Senate Economics Legislation Committee

Responses to Questions on Notice

Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012

19 October 2012

Question No: 1

Topic: Stakeholder consultations

Hansard Page: 35-36

CHAIR: Have you also had an open line, if you like, where you have been able to have individual consultations, approaches, discussions and dialogues with affected organisations and companies who want to clear up technical points, legal points?
Mr Writer: There have certainly been direct discussions with specific stakeholders where they have approached us.
CHAIR: Where they have approached you?
Mr Writer: Yes.
CHAIR: Have you had many approaches?
Mr Writer: It is hard to quantify how many—
CHAIR: Try.
Mr Writer: I am not sure on EU linking—
CHAIR: Can you take it on notice and provide us a list, please, with the approaches you have had from stakeholders who sought further discussions, negotiations or clarifications on issues arising out of your consultation sessions.
Mr Writer: We can do that. It may be indicative.

Answer:

On 31 August 2012, the Department of Climate Change and Energy Efficiency (the Department) released for public comment the draft Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and associated bills.

The Department received 20 written submissions on the draft bills.

Based on a review of individual officers' records, the Department understands that approximately 25 direct discussions between Departmental officers and companies, industry associations or individuals about the bills. Some of these people may have also participated in the formal engagement events arranged by the Department.

The Department also held a number of public consultation sessions and technical working groups, which involved representatives of companies, industry bodies and other government agencies and legal and business advisors, as follows:

- public consultation sessions were held on 29, 30, and 31 August 2012, in Canberra, Sydney and Melbourne respectively. Approximately 50 participants attended each of the Sydney and Melbourne sessions and approximately 10 participants attended the Canberra session;

- a technical working group teleconference with affected liable entities and legal experts was held on Monday, 3 September 2012 to discuss views on the practical operation and application of the draft bills. Approximately 30 participants attended, primarily by teleconference; and

- two technical working group teleconferences on natural gas issues. The first was held on Monday, 3 September 2012 and the second was held on Thursday, 6 September 2012. Approximately 30 participants attended each teleconference.

Other government agencies were consulted in developing the bills, including the Treasury, the Department of Foreign Affairs and Trade, the Department of Infrastructure and Transport, the Attorney-General's Department, the Department of Sustainability, Environment, Water, Population and Communities, the Clean Energy Regulator and the Australian Securities and Investments Commission.

Senate Economics Legislation Committee

Responses to Questions on Notice

Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012

19 October 2012

Question No: 2

Topic: European Commission confidence

Hansard Page: 36

CHAIR: Sorry, the commission. Did they have confidence in the practicality of our scheme and is that why they are keen for us to link up to them so quickly?
Mr White: …The discussions have proceeded faster than we would have originally expected and I think this reflects European confidence in the arrangements we have proposed or now implemented here in Australia.
CHAIR: Have they expressed that view to you?
….
CHAIR: Fine. I will ask you to take that question on notice. You have indicated a reluctance to go into detail at all and I do not press you at this stage on your reluctance. You said that the EC regards our scheme as a well-designed scheme. I ask you to take on notice and get us a ready response in due course, a written comment as to the EC's analysis of our bill, its veracity and its efficiency and practicality, if it should come to be passed. Just take that on notice.

Answer:

The Delegation of the European Union to Australia and New Zealand indicates that "the EU is eager to explore options for the international linking of robust, compatible cap-and-trade schemes".[1]

On 28 August 2012, the European Union's Commissioner for Climate Action, Ms Connie Hedegaard, said in a joint media release with the Australian Minister for Climate Change and Energy Efficiency, the Hon Greg Combet MP, that she: "welcome[s] the changes agreed to by the Australian government which will allow the interim arrangements to proceed. The step-wise linking of the European and Australian market will ease full linking in 2018."[2]

---

[1] Delegation of the European Union to Australia and New Zealand, 'The European Union emissions trading scheme', *EU Insight* (December 2010), available at <http://eeas.europa.eu/delegations/australia/documents/more_info/eu_insight_est_en.pdf> (accessed on 23 October 2012), p. 8.

[2] The Hon Greg Combet AM MP and the European Commission, 'Joint Media Release: Australia and European Commission Agree on Pathway Towards Fully Linking Emissions Trading Systems' (28 August 2012), available at <http://www.climatechange.gov.au/~/media/Files/minister/combet/2012/media/august/Combet-MediaRelease-20120828.pdf> (accessed on 23 October 2012).

Commissioner Hedegaard said further: "We now look forward to the first full international linking of emissions trading systems… It is further evidence of strong international cooperation on climate change and will build further momentum towards establishing a robust international carbon market".[3]

The European Commission website also describes the linking arrangements as "a major step towards the first full inter-continental linking of emissions trading systems".[4]

The European Commission has not raised any concerns with the Department regarding the proposed amendment Bill. The Department considers that this, in conjunction with the public statements highlighted above, reflects the European Commission's confidence in the announced linking arrangements reflected in the amendment Bill.

---

[3] Ibid.

[4] European Commission, 'Linking the EU ETS to other Emissions Trading Systems and use of international credits', available at <http://ec.europa.eu/clima/policies/ets/linking/index_en.htm> (accessed on 23 October 2012).

Senate Economics Legislation Committee

Responses to Questions on Notice

Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012

19 October 2012

Question No: 3

Topic: Second commitment period of the Kyoto Protocol

Hansard Page: 44-45

Senator BIRMINGHAM: I go to the last area: the impact of the need to now negotiate a full treaty with Europe on Australia's domestic or international climate change policy and the policy we take to international for a and issues I canvassed in particular with Mr Jackson prior to your appearance. He was emphatically of the view that Europe would expect a more ambitious level of engagement from Australia to committing to a second Kyoto commitment period than has been the case to date to facilitate the negotiations for this treaty. Have there been any representations from the Europeans for Australia to change the stance that it was taking to date in relation to that second commitment period of the Kyoto protocol?
Mr White: I am in the domestic policy division, and the type of interaction you are describing I would assume would occur between the European Union and my international division colleagues, but I am certainly not aware, in terms of the work we have done on linking negotiations, that this is any kind of issue.
Senator BIRMINGHAM: Could you please take that on notice to confirm with your international colleagues.
Mr White: So I am taking on notice whether there have been formal representations?
Senator BIRMINGHAM: Formal representations or requests of any type that can be revealed.

Answer:

The European Union (EU), along with a number of other countries and groupings has said in formal public statements in the two UNFCCC negotiation sessions in 2012 that they call on parties who have not yet made a decision to signal their willingness to join a second commitment period of the Kyoto Protocol and put forward a Quantified Emission Limitation and Reduction Objective. This matter has also been raised in a variety of bilateral meetings with countries across the UNFCCC spectrum including by some EU member states.