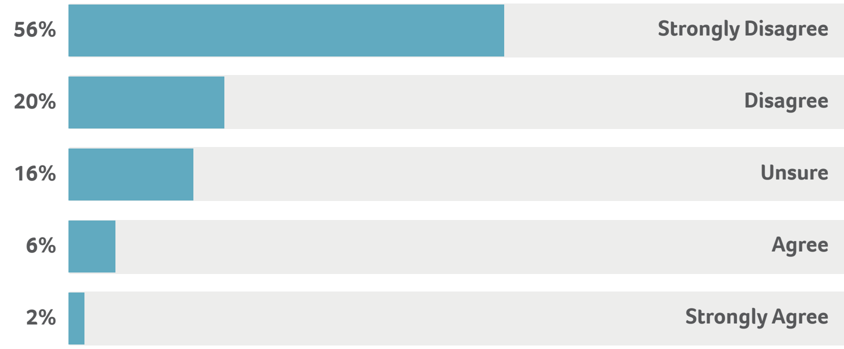
91% believe the longer Australia delays decarbonisation, **the more abrupt, forceful and disruptive the policy response will need to be,** especially for carbon-intensive industries.

(In 2020 this was 93%)

> *"Playing catch up is always harder than taking action as early as possible*
>
> Survey Respondent

> *"This target is manifestly behind our main trading partners*
>
> Survey Respondent

Q11. Australia should be able to use Kyoto carryover units to achieve its 2030 NDC target.



76% believe Australia **should not use Kyoto carryover units** to achieve its 2030 NDC target.

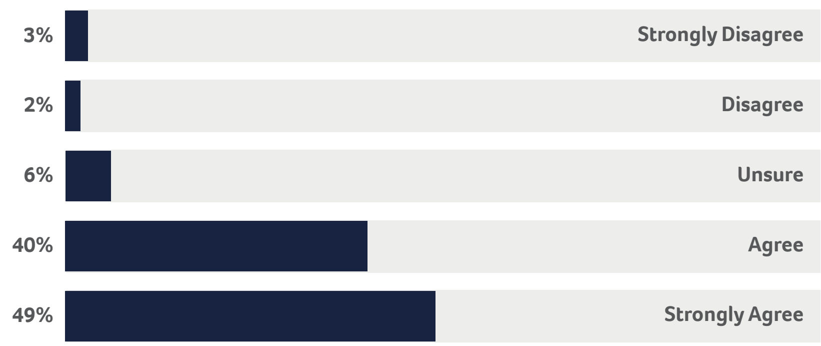
(In 2020 this was 79%, in 2019 this was 76%)

International Carbon Markets and Financing

Parties to the Paris Agreement are working to develop the rulebook for implementation of Article 6, offering the opportunity to cooperate in implementing NDCs. Article 6 recognises countries may establish market-based mechanisms and link carbon markets to address climate change, enabling emission reduction commitments to be achieved at lowest cost. Australia currently bans the use of international carbon units in its compliance scheme as well as the export of ACCUs.

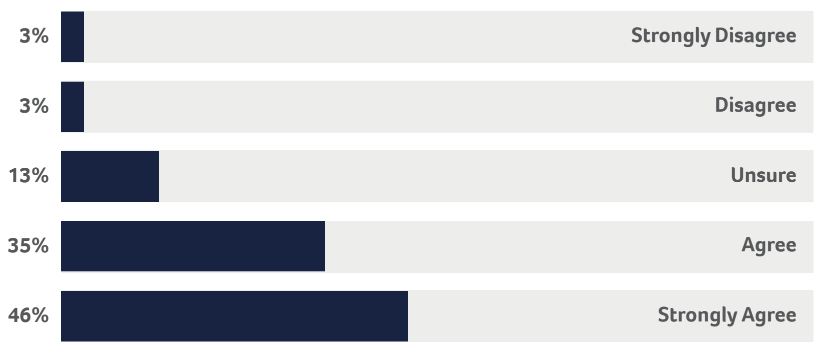
80% of the value of Australia's major exports will be entering jurisdictions with carbon pricing mechanisms implemented or in development, this may have carbon border adjustment implications. Global investors are increasingly considering the carbon profiles of economies and companies in their investments.

Q12. Australia should actively participate in establishing international linkage of carbon markets to allow flexibility for both import and export of carbon credits.



89% of respondents believe Australia **should actively participate** in establishing international linkage of carbon markets **to allow flexibility for both import and export of carbon credits.** (In 2020 this was 84%, in 2019 this was 83%, in 2018 this was 84%)

Q13. Carbon border tariff adjustments from trading partners are a potential risk to Australia's emissions-intensive economy and exports.

