



Australian
Industry
Greenhouse
Network

AIGN submission

2026 Proposed Updates to National Greenhouse and Energy Reporting Scheme and forward work program

May 2026

1 Summary

AIGN supports detailed consultation with stakeholders on proposed updates to the National Greenhouse and Energy Reporting Scheme (NGERS) framework, to ensure any changes are informed by user input and potential impacts are well understood. Any updates should deliver meaningful improvements in reported emissions data.

Maintaining integrity

AIGN supports regular review and continuous improvement of NGERs. Any changes should be evidence-based, proportionate and clearly linked to robust reporting outcomes. NGERs should continue to deliver broad coverage, consistent reporting, transparent rules and sensible compliance obligations.

Optionality of methods

AIGN supports the existing measurement framework, including the availability of Methods 1, 2, 3 and 4. It appropriately balances direct measurement with conservative estimation approaches to deliver high integrity data. Reporters must be enabled to select the most appropriate methods for their facilities, supported by existing independent verification processes.

Expansion of Method 2B

AIGN supports the proposed expansion of Method 2B for flared emissions from gas extraction and development sources. This proposal is consistent with continuous improvement of the scheme and should assist reporters seeking to use more facility-specific reporting methods where appropriate.

Temporary unavailability amendments

AIGN members have concerns about the proposed changes to temporary unavailability provisions, noting that the proposed threshold could create unintended consequences for intermittent, variable or short-duration sources. AIGN recommends a reconsideration of the purpose and design of this amendment.

Reporting emissions from consumption of co-processed fuels

AIGN members are concerned that requiring Product Guarantee of Origin (PGO) certificates to report emissions from co-processed fuels will create unintended consequences. This approach could interfere with the voluntary nature of the Guarantee of Origin Scheme and create uncertainty on several fronts. It is also inconsistent with the precedent for other fuels which allows optionality, such as the use of tradeable GreenPower certificates with international standards. Further consultation and policy development is necessary before implementation is considered.

2 Introduction

The [Australian Industry Greenhouse Network](#) (AIGN) welcomes the opportunity to provide feedback to the Department of Climate Change, Energy, the Environment and Water (the Department) on the proposed updates to the National Greenhouse and Energy Reporting Scheme (NGERS), and the forward work program.

AIGN is a network of industry associations and businesses representing a broad cross-section of the Australian economy, including many of the nation's largest energy producers, energy users, manufacturers, resources companies and exporters. Many AIGN members are directly subject to the National Greenhouse and Energy Reporting Scheme (NGERS) and the Safeguard Mechanism, and are actively investing in decarbonisation across industrial, manufacturing and resource operations.

AIGN supports Australia's commitment to the Paris Agreement and climate policy settings that are effective, evidence-based, economically efficient and equitable. Our long-standing policy principles emphasise transparent policy development, broad coverage and equitable sharing of emissions reduction responsibility, support for investment certainty, and the importance of maintaining Australia's trade and investment competitiveness as the economy transitions to align with a net-zero future.

AIGN has a broad membership base and a range of expertise in various sectors of the economy. In conjunction with this submission, AIGN encourages the Department to consider submissions made by individual AIGN members, which include detailed contributions from technical experts that align with AIGN's principled positions.

3 General feedback

AIGN members represent a significant proportion of entities liable under the National Greenhouse and Energy Reporting Scheme (NGERS) and have consistently demonstrated a strong record of compliance.

Since the introduction of the legislation in 2007, AIGN members have invested substantial resources into building internal capability, and procuring expert professional services, to support measurement, reporting, and verification/auditing functions. They have also developed significant expertise in managing compliance requirements, such as maintaining emissions databases and appointing and training relevant personnel.

AIGN strongly supports comprehensive and detailed consultation with stakeholders to ensure that any changes to NGERS implementation are informed by user input and that potential impacts are thoroughly understood and addressed. The purpose of any

change must be clear, well evidenced, and support the ultimate goal of reducing emissions, aligned with our international commitments.

AIGN members are well positioned to provide informed feedback on the practical implications of NGERs reporting requirements on the day-to-day operations of liable entities. They have considered perspectives on any proposed changes or additions to mandatory reporting obligations.

