



QUESTION ON NOTICE — JSCOT

JOINT STANDING COMMITTEE ON TREATIES

SUBMISSION NO. 34

TT on 25 June 2008

QUESTIONS ON NOTICE

REFERENCE: TREATIES TABLED ON 14 MAY AND 25 JUNE 2008

QUESTIONS RECEIVED ON 23 DECEMBER 2008

1) What legislation does the Department administer?

The Department of Climate Change (DCC) and the Office of the Renewable Energy Regulator (ORER) administers four pieces of legislation at present:

- *National Greenhouse and Energy Reporting Act 2007*

The ORER administers:

- *Renewable Energy (Electricity) Act 2000*
- *Renewable Energy (Electricity) (Charge) Act 2000*
- *Renewable Energy (Electricity) Regulations 2001.*

The Department is developing the legislation that will underpin the Carbon Pollution Reduction Scheme and the Expanded Renewable Energy Target. It is intended that all climate change regulation will be administered by the new Australian Climate Change Regulatory Authority to be established in 2009 subject to the successful passage of legislation including the Carbon Pollution Reduction Scheme Bill.

2) How does the Department obtain data on climate change from relevant agencies? Is the process ad-hoc or formalised?

The Department of Climate Change (DCC) has a formalised approach to obtaining data on the science underpinning action on climate change from relevant agencies through the Australian Climate Change Science Program (ACCSP). The ACCSP is administered by DCC and conducted in partnership with leading science agencies, notably the CSIRO, the Bureau of Meteorology and universities. The ACCSP provides a comprehensive research agenda designed to advance our understanding of climate change. The Department manages various projects funded under the ACCSP and receives the scientific developments as they come to hand. ACCSP information is available through websites such as www.climatechangeinaustralia.gov.au. DCC commissions further scientific research as required from various agencies and universities.

DCC formally engages with international scientific agencies through the ACCSP and its links to programs such as the World Climate Research Program, the Global Climate Observing System and the International Geosphere-Biosphere Program.

DCC also engages with the international community through official participation in the Intergovernmental Panel on Climate Change (IPCC). The IPCC rigorously assesses the growing body of published scientific material with each new IPCC Report representing a progressive strengthening of our understanding of climate change.

Data sources for the National Greenhouse Accounts are published official government statistics collected by the Australian Bureau of Statistics, Australian Bureau of Agriculture and Resource Economics and the Department of Resources, Energy and Tourism.

Data is collected via the Ozone Protection and Synthetic Greenhouse Gas Management Act administered by the Department of the Environment, Water, Heritage and the Arts, and through data provision agreements with State Agencies. Industry data not covered by these sources has been collected through surveys conducted by DCC.

DCC also manages a web-based data collection application to enable the collation and calculation of emissions and energy data for a number of Government programs. The *Online System for Comprehensive Activity Reporting* (OSCAR) application provides a single portal data entry point for industries and government agencies to report their emissions, energy consumption and production data to programs such as Energy Efficiency Opportunities, Government Greenhouse and Energy Reporting and various state and territory governments' programs. The application will soon incorporate data collection requirements for corporations reporting under the *National Greenhouse and Energy Reporting Act 2007*. The data collected by OSCAR is analysed and used to produce various reports by these programs. For example, the Government Greenhouse and Energy Reporting program annually produces and tables in Parliament, the *'Energy Use in the Australian Government Operations'* report.

3) Does the Department have any input to the selection of research projects undertaken by other agencies that relate to climate change, greenhouse gas reduction or mitigation?

Yes. DCC routinely liaises with other government departments and agencies through inter-departmental committees and individual meetings. DCC is currently developing a *National Framework for Australian Climate Change Science*. This Framework will identify Australia's climate change research priorities and provide a coordinated approach for addressing these over the next ten years. DCC consulted extensively in developing this Framework and gained wide-ranging feedback from many agencies and individuals.

An initiative of the Australian Government, the *National Climate Change Adaptation Research Facility* (NCCARF) is based at Griffith University's Gold Coast Campus. The work of the NCCARF complements activities and projects currently underway in other institutions across Australia. NCCARF is distinct from these programs in that it focuses entirely on generating the knowledge required for Australia to adapt to the physical impacts of climate change.

4) How does the Department interact with state, territory and local government? Is interaction ad-hoc or formalised?

Formal interaction comes through the Council of Australian Governments process, specifically the Working Group on Climate Change and Water, which is chaired by the Minister for Climate Change and Water and was established in December 2007. The Working Group is a forum for representatives from all state and territory governments to engage in meaningful discussion and consultation. The objective of the Group is to ensure an effective national response to climate change, encompassing a:

- single national Emissions Trading Scheme incorporating State schemes;
- nationally-consistent set of climate change measures to support the ETS; and
- national cooperative approach to long-term adaptation to climate change.