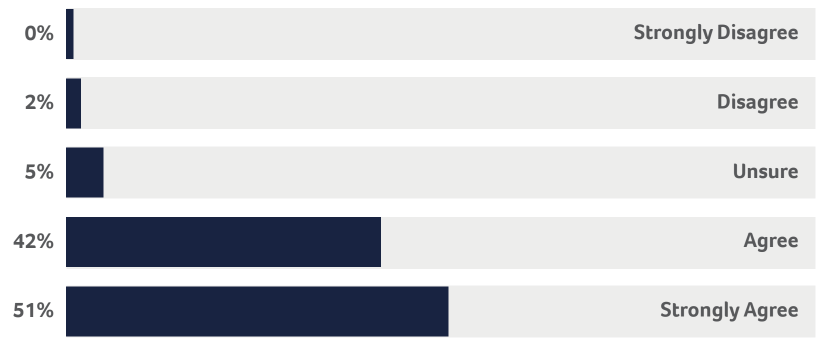


81% of survey respondents believe that carbon border tariff adjustments from trading partners **are a potential risk** to Australia. (In 2020 this was 79%, in 2019 this was 70%)

> *The world is moving on without us and our economy will end up being left behind*
>
> Survey Respondent

> *I support tariffs as a driver in the absence of adequate Australian policy*
>
> Survey Respondent

Q14. Global capital and investment is or will prioritise countries and companies with decarbonisation policies and actions.



93% believe global capital and investment **is or will prioritise countries and companies** with decarbonisation policies and actions.

Q15. In the past 12 months, my organisation has faced increased engagement from investors/lenders asking how they are addressing emissions reduction.

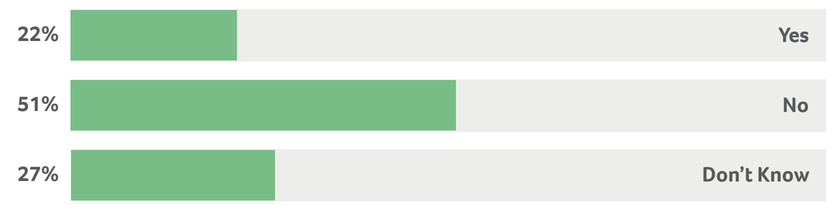
89% state that in the past 12 months, their organisation has **faced increased engagement from investors/lenders** asking how they are addressing emissions reduction.

Emissions Reduction Fund (ERF) & Australian Carbon Credit Units

The ERF remains central to the Government's climate policy. In 2019, the Government allocated an additional $2 billion over 15 years to the ERF. The Government has reviewed the operation of the ERF, imposing 12-month deadlines for methodology development and other initiatives.

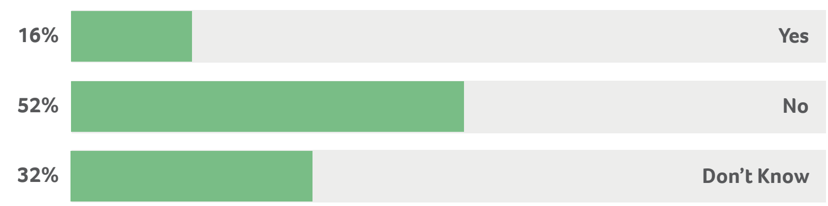
The last 12 months has seen the emergence of some carbon reduction activities in Australia being recognised under a third-party accreditation system. These are not administered by the Clean Energy Regulator, which regulates the creation of Australian Carbon Credit Units (ACCUs). ACCUs are contracted under the ERF, can be purchased voluntarily and are currently the only unit allowed to meet Safeguard Mechanism compliance requirements.

Q16. ACCU ERF method activities should be the only carbon credit-generating activities allowed in Australia.



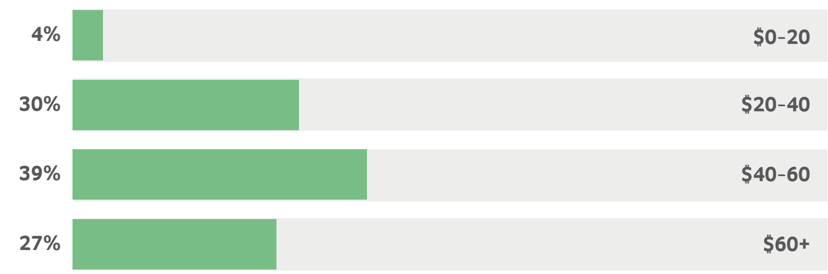
51% state that ACCU ERF method activities **should not be the only carbon credit-generating activities** allowed in Australia.

Q17. Do you believe that Australia will have enough carbon credit supply to meet domestic demand over the next 3-5 years?



52% believe Australia **does not have enough carbon credit supply** to meet domestic demand over the next 3-5 years.

Q18. What price do you expect ACCUs to be receiving in 2030?