3.1 Centralised national reporting

A central tenet of AIGN's long-standing [policy principles](#) is the implementation of streamlined, efficient, and effective policy. AIGN members actively supported the implementation of centralised, streamlined national emissions reporting, which ultimately led to the introduction of NGERs.

Before the introduction of a nationally streamlined approach to reporting under NGERs, AIGN members were active contributors to the Greenhouse Challenge and subsequent Greenhouse Challenge Plus voluntary reporting programs.

3.2 Support for NGERs framework

Credible reporting is a crucial foundation of effective emissions abatement policy, and an indispensable source of knowledge to inform our engagement in climate change mitigation at domestic and global levels.

The NGERs legislation, introduced in 2007, is a globally well-regarded reporting scheme with broad scope and coverage. It is built on the international consensus on the six greenhouse gases identified for tracking and mitigation. These have all been given a carbon dioxide equivalency (CO₂ e) value to enable international efforts to be directed at reducing atmospheric concentrations of greenhouse gases, no matter their source to promote an efficient decarbonisation pathway.

NGERs is comprehensive of greenhouse gas species:

- carbon dioxide (CO₂)
- methane (CH₄)
- nitrous oxide (N₂O)
- Perfluorocarbons (PFCs)
- Hydrofluorocarbons (HFCs)
- Sulphur hexafluorides (SF₆s)

Facilities with emissions in excess of 25,000 tCO₂-e are required to report energy produced; energy consumed; scope 1 emissions; and scope 2 emissions.

Maintaining integrity and confidence in Australia’s greenhouse gas emissions inventories (NGERS and the National Greenhouse Gas Inventory – NGGI) is vital.

NGERS was carefully designed to meet greenhouse and energy reporting requirements and incorporates continuous review and improvement. The embedded review process is central to maintaining integrity. Public recognition of, and support for, NGERS from the Government and Departments, Authorities, and Agencies is likewise essential.

3.3 Credible measurement methods

AIGN members support the legislated approach to NGERS reporting with Methods 1, 2, 3, and 4, which allow for both direct emissions monitoring and the estimation of emissions through the tracking of readily observable variables. The Clean Energy Regulator’s *Methods and measurement criteria guideline* (last updated August 2025) substantiates the credibility of the Government’s approach:

“The methods reflect the approaches taken globally, for example, the estimation of national greenhouse gas inventories, the EU guidelines, and the United States Environmental Protection Agency’s Mandatory Greenhouse Gas Reporting Rule.”¹

3.3.1 Method 1

Method 1 is the default method for determining emissions, with estimation procedures derived directly from and consistent with the Government’s methodologies used in preparation of the NGGI. It is consistent with international guidelines for the estimation of emissions.

Method 1 emission factors were developed to provide measurement methods for emissions from hard-to-measure sources (e.g. where direct measurement was either prohibitively costly to install, unsafe, or inaccurate, e.g. for high and low flow flares).

Method 1 emission factors were established on a conservative basis (i.e. higher than measured) to establish an industry-wide average factor. Where it is safe and not cost-prohibitive to do so, reporters can elect to move to higher-order methods, which will most likely result in lower emissions being recorded due to the conservative nature of Method 1 emission factors. This approach provides an embedded incentive to transition to higher-order methods when it is practicable to do so, whilst providing confidence that emissions reported applying Method 1 would likely be conservatively overstated when compared to a direct measurement from the same source. As the guideline points out:

¹ <https://cer.gov.au/document/methods-and-measurement-criteria-guideline> (p6)

“The provision for reporters to select methods for the estimation of emissions ... allows reporters to make their own judgements to balance the costs of the higher order methods with the benefits of potentially more accurate emission estimates.”²

AIGN members strongly support both the integrity and optionality of the methods approach to NGERs. Reporters are in the best position to determine which method is the most technically and practically appropriate for reporting the emissions sources at their facilities. The verification and audit processes embedded within NGERs provide the necessary safeguards to maintain the integrity of the reporting system.