A representative of the Australian Local Government Association is a member of the Working Group.

The Working Group is also a way for Commonwealth agencies and the Minister to speak directly with the jurisdictions to achieve a uniform approach to climate change and water measures across the country.

In addition, DCC convenes the National Greenhouse Gas Inventory Committee of Australian, State and Territory government officials. The committee meets annually. The principal purpose of the Committee is to review the national inventory report prior to its submission to the UN Framework Convention on Climate Change.

DCC engages in informal consultation on key issues with state and territory government agencies on a case-by-case and issue-by-issue basis. There are bilateral meetings at various levels which involve wide-ranging discussion and consultation.

5) Is the Department consulted on policy proposals from other government agencies that have some impact on greenhouse gas emissions or climate change mitigation? If so, is this a formal mechanism or does it take place on a case-by-case basis?

DCC was established by the Government in 2007 as the lead coordinating agency on climate change policy. As such the Department is consulted on climate change related policy proposals being developed by other agencies through both formal mechanisms and through case-by-case consultations across Government.

The Government has agreed to a set of complementarity principles as elucidated in the White Paper Chapter 19 (see below) to guide all Government agencies regarding the future direction of the Government's emissions reduction strategy and will ensure that the emissions reduction impact of intervention options is evaluated against the lowest-cost market price determined by the Scheme. A mechanism for encouraging adherence to these principles is being considered.

The Deputy Secretaries Climate Change Committee is an example of a formal consultation mechanism and considers such matters as; the Carbon Pollution Reduction Scheme White Paper, the Renewable Energy Target, and Treasury economic modelling.

It has representatives from the Departments of:

- Agriculture, Fisheries and Forestry;
- Environment, Water, Heritage and the Arts;
- Families, Housing, Community Services and Indigenous Affairs;
- Finance and Deregulation;
- Foreign Affairs and Trade;
- Infrastructure, Transport, Regional Development and Local Government;
- Innovation, Industry, Science and Research;
- The Prime Minister and Cabinet;
- Resources, Energy and Tourism; and
- The Treasury.

Case-by-case basis consultations take place through a variety of areas and levels within Government where proposals have been identified that may impact on carbon pollution. For example;

- Climate Change and Sustainability Section within the Department of the Prime Minister and Cabinet,
- Energy and Environment Division within Resources, Energy and Tourism,
- Climate Change Division within Agriculture, Fisheries and Forestry,
- Renewables and Energy Efficiency Division within Environment, Water, Heritage and the Arts,
- Climate Change Taskforce within Infrastructure, Transport, Regional Development and Local Government.

CPRS White Paper policy position 19.1

The Government will use the following principles to guide assessment of emission reduction measures:

1. The measures are targeted at a market failure that is not expected to be adequately addressed by the Scheme or that impinges on its effectiveness in driving emissions reductions. For example, research and development failures, common use infrastructure issues, information failures and excess market power.
2. Complementary measures should adhere to the principles of efficiency, effectiveness, equity and administrative simplicity and be kept under review. They may include:
 - a) measures targeted at a market failure in a sector that is not covered by the Scheme
 - b) measures for where the price signals provided by the Scheme are insufficient to overcome other market failures that prevent the take-up of otherwise cost-effective abatement measures
 - c) measures targeted at sectors of the economy where price signals may not be as significant a driver of decision making (e.g. land use and planning)
 - d) Some measures in (a) or (b) may only need to be transitional depending on expected changes in coverage or movements in the carbon price.
3. Complementary measures should be tightly targeted to the market failures identified in the above criteria that are amenable to government intervention. Where the measures are regulatory they should meet best practice regulatory principles, including that the benefits of any government intervention should outweigh the costs.
4. Complementary measures may also be targeted to manage the impacts of the Scheme on particular sectors of the economy (for example to address equity or regional development concerns). Where this is the case, in line with regulatory best practice, the non-abatement objective should be clearly identified and it should be established that the measure is the best method of attaining the objective.
5. Where measures meet the above criteria, they should generally be implemented by the level of government that is best able to deliver the measure. In determining this, consideration should be given to which level of government has responsibility, as defined by the Constitution or convention/ practice; the regulatory and compliance costs that will be imposed on the community; and how the delivery of the measure is best coordinated or managed across jurisdictions.

6) Does the Department have the authority to impose policy requirements relating to greenhouse gas emissions and climate change mitigation outside the environment portfolio? For example, would the Department have the authority to require agencies in the industry portfolio to amend policies to favour greenhouse gas emission reductions?

DCC has no authority to impose policy requirements relating to greenhouse gas emissions and climate change mitigation outside the Climate Change and Water portfolio. DCC works collaboratively with other Government departments to achieve the Government's climate change agenda.