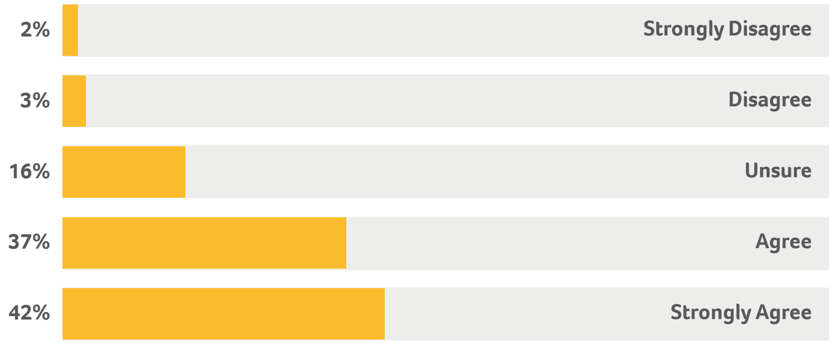
66% of survey respondents expect the price of ACCUs **to be >$40 per tonne** by 2030.

> *We need a strong process to establish methods quickly for innovative, sustainable and verifiable ways to offset emissions - and encourage their use*
>
> Survey Respondent

The Safeguard Mechanism

The Safeguard Mechanism aims to manage emissions from Australia's largest emitters by setting baselines against which to measure performance. The Government is still considering a proposal to create a new system of safeguard mechanism credits to incentivise emissions reductions actions by covered entities below these baselines. The Government has committed to a review of the Safeguard Mechanism, including the use of international permits after COP26.

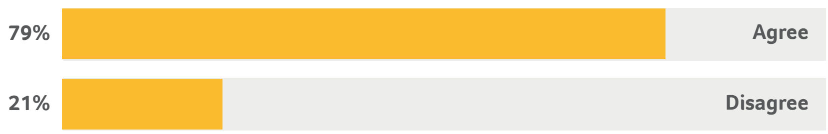
Q19. Mandatory baselines allocated under the Safeguard Mechanism should be set to reduce over time in line with the trajectory of Australia's 2030 emissions reduction target.



79% believe mandatory baselines allocated under the Safeguard Mechanism **should be set to reduce over time** in line with the trajectory of Australia's 2030 emissions reduction target.

(In 2020 this was 83%, in 2019 this was 83%, in 2018 this was 79%)

Q20. Current rules governing the Safeguard Mechanism should be amended to allow facilities to be credited for voluntary actions that reduce emissions below their baseline.



79% believe current rules governing the Safeguard Mechanism **should be amended** to allow facilities to be **credited for voluntary actions** that reduce emissions below their baseline.

(In 2020 this was 59%)

> *The safeguard mechanism in its current form is not driving down emissions and needs to be tightened significantly*
>
> Survey Respondent

Q21. If the Safeguard Rules are amended to allow for voluntary crediting below the baseline, how important are the following:

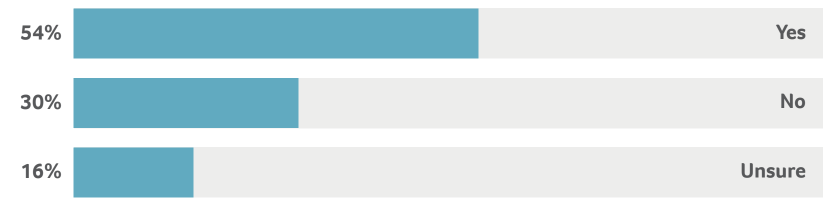
Top 3 Most Important

1. Only under controls that reflect normal business operations (e.g. not where facilities close or reduce output due to maintenance issues)
2. Only with declining baselines
3. Only with clear short-term vintage/use limits

Carbon Pricing

Internal carbon pricing is increasingly used as an important tool to help companies manage climate risks and identify opportunities in the transition to a net-zero future by 2050. Implicit carbon prices are being assessed, potential future compliance costs are being considered as are financing and carbon border adjustments.

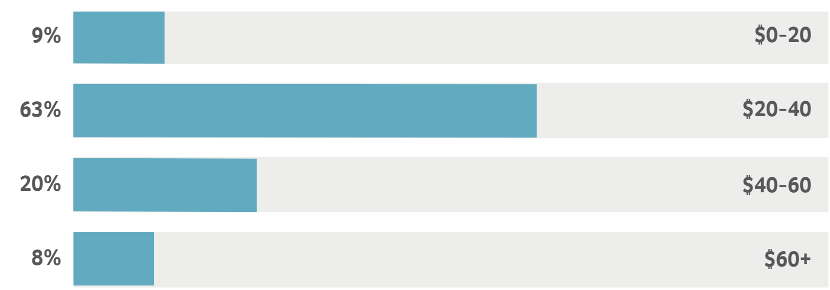
Q22. Is your company factoring in a carbon price in investment and/or operational decisions?



54% of survey respondents said that their company **is factoring in a carbon price in investment and/or operational decisions.**

(In 2020 this was 38%)

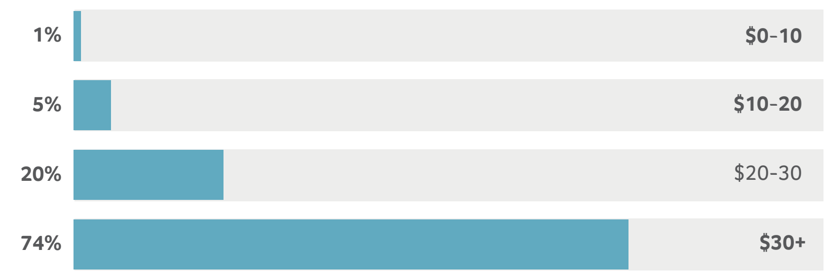
Q23. If you are factoring in an internal carbon price, at what level are you setting the carbon price?



