



THE HON CHRIS BOWEN MP
MINISTER FOR CLIMATE CHANGE AND ENERGY

Senator Karen Grogan
Chair of Environment and Communications Legislation Committee
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Dear Chair

I refer to the request from Senator Hanson-Young in the Environment and Communications Legislation Committee hearing on 28 February 2023 regarding the Safeguard Mechanism reform analysis and the request for the modelling for the Australian Carbon Credit Unit (ACCU) usage as a proportion of total abatement under the Safeguard Mechanism reforms. The analysis informed the proposed scheme settings described in the Safeguard Mechanism reforms position paper released on 10 January 2023.

Disclosure of the safeguard mechanism modelling would not be in the public interest because disclosure would reveal the deliberations of Cabinet. It is a long held and accepted principle that deliberations of Cabinet be appropriately protected in order to ensure that decisions can be discussed in an open manner preserving Cabinet unity.

In addition, disclosure of the safeguard mechanism modelling would not be in the public interest due to market sensitivities relating to the Government's role as a purchaser of ACCUs. Providing Government forecasts of ACCU market demand would be a signal to the market, creating the potential risk of significant flow-on effects for the operation of future auctions for Government purchase of ACCUs.

Yours sincerely

A black rectangular box redacting the signature of Chris Bowen.

CHRIS BOWEN