



**Australian Business
Climate Survey 2024**



About the 2024 Survey

Since 2014, the survey has been a key barometer of business climate action and attitudes toward climate policy. The results of the survey have attracted significant media and decision maker interest and this year's will again inform CMI's policy and advocacy agenda.

Around the globe the momentum to develop policies and regulations to transition to a net zero economy is accelerating. Countries are working to attract investment in a highly competitive global market dominated by the clean economy incentives in the US IRA ACT, and China's clean industrial revolution, as well as the EU's Green New Deal and carbon border adjustment mechanism (CBAM).

Australia has its own policy and reform agenda with the enhanced Safeguard Mechanism and the Net Zero Plan and Future Made in Australia initiatives. As we head towards our commitment of net zero by 2050, the Australian Government has to submit its nationally determined contribution for 2035 to the UNFCCC, due in early 2025.

This 2024 survey is a vital opportunity to provide information on business attitudes and experience in the decarbonisation journey, as well as perspectives on policy and broader market initiatives.



204
Respondents



54%
Senior Executives,
C-Suite or Board



59%
CMI Members

Executive Summary

John Connor, CEO

It is my pleasure to present the Australian Climate Policy Survey, now in its 10th year. Each year it provides a unique insight into business attitudes and perceptions about climate. Responses are noted by decision makers and inform our engagement with government.

With a forthcoming election, it is salient that 72% stated stronger legislation and policies is most important in scaling up private investment in climate solutions. It was fascinating to note that many respondents (30%) consider the intense focus on corporate strategies and on potential greenwashing has had a chilling effect on investment and action, compared with 28% who consider it has spurred action and investment. Worryingly, 78% consider that delays in implementing the remaining ACCU reforms are impacting investment and confidence.

Safeguard Mechanism

This year saw the continued support for Safeguard Mechanism which came into effect on 1 July 2023, setting stronger and declining legislated limits on Australia's highest-emitting industrial facilities. The strongest support was given to the notion that it should apply to more facilities with a lower emissions threshold (70%) and have more stringent Safeguard baseline decline rates (55%). This aligns with CMI policy positions, which have been revised in October 2024.

In 2023 respondents overwhelmingly agreed (80%) that the Safeguard Mechanism should eventually transition toward an economy-wide scheme that drives down emissions in all sectors. While our political economy may not be strong enough for that yet, it is vital that we at least have continuity for investment confidence, a theme reinforced by business leaders at our recent Australasian Emission Reduction Summit.



ACCU prices

A new question in 2024 was the ACCU price prediction for 2030 and 2035. This should not be treated as market advice, but is interesting nonetheless, especially as ACCU prices have recently surpassed \$40. For 2035, 61% see the price above \$70 with 29% above \$90, while for 2035 65% expect the ACCU price to be above \$90, with almost 25% expecting it to be above \$130. Just under 17% saw ACCU prices in the \$70-89 range by 2035.

Australian CBAM

CMI will engage with the second phase of the carbon leakage review in 2025. It is therefore noteworthy there is strong support for an Australian Carbon Border Adjustment Mechanism (CBAM). 68% agree or strongly agree that Australia should implement a CBAM to avoid carbon leakage and protect the competitiveness of Australian industry. In 2023 the support was slightly less with 64% agreeing or strongly agreeing on the need for a CBAM.

Australia/Pacific COP31

Australia and its partners in the Pacific have thrown their hat into the ring to host COP31. Australian business can see important opportunities in hosting a COP in 2026. The majority see this as an opportunity for stronger climate policies domestically and in the region (75%), with many (66%) also viewing it as an opportunity to foster greater cooperation and capacity building in the region. A total of 60% consider it would lead to greater public support in Australia and the region for policies that can deliver rapid decarbonisation, and would give Australia greater influence in the development of international climate policy.

Key Findings

87% want to strengthen current market-based frameworks



60% see a stronger international climate policy influence for Australia if Australia and the Pacific co-hosted COP31



88% support the establishment of a policy and governance framework to facilitate investment in carbon removals and support a negative emissions economy



Most (65%) agree that the ACCU price in 2035 will be

Above \$90



78% agree that ACCU review reform delays are impacting their business



52% have a decarbonisation strategy or climate transition action plan

74% agree that Australia should mandate corporate nature-related disclosure, data and target setting approaches in accordance with the TNFD framework



69% support an Australian CBAM



72% say stronger legislation and policies are most important to scale up finance

73% want Australia to establish decarbonisation agreements with trading partners to facilitate an orderly transition and support the transformation of global supply chains



71% agree that a strong nature repair market is crucial for Australia

71% agree that Australia should link its domestic carbon market to international carbon markets



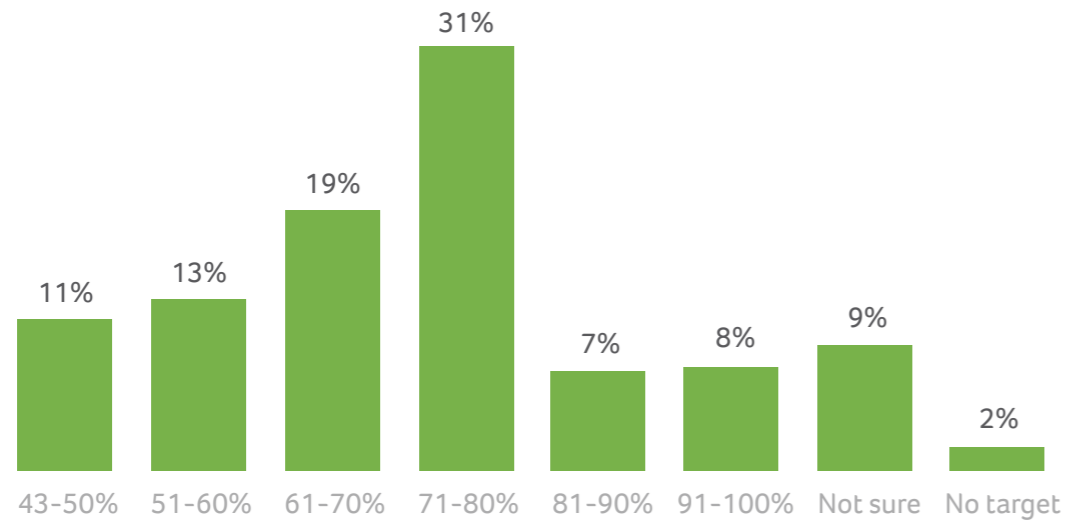


Australian Climate Policy & NDC Ambition

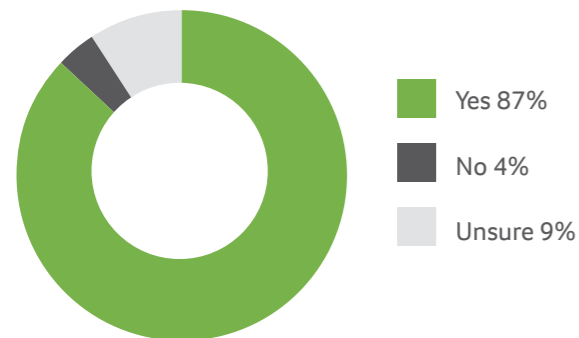
Australia's next phase of climate policy ambition and investment will be guided by the Net Zero Plan and its six sectoral emissions reduction plans that will underpin the next 2035 nationally determined contribution to be shared with other countries early next year.

Carbon markets, sustainable finance and just transition are among the cross-cutting issues under consideration. The Climate Change Authority is consulting on an emissions reduction range of 65% to 75% by 2035. It is also increasingly clear global emissions need to be in net negative with substantial atmospheric carbon removal in the second half of the century if Paris Agreement 1.5C/2C goals are to be met by the end of the century.

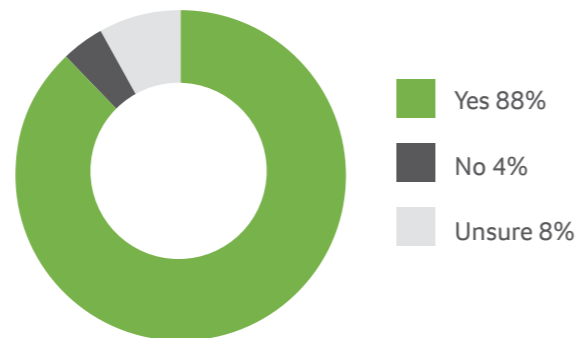
Q1. What do you think Australia's emissions reduction target for 2035 should be (below 2005 levels)?



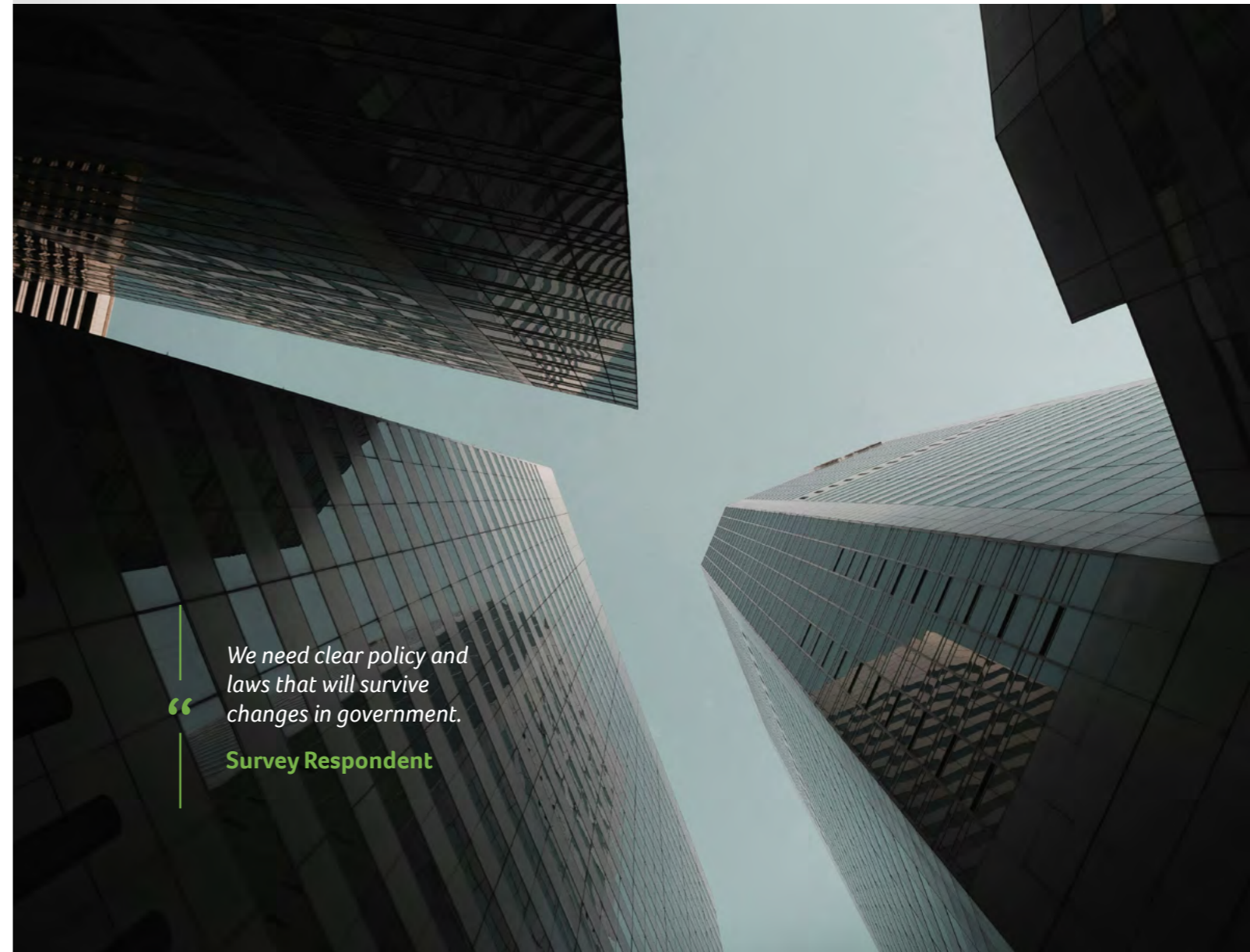
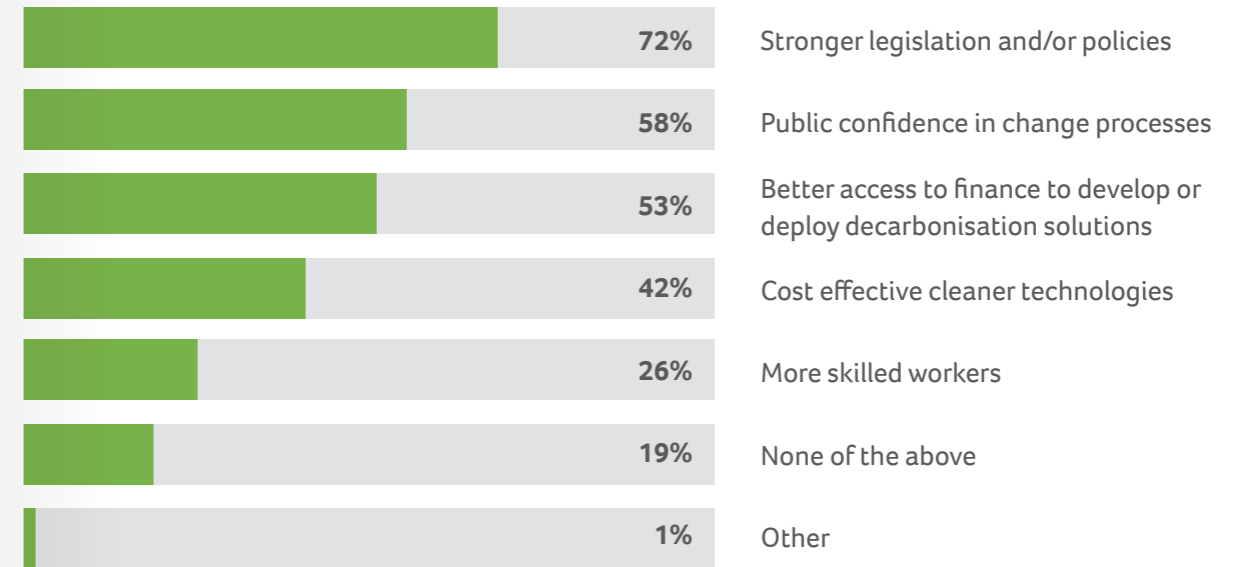
Q2. In developing sectoral transition plans and a Net Zero 2050 Plan, the government should strengthen current market-based frameworks and seek to harmonise cost of carbon signaling across all sectors of the economy?



Q3. Should Australia develop a policy and governance framework to facilitate investment in carbon removals and support a negative emissions economy?



Q4. Which of the following factors are most important in being able to scale up private investment in climate solutions in Australia?



“We need clear policy and laws that will survive changes in government.”

Survey Respondent



I am a farmer and we have 500 acres under a carbon project and it is very complementary to being a good farmer and it's very good for the soil we run animals and shift them so the land recovers.

Survey Respondent

The Safeguard Mechanism

The Government's Safeguard Mechanism has set declining legislated limits – known as baselines – on Australia's highest-emitting industrial facilities.

The reformed policy currently applies to facilities emitting more than 100,000 tonnes per year, with a decline rate of 4.9% per year to apply to most baselines for the first phase of the scheme ending in 2030. Facilities that go over their baseline are required to buy and surrender either one ACCU for each excess tonne of carbon dioxide equivalent, or one Safeguard Mechanism Credit (SMC).

The scope and operation of the Mechanism will be reviewed in 2026.

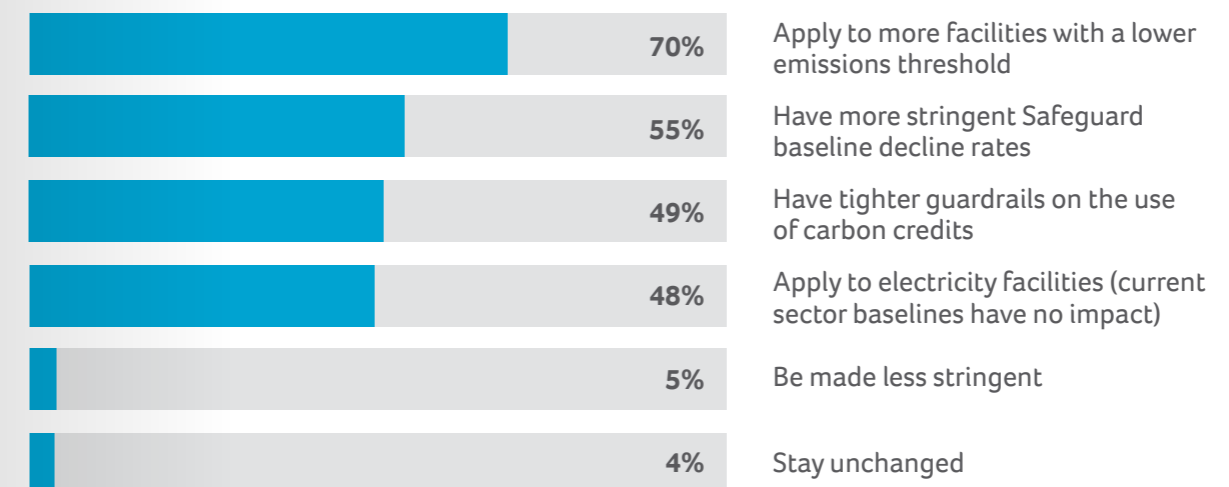
Q5. The introduction of the reformed Safeguard Mechanism has impacted my organisation by:

Top 4 Responses

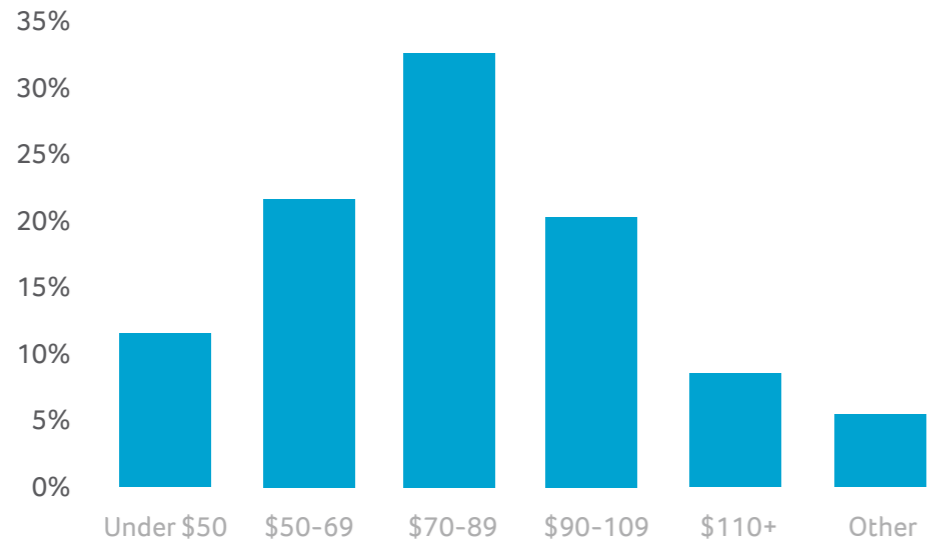


17% of respondents indicated that they are covered by the Safeguard Mechanism.

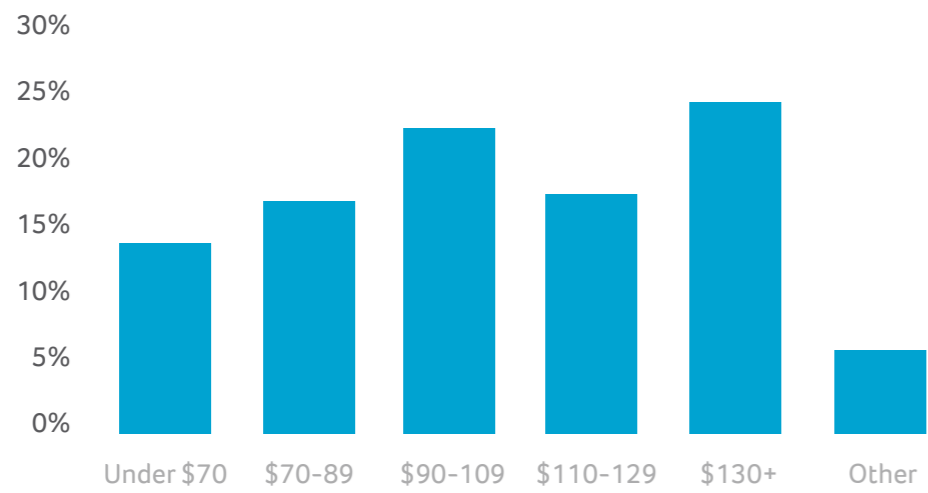
Q6. Over time, the Safeguard Mechanism should:



Q7. What will be the ACCU price in 2030?



Q8. What will be the ACCU price in 2035?



“

Momentum for required change is certainly building, but the pace and extent of change is still likely to be less than that required to achieve the net zero target set.

Survey Respondent



Carbon Credit Integrity

As a result of the growing public spotlight on carbon markets and their role in climate action, we are rightly seeing increased scrutiny of markets and crediting as a decarbonisation tool.

In Australia, the ACCU Scheme has undergone a federal review, which found the framework to be fit for purpose. To address integrity concerns internationally, the Integrity Council for the Voluntary Carbon Market (ICVCM) has also released a series of Core Carbon Principles as a global benchmark for high-integrity carbon credits.

Greater market certainty will be crucial in ensuring growth in the supply of high integrity carbon credits, which will be needed not only to complement industrial decarbonisation under the enhanced Safeguard Mechanism, but also to scale avoidance and removal activities in regional Australia.



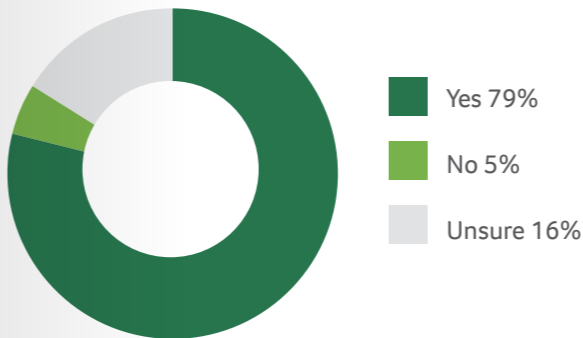
Q9. To what extent does your organisation believe Australia’s ACCUs, crediting frameworks and governance are robust? Please rate from 1 (low integrity) to 10 (very robust).



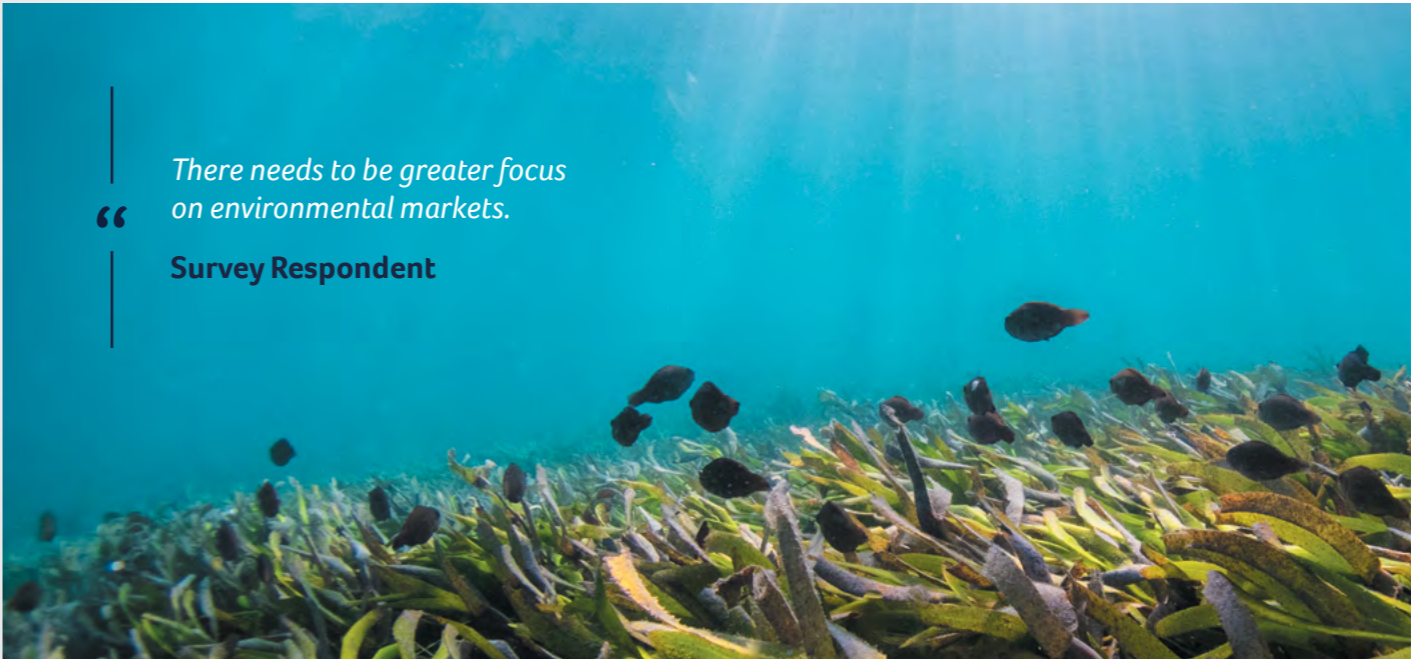
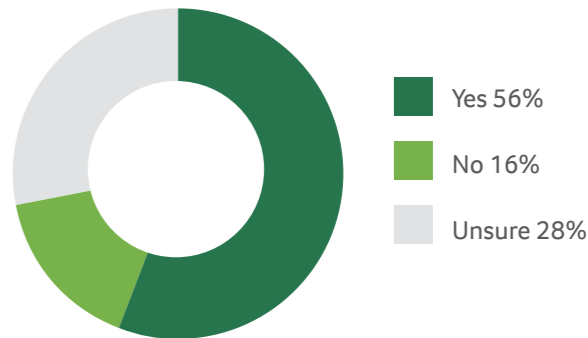
Q10. To what extent does your company regard the current integrity of international carbon credits? Please rate from 1 (low integrity) to 10 (very robust).



Q11. Delays in implementing ACCU Review reforms, including amendments to carbon credit legislation, is impacting investment and confidence in Australia’s carbon crediting framework?



Q12. Climate Active presents a unique opportunity for the Australian Government to drive high integrity and high ambition approaches to voluntary climate action and capability, including the use of carbon credits.



“ There needs to be greater focus on environmental markets.
 Survey Respondent

Climate Finance & International Carbon Policy

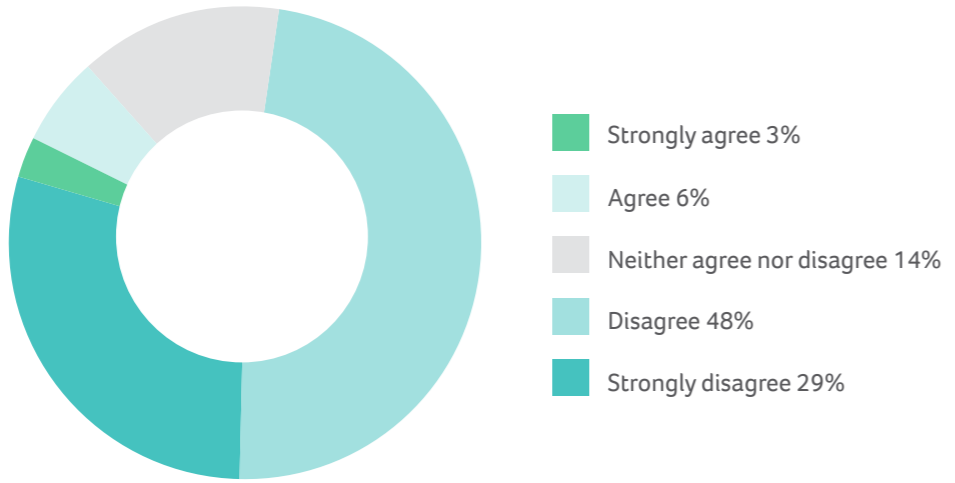
(NAB/Deloitte, 2022). The next few years will be critical in the design of international carbon markets and policies under the finalised Paris Agreement rulebook, which aims to attract and coordinate this capital on a global scale. Climate finance for developing countries was a crucial focus at COP29.

Global investors are also increasingly considering the carbon profiles of economies and companies in their investments, with 80% of the value of Australia's major exports going to jurisdictions with carbon pricing mechanisms.

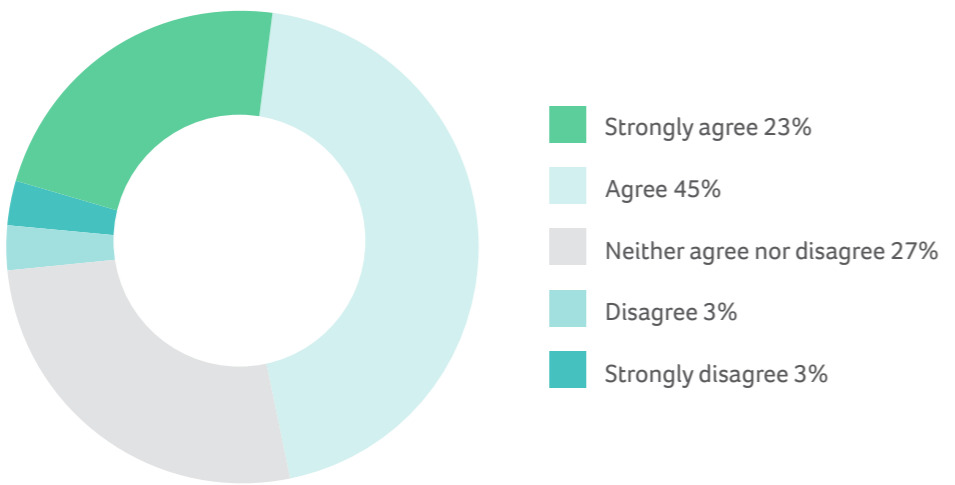
At a global level, it is estimated that up to \$9 trillion of public and private investment is required to achieve a productive and competitive net zero economy by 2050, while this figure sits at over \$420 billion domestically



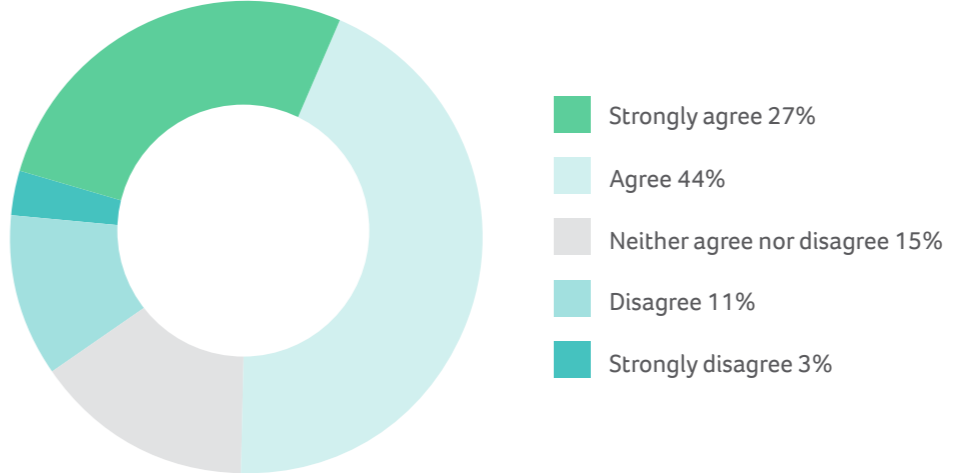
Q13. Australia's level of private investment in emissions reduction and climate action is adequate, proportionate to its economy and role on the global stage.



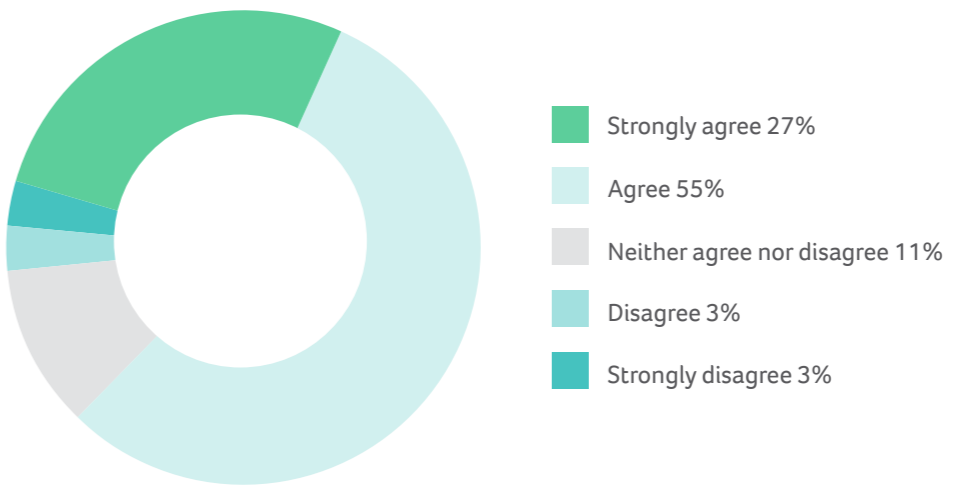
Q14. Australia should implement a Carbon Border Adjustment Mechanism (CBAM) to avoid carbon leakage and protect the competitiveness of Australian industry.



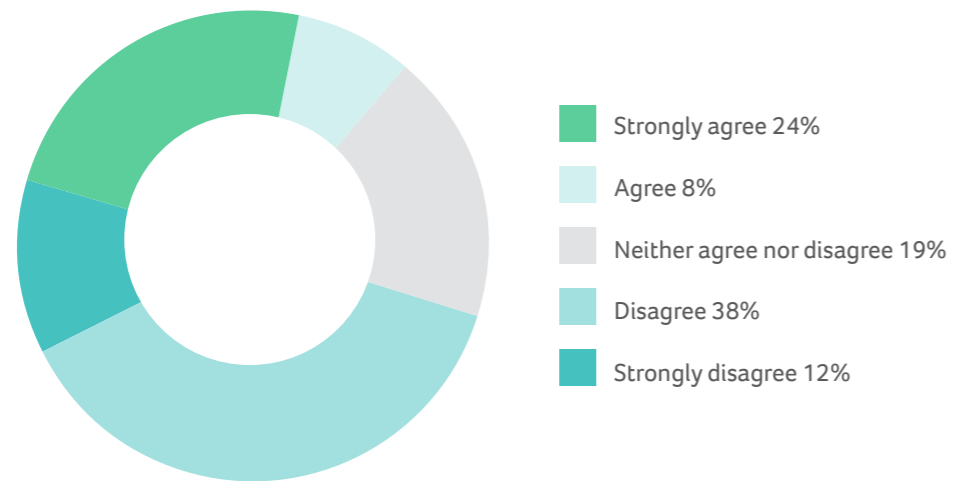
Q15. Australia should link its domestic carbon market to international carbon markets.



Q16. Australia should establish decarbonisation agreements with trading partners to facilitate an orderly transition and support the transformation of global supply chains?



Q17. Australia should provide greater financial, technical assistance and/or capacity building to developing countries to assist with the impacts of climate change.



Q18. What opportunities do you think could emerge from an Australian/Pacific COP31 Presidency?

Top 5 Responses

75%	Stronger climate policies domestically and in the region
66%	Greater cooperation and capacity building in the region
60%	Stronger international climate policy influence for Australia
60%	Greater public support in Australia and the region for policies that can deliver rapid decarbonisation
58%	Increased investment in the region

“ One of the most challenging issues with this overall topic is the ever changing landscape, and deciphering political influence from good science. ”

Survey Respondent



Carbon Credit Use & Nature Repair

As we accelerate towards a net-zero emissions economy, corporate climate, nature and disclosure commitments are evolving, as organisations respond to policy and market signals, as well as a heightened community and investor focus on the associated financial impacts.



Q19. How does your company use carbon credits?

Top 5 Responses

33%	We do not use carbon credits
30%	To address remaining emissions on the path towards Net Zero as a complement to interim decarbonisation targets
21%	To offset any residual emissions at the end of the target with permanent carbon removals
20%	To meet compliance obligations under the Safeguard Mechanism
19%	To compensate Scope 3 (value chain) emissions

Q20. Which of the following does your organisation currently have in place?

Top 5 Responses

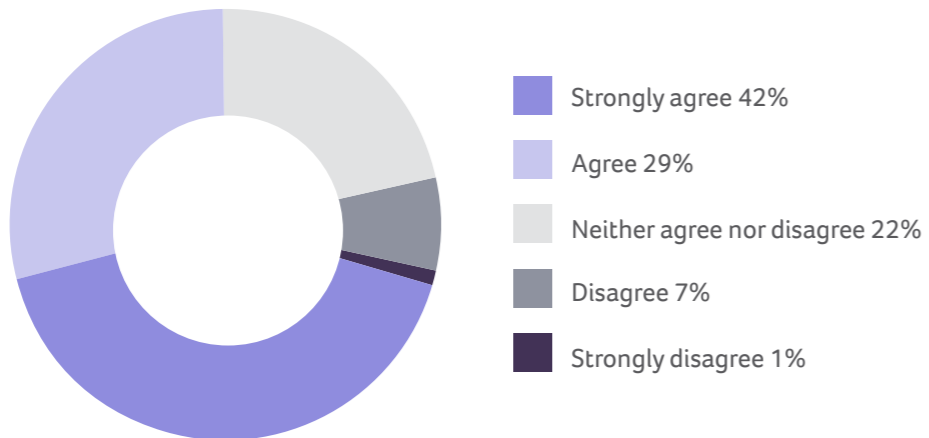
52%	A decarbonisation strategy or climate transition action plan
39%	A public net zero target
34%	Interim and long-term targets for Scope 1 & 2 emissions
34%	A carbon market investment strategy
33%	A nature positive target and/or strategy

Q21. What frameworks does your climate reporting align with?

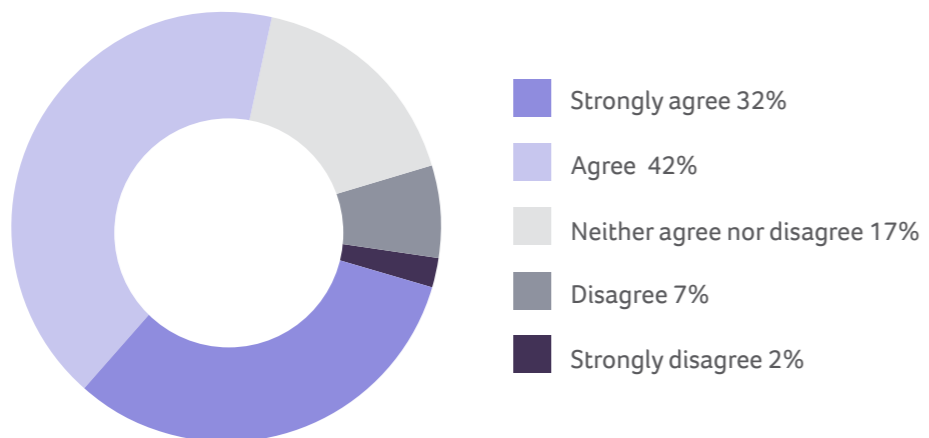
Top 5 Responses

42%	My organisation does not do climate reporting
36%	National Greenhouse & Energy Reporting (NGER) scheme
31%	Taskforce on Climate-Related Financial Disclosures (TCFD)
25%	GhG Protocol
19%	International Sustainability Standards Board (ISSB) disclosure standard

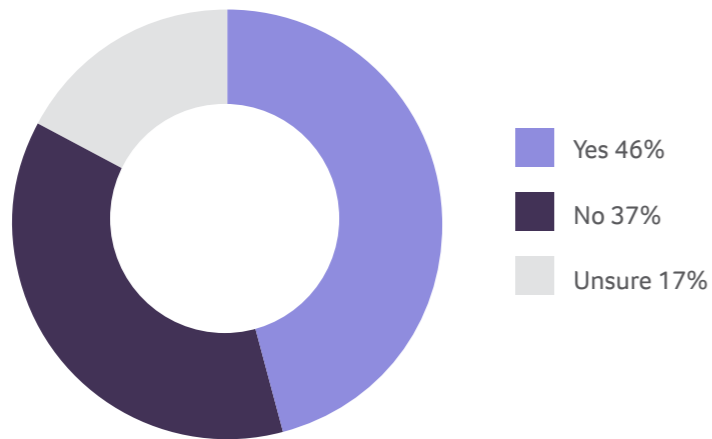
Q22. Do you agree that the development of a strong nature repair market is going to be crucial for Australia to be net-zero and nature positive?



Q23. Australia should mandate corporate nature-related disclosure, data and target setting approaches in accordance with the TNFD framework.



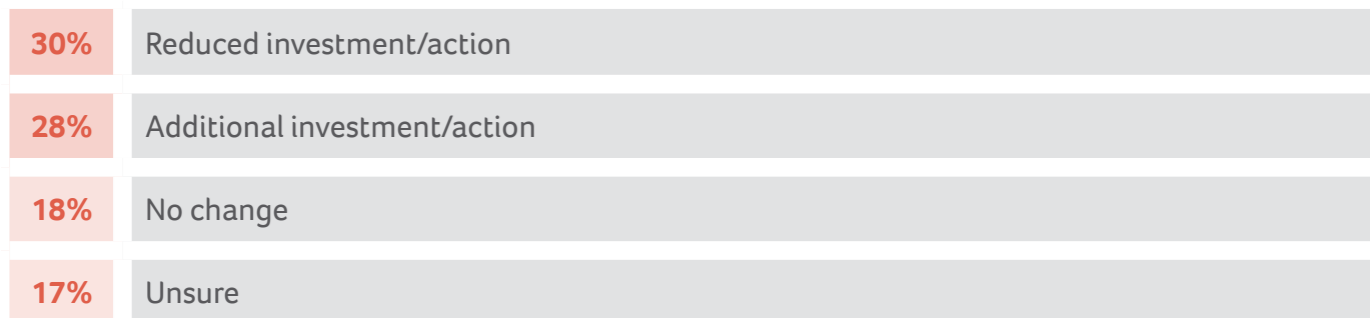
Q24. Should all carbon projects be required to demonstrate nature positive attributes?