91% of respondents are factoring in an internal carbon price **of >$20 per tonne.**

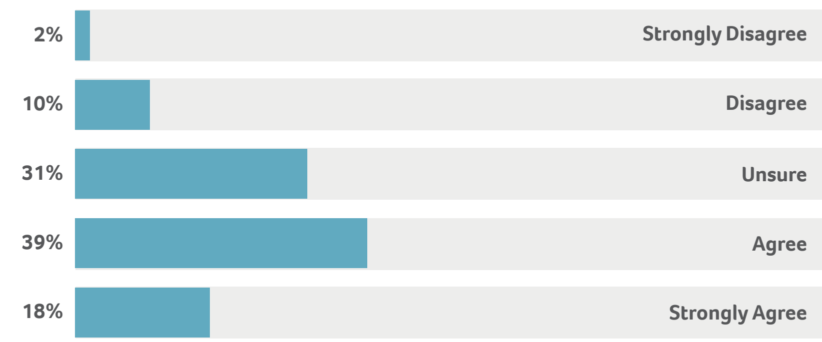
(In 2020 this was 75% >$20, in 2019 this was 63% >$20, in 2018 this was 45% >$20)

Q24. What do you expect Australia's national (implicit) price on carbon to be by 2030?



74% of respondents expect Australia's national (implicit) price on carbon **to be >$30 per tonne by 2030.** (In 2020 this was 55% >$30, in 2019 this was 58% >$30)

Q25. Carbon pricing is more likely to be supported in future by Governments if resulting scheme revenues are used to help address public deficits.



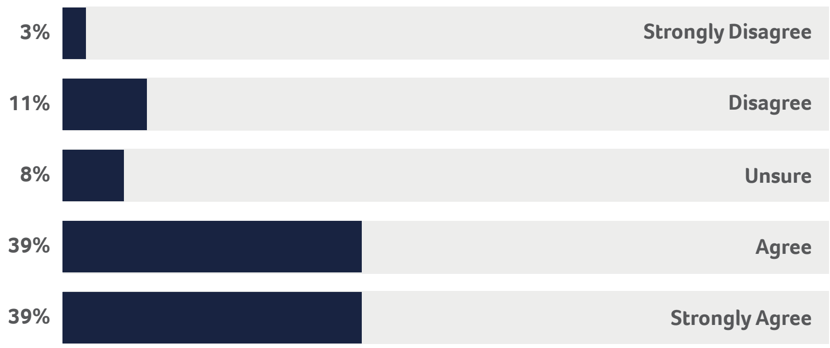
57% believe carbon pricing is **more likely to be supported** by Governments in the future **if scheme revenues are used to help** address public deficits.

(In 2020 this was 54%).

Voluntary Carbon Markets

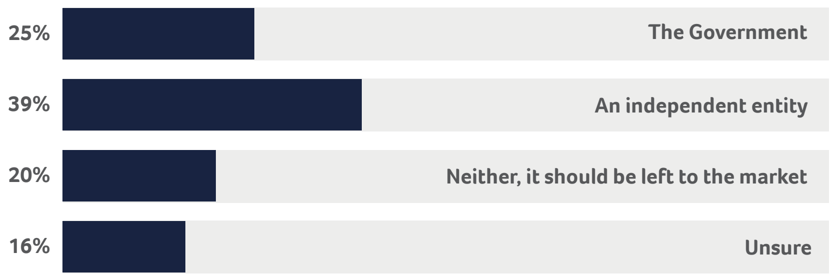
Corporate net zero commitments, growing public and shareholder pressure, increased awareness of climate risk, and interest in climate-related financial disclosures is leading to significant growth in Australia's domestic voluntary carbon market. Consisting of private, state and territory government demand for ACCUs, Australia's voluntary market is far outperforming the compliance market. The CER's most recent Quarterly Carbon Market Report stated that such demand delivered 841,000 ACCU cancellations in 2020, almost ten times that of the Safeguard Mechanism.

Q26. Voluntary offsetting of emissions by organisations should only be undertaken alongside direct decarbonisation activities that avoid and reduce emissions (i.e. follow the mitigation hierarchy of avoid, reduce, offset).



