

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 95
Hearing: Additional Estimates
Outcome: Agency
Programme: Clean Energy Regulator
Topic: Clean Energy Legislation and repealing regulation
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Question Date: 24 February 2014
Question Type: Spoken

Senator Milne asked:

Senator MILNE: I will ask the chair of the Clean Energy Regulator whether this proposal to repeal the regulation came from you to the minister or the other way around.

Ms Munro: Senator, I think the word that the secretary used was 'deliberative'. We would not normally disclose that. However, I should emphasise that