

Australian Government
Department of Climate Change, Energy, Environment and Water
Climate Active

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Consultation on the Climate Active Program 2026

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission to the Department of Climate Change, Energy, Environment and Water's (the 'Department' or 'DCCEEW') consultation on the *Climate Active Program 2026*.

The Australian Energy Council is the peak body for energy retailers and generators operating in competitive markets. Our members generate and sell energy to over 10 million homes and businesses and are committed to delivering a reliable, affordable and decarbonised energy system for consumers. The AEC supports net zero by 2050 and recognises the electricity sector's role in reducing Australia's emissions. Our members are major investors in renewables, firming and storage technologies that are critical to ensuring customers continue to receive reliable and sustainable energy supply as we navigate the energy transition.

Climate Active has played an important role in giving businesses confidence in measuring, validating and communicating carbon-neutral products. While other policies, principally the climate-related financial disclosure regime, have emerged to bolster corporate sustainability governance, it is not a full substitute for the clarity and confidence that the Climate Active program provided.

Acknowledging the Department's decision to close the Climate Active program, the Department should consider how it can continue to support businesses wanting to make sustainability claims. There is some [evidence](#) of businesses leaning towards "greenhushing" due to the rise in litigious risk associated with making ambitious sustainability claims.

DCCEEW preparing guidance would be helpful in this regard about what a good or robust sustainability claim looks like. This could, for example, involve working with Treasury to expand the [Climate-Related Transition Planning Voluntary Guidance](#) material. Such guidance would also benefit regulators, such as the ACCC and ASIC, assess sustainability claims without having to make subjective policy decisions.

If the Department prefers to leave interpretation of sustainability claims to regulators, then it should clarify the policy basis for that (e.g. the expected role of offsets in Australia's Net Zero plan, noting that the "net" in 2050 implies some continued use of offsets).

Any questions about this submission should be addressed to Rhys Thomas, by email Rhys.Thomas@energycouncil.com.au or mobile on 0450 150 794.

Yours sincerely,

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