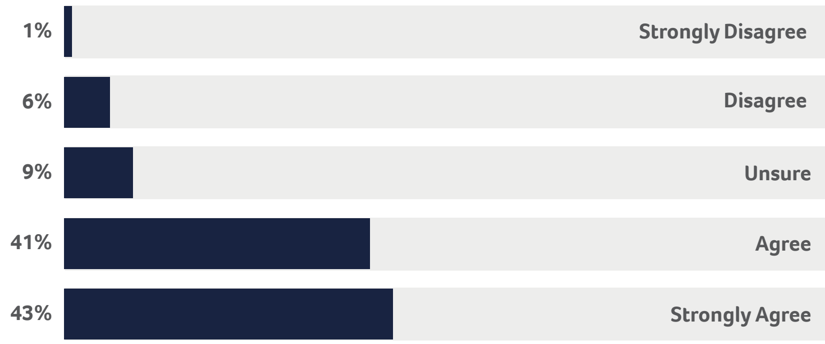
78% agree that voluntary offsetting of emissions by organisations **should only be undertaken alongside direct decarbonisation activities** that avoid and reduce emissions.

Q27. Should a common framework of governance and assurance over environmental and social outcomes (co-benefits) be developed by:

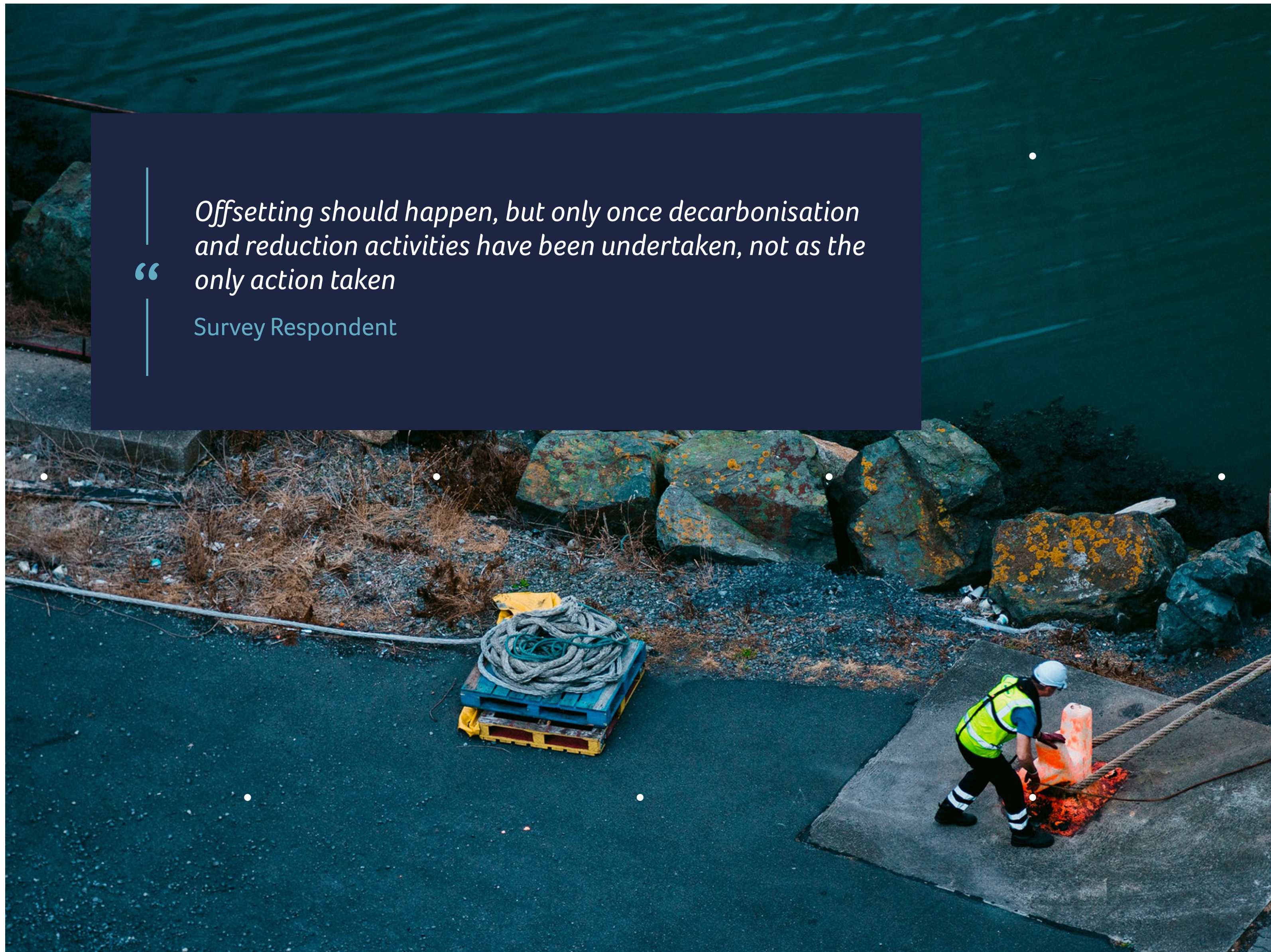


39% of survey respondents believe that an **independent entity should develop a common framework of governance and assurance** over environmental and social outcomes (co-benefits).

Q28. Organisations with emission reduction targets should be expected to demonstrate how their targets and trajectories align with the Paris Agreement 1.5°C temperature goal.



84% believe that organisations with emission reduction targets **should be expected to demonstrate** how their targets and trajectories **align with Paris Agreement 1.5°C temperature goal**.



