

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Answers to questions on notice
Environment and Energy portfolio

Question No: 230
Hearing: Budget Estimates
Outcome:
Program: Climate Change Authority (CAA)
Topic: Towards the Next generations: Delivering Affordable, Secure and Lower Emissions Power
Hansard Page:
Question Date: 05 June 2017
Question Type: Written

Senator Xenophon asked:

1. It is noted in its report 'Towards the Next generations: Delivering Affordable, Secure and Lower Emissions Power'

With this in mind, and in recognition of the Commonwealth Government's decision to rule out consideration of an EIS, the Authority recommends that the Commonwealth Government consider implementing an alternative policy in the form of a Low Emissions Target (LET).

Section 12 of the Climate Change Authority Act sets out principles the Authority must have regard for in performing its functions (conducting reviews, conducting research etc.). It seems in this review the Authority has given regard to a Government decision to rule out an EIS. How is this consideration consistent with the Act?

2. Did the Chair (s 17 CCA Act) receive or act on any direction from Government in respect of the ruling out of an EIS in the context of this report?

3. Did the Chief Scientist (s 17 CCA Act) receive or act on any direction from Government in respect of the ruling out of an EIS in the context of this report?

4. Did any of the other 7 members (s 17 CCA Act) receive or act on any direction from Government in respect of the ruling out of an EIS in the context of this report?

5. Did the CEO (s 41 CCA Act) receive or act on any direction from Government in respect of the ruling out of an EIS in the context of this report?

6. If the answer to 2 through 6 is 'no', why did the Authority choose on this occasion to have regard for a Government decision not to use an EIS?

Answers:

1. Section 12 of the Climate Change Authority Act states that in performing its functions, the Authority must have regard to a range of principles including economic efficiency, environmental effectiveness, equity and the public interest.

The Authority considers that the public interest is best served by the implementation of a pragmatic and effective policy to reduce emissions soon. The Authority is of the view that policy uncertainty on emissions reductions in the energy sector has led to delays in investment, consequent increases in electricity prices and increasing risks to the reliability of the power system.

The Authority remains of the view that an Emissions Intensity Scheme (EIS) is the preferred policy mechanism for the electricity generation sector consistent with the options it analysed in its previous report.

The Authority considers many different policies or policy sets can help to reduce emissions and that good design and implementation are as important as policy choice if measures are to meet the three objectives of affordability, security and emissions reductions.

As the Government has decided to rule out an EIS, the Authority considers that the public interest would be met if the Government considers implementing an alternative policy (to an EIS) in the form of a Low Emissions Target (LET).

2. No
3. No.
4. No.
5. No.
6. Please see answer to Question 1.