Investment Drivers & Barriers

Q25. Has the increased scrutiny of corporate sustainability strategies and claims and concerns around greenwashing led to:



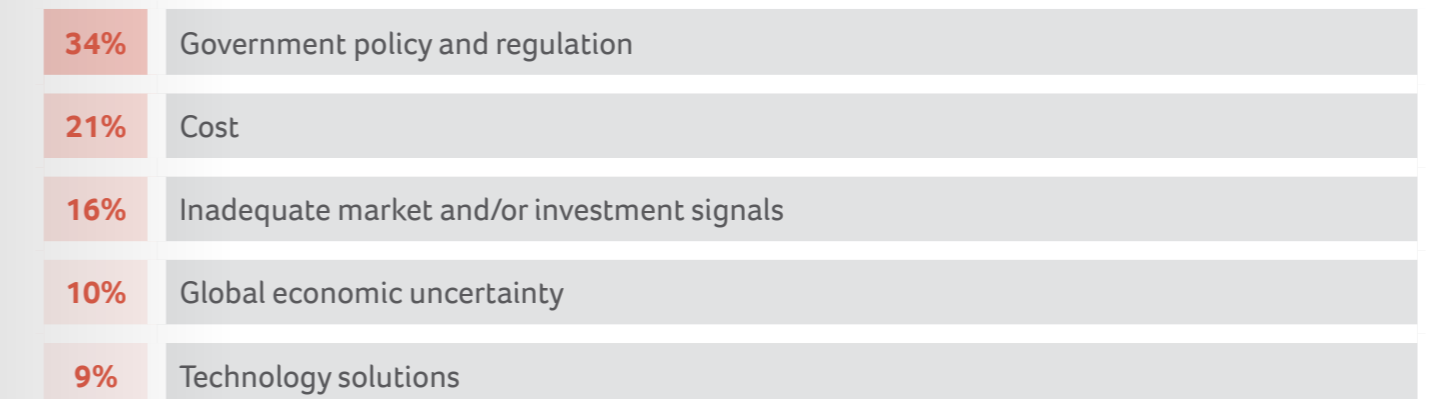
Q26. The main drivers for decarbonisation and/or investments in climate action within my organisation are:

Top 5 Responses



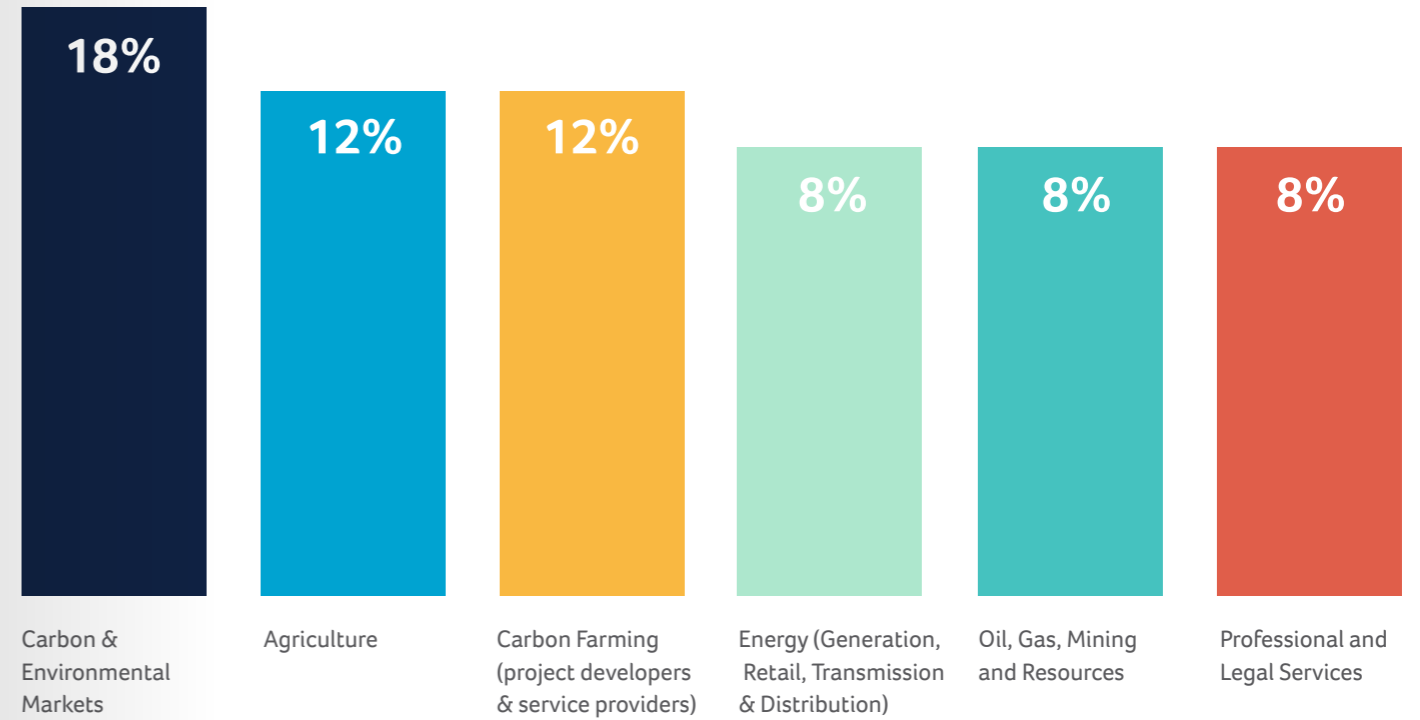
Q27. The main barriers to decarbonisation and/or investments in climate action within my organisation are:

Top 5 Responses





Breakdown of sectors responding





**Carbon
Market
Institute**

carbonmarketinstitute.org