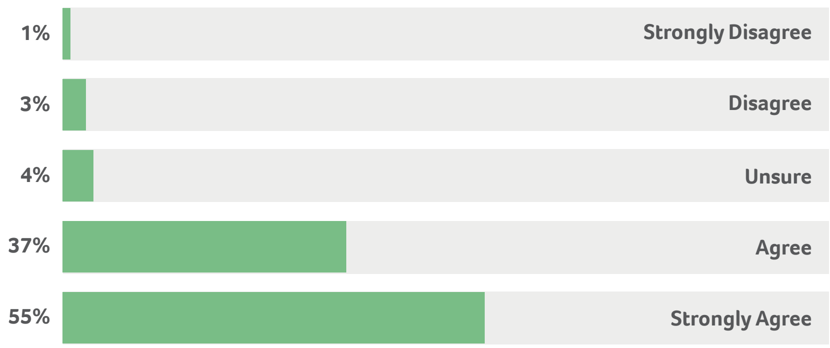
> "*Offsetting should happen, but only once decarbonisation and reduction activities have been undertaken, not as the only action taken*"
>
> Survey Respondent

Climate Risk & Strategy

Disclosure practices on managing climate risks and identifying opportunities in the transition to a net-zero emissions economy are evolving. Organisations are responding to market signals, a heightened community and investor focus on the associated financial impacts. The Task Force on Climate-related Financial Disclosures (TCFD) recommends companies use this voluntary framework to disclose the financial impact of climate-related risks and opportunities.

Governments, such as the UK and the USA, and financial regulators are moving to consider and implement TCFD-aligned requirements.

Q29. There is recognition in my organisation at board and executive management levels of the material financial and strategic risks posed by climate change.

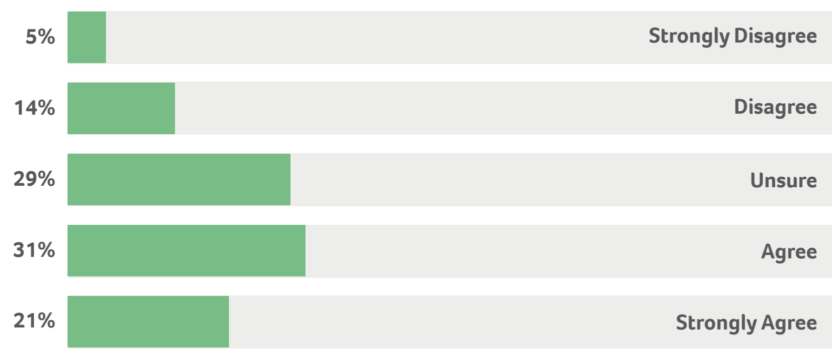


92% of survey respondents state there is recognition at board and executive management levels within their organisation **of the material financial and strategic risks** posed by climate change. (In 2020 this was 87%, in 2019 this was 77%).

We have embedded climate action into our corporate strategy

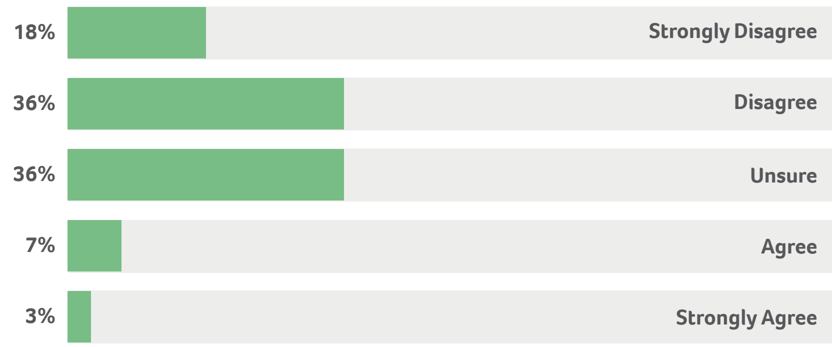
Survey Respondent

Q30. In the past 12 months, my organisation has faced increased shareholder action/ resolutions regarding climate change.



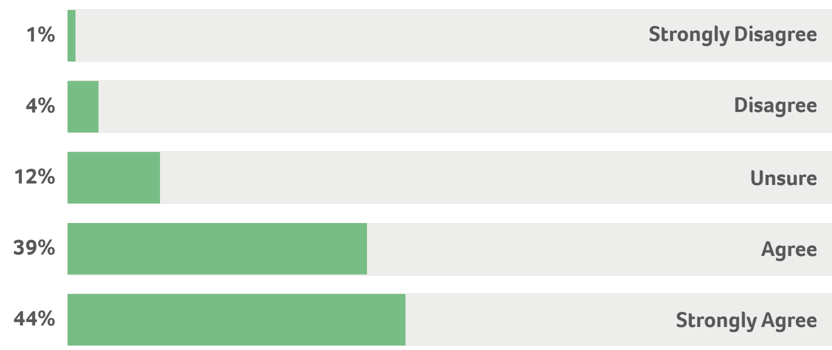
52% state their organisation has faced **increased shareholder action/ resolutions regarding climate change** in the last 12 months. (In 2020 this was 57%, in 2019 this was 42%).

Q31. In the past 12 months, my organisation has faced increased legal challenges regarding climate change.



10% of respondents say that their organisation **has faced increased legal challenges regarding climate change** in the past 12 months. (In 2020 this was 12%, in 2019 this was 9%).

Q32. Australia should introduce mandatory reporting of climate-related risks.



83% believe Australia **should introduce mandatory reporting** of climate-related risks. (In 2020 this was 84%, in 2019 this was 77%, in 2018 this was 82%).

> *We help many listed companies with this issue [shareholder action/ resolution regarding climate change]*
>
> Survey Respondent

> *Climate is a major national threat. We should be transparent about this as much as possible*
>
> Survey Respondent

Q33. The main drivers for decarbonisation and/or drawdown investment within my organisation are:

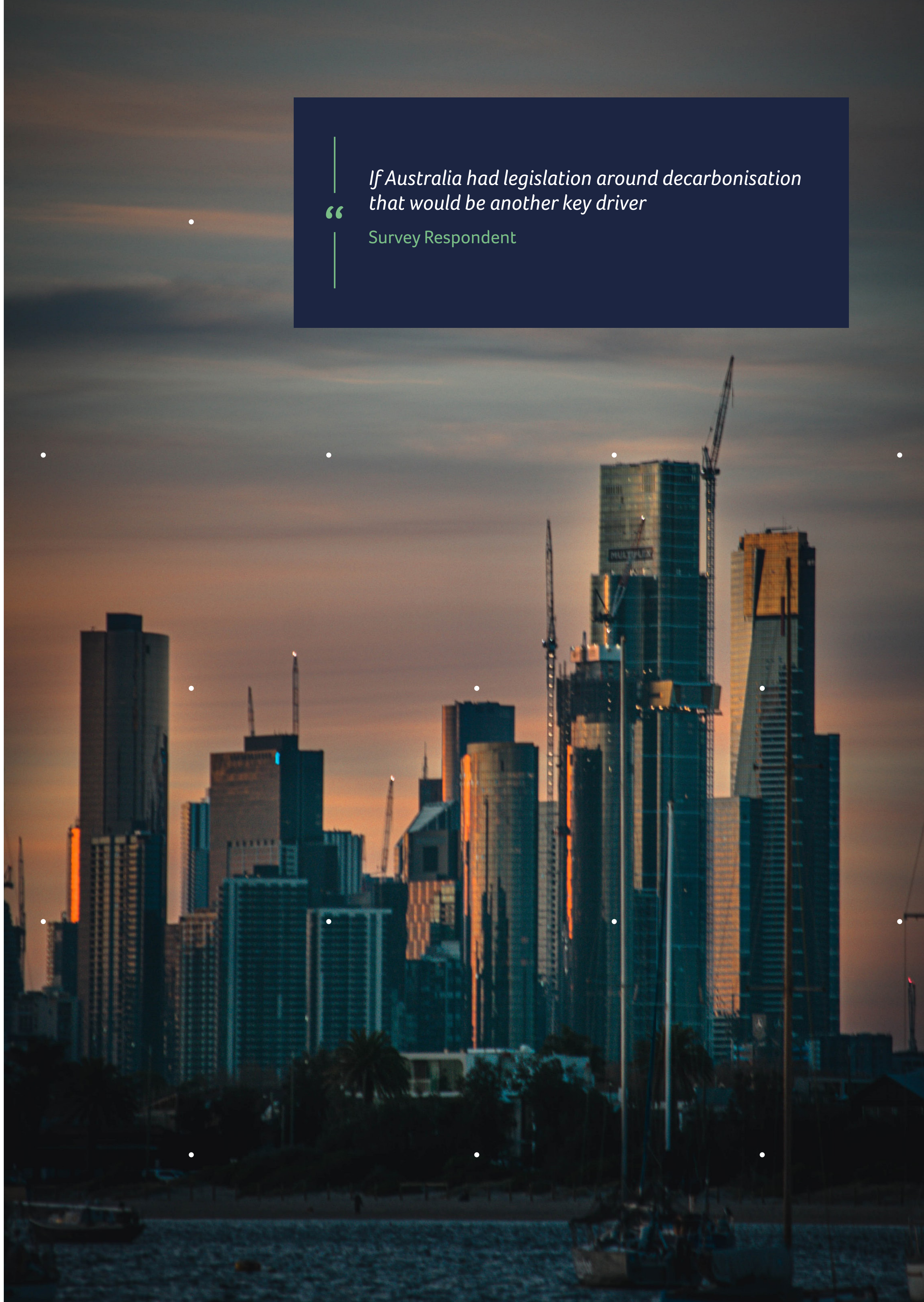
Top 5 Most Important

1	Long-term strategy alignment
2	Reputation management
3	Commercial opportunities
4	Stakeholder demand (community, customers, employees)
5	Risk Management