The annual determination process provides a regulated pathway for review of emissions factors and reporting methods across NGERs. AIGN supports the annual measurement determination process to verify the integrity of emission factors, quantifying and improving the specific assumptions inherent in Method 1 (and as appropriate across all methods). Changes to underlying assumptions should be founded on objective, evidence-based evaluation of Method 1 performance relative to other credible, verifiable data.

3.4 Consistent application of NGERs

AIGN promotes an approach founded on detailed consultation and considered implementation in the regular updates to NGERs legislation.

AIGN recognises the importance of maintaining a rigorous emissions reporting system to underpin the climate policy suite. Updates to NGERs should be designed and implemented in a way that supports reporting entities and is consistent with international reporting protocols under the Paris Agreement.

3.4.1 Materiality

Updates and changes to NGERs should be carefully examined for the overall improvement in emissions reporting they would give effect to. This should be considered against the cost of implementing and administering these changes.

Any changes to NGERs should result in material improvements to emissions reporting, aligned with practically and financially reasonable measurement, reporting, and assurance obligations.

3.4.2 Flexibility

Entities should be afforded reasonable flexibility to smoothly transition to any new requirements. Consideration should be given to factors such as the cost of installing

² as above (p6)

new equipment, or how updates could be incorporated into normal operation (e.g. undertaking significant work within standard maintenance schedules).

The Clean Energy Regulator could be empowered to work with liable entities to agree schedule and support them in adjusting to any new or changes to the entity's reporting obligations.

3.4.3 Transparency

AIGN supports transparent reporting of NGERs data, as well as reasonable measures to increase transparency of reporting.

Any additional transparency measures should be applied equally across all reporting facilities to ensure fairness and integrity.

For example, if increased transparency on the reporting of methane or fugitive emissions were applied, it should be applied to all NGER facilities, not just one sector or source of those emissions.

4 Feedback on proposed changes

AIGN members will, where appropriate, provide specific and detailed contributions on technical elements of the proposed changes. In this section, we summarise points of commonality among AIGN members on these issues.

4.1 Expansion of Method 2B

AIGN supports the proposed amendments to expand the availability of Method 2B for flared emissions from gas extraction and development sources to broaden access to the mass balance approach for relevant flaring sources.

This amendment is consistent with the integrity and optionality of the NGERs methods framework. Providing broader access to Method 2B is a sensible and practical refinement to the scheme. This kind of targeted improvement is consistent with AIGN's long-standing support for streamlined, efficient and effective reporting arrangements, as well as policy settings that encourage practical uptake of credible higher-order methods where these are available

4.2 Section 1.19 temporary unavailability of methods

AIGN members have concerns about the proposed amendment to the temporary unavailability provisions that would require the Regulator to be notified where downtime exceeds 10 per cent of the time that the source is occurring during a reporting year.

The consultation paper frames this change as a clarification to the unavailability of methods provision. However, some AIGN members have raised concerns that the

proposed threshold would be difficult to monitor in practice and may not lead to significant improvement in transparency or reporting integrity.

The proposed 10 per cent threshold may be practically challenging for some reporters. A percentage-based trigger tied to the time a source is operating could create unintended outcomes for intermittent or short-duration sources. Where a source only operates for a limited period in a reporting year, even a relatively short interruption could trigger a notification obligation. This would be impractical and unlikely to materially assist the Regulator in assessing the accuracy of reporting.

This is particularly relevant where a reporter is already using Method 1. As noted in section 3.3 above, Method 1 is the default method and is established on a conservative basis (with the overall methods framework providing an embedded incentive to adopt higher-order methods where practicable). In that context, requiring additional notification for temporary unavailability where the reporter is already applying Method 1 appears unlikely to deliver significant additional transparency or integrity benefits.

One of the disadvantages of this proposed change is implementation complexity. The current obligation requiring the regulator to be notified after six weeks of downtime, is a simple trigger to implement. It allows for timely guidance from the regulator on how to manage reporting during the period of downtime. In comparison, if the entity is required to assess their operations over the whole year, they must choose between notifying instances that may represent downtime periods that will be less than 10% of the relevant operations at the end of the reporting period, or only reporting at the end of the year once operations have been finalised. The latter comes with a risk of potential non-compliance with subsection 1.19(5). There will be a trade-off between the regulator managing either an excessive number of incidents or a condensed period of reporting at the end of each year depending on the approach taken by entities to implement this change.