Q34. The main barriers to decarbonisation and/or drawdown investments within my organisation are:

Top 5 Most Important

1	Policy or regulatory uncertainty
2	Lack of opportunities with appropriate risk return outcomes
3	Lack of tools to accurately measure decarbonisation/drawdown outcomes
4	Lack of internal resources to identify opportunities
5	Liquidity constraints



> *If Australia had legislation around decarbonisation that would be another key driver*
>
> Survey Respondent

About the survey respondents

409 Senior Level individuals responded to the survey which closed on 17 September 2021. (In 2020 this was 234, in 2019 this was 220)

32% of respondents were from direct emitting sectors. (In 2020 this was 45%)

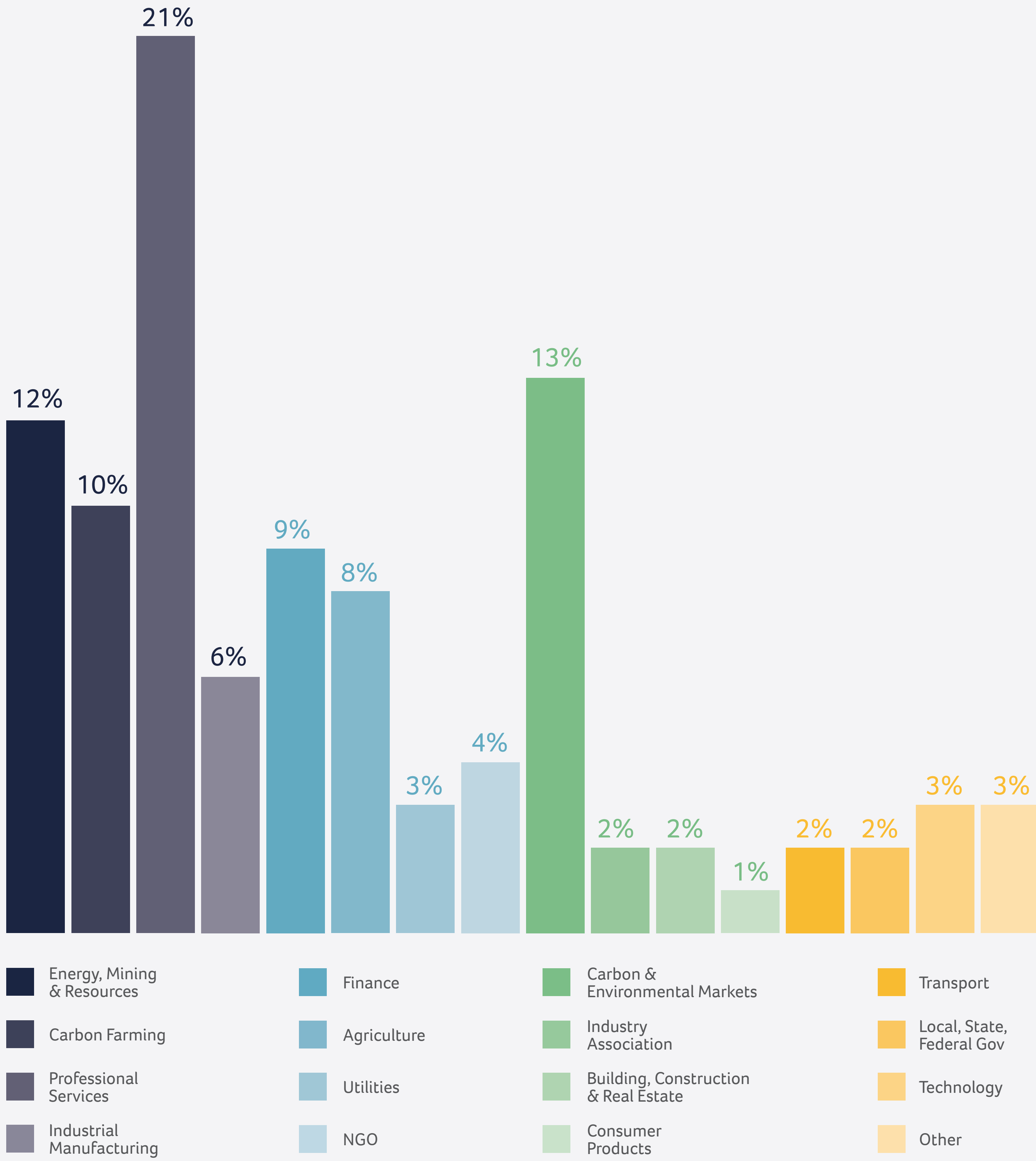
52% of respondents were from finance, government and professional services. (In 2020 this was 34%)

Among respondents, 28% indicated they worked for an NGER reporting company. (In 2020 this was 39%, in 2019 this was 34%)

14% indicated their company is covered by the ERF Safeguard Mechinism. (In 2020 this was 18%, in 2019 this was 21%).

59% are CMI Members. (In 2020 this was 47%, in 2019 this was 57%).

Breakdown of sectors responding



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