For some reporters, the option to use Method 1 for reporting certain emissions does not exist. As a result, section 1.19(6) of the proposed changes, which states the Regulator may require the use of Method 1 to estimate emissions during downtime, should be revised so that the Regulator may require the use of a lower order method to estimate these emissions.

AIGN recommends that the Department reconsider the overall purpose of the temporary unavailability provision before proceeding with this amendment to ensure that any reporting requirement is clearly directed to circumstances where it is material, proportionate and useful from an assurance perspective. Design options that could be considered include:

- Limiting notification requirements to circumstances where a higher-order method is being used.
- Taking the materiality of the underlying emissions source into account.

- If a percentage threshold is preferred – applying it against the full reporting year, rather than the time the source is operating.
- Treating continuous emissions monitoring separately, with specific and discrete provisions suited to that form of monitoring, rather than folding it into a general temporary unavailability rule.

AIGN would welcome further consultation on this issue. Given the importance of NGERs as a foundational reporting framework, changes of this kind should be carefully tested with reporting entities to ensure they operate as intended.

4.3 Reporting emissions from consumption of co-processed fuels

The proposal to require entities to have co-processed liquid fuel certificates (i.e. Product Guarantee of Origin / PGO certificates) in order to report under NGERs may cause unintended consequences. It is also not consistent with the proposal to recognise bioLPG within NGERs by adopting an existing approach to ensure simplicity and consistency while integrating the emissions benefits of new and emerging fuels.

The Guarantee of Origin (GO) Scheme is a voluntary scheme which covers scope 1, 2 and 3 emissions, while this proposed amendment appears to assume all NGERs reporters will be participating to manage their scope 1 emissions. This is not a given. It raises concerns on several fronts, including undermining the voluntary nature of the GO Scheme by turning it into a de-facto mandatory scheme for NGERs reporters.

PGO certificates can only be created for domestic production, suggesting that imported feedstocks will be ineligible for co-processing. Furthermore, the costs associated with participating in the GO Scheme are unknown; the scale of uptake is not yet clear, and there is an expectation that costs associated with the scheme will be covered via charges to users. For this reason, we also don't support the proposed amendments to the PGO Scheme contained in an annex to the consultation paper, which risk introducing further material complexity for co-processed fuels.

Methodology determinations for certification of liquid fuels are not yet included in the GO legislation. The Department has not released a timeline for their development. In addition to the above significant concerns, it is not possible to evaluate the feasibility of the proposal to require PGO certificates to report consumption of co-processed fuels while essential elements of the GO Scheme architecture remain unfinished.

Further, this is inconsistent with the approach taken for other energy sources, such as renewable electricity and gases, where tradeable certificate schemes are recognised – such as those administered by GreenPower. There is a precedent for using established international standards for interim arrangements until effective, efficient and equitable domestic methods can be developed. For example, the Department allows the use of the International Sustainability and Carbon Certification (ISCC) in its national

framework for recycled content traceability,³ and the Australian Accounting Standards Board (AASB) allows the GHG Protocol to be used in mandatory climate-related financial disclosures.⁴

AIGN requests the Department to engage in further discussions with reporters to discuss how the reporting of co-processed fuel consumption can be managed in a way that satisfies integrity requirements and respects the intended nature of the GO Scheme, perhaps by using an established international standard, or by delaying implementation of this requirement to allow time for the development of a suitable domestic method, in consultation with stakeholders.

5 Conclusion

Thank you for the opportunity to provide input to the Department's consideration of the proposed changes to NGERs and the forward work program.

AIGN recognises that this legislation is an important and effective component of the Australian Government's approach to climate change management and its obligations under the Paris Agreement.

AIGN's position on climate change and energy is underpinned by our policy principles, which have been the basis of AIGN's contributions to this debate over many years (available at www.aign.net.au).

AIGN welcomes future opportunities to engage with the Department.

³ Australian Government, National Framework for Recycled Content Traceability Third-Party Certification Scheme, June 2025

⁴ Australian Government, Greenhouse Gas Emissions Disclosure requirements applying AASB S2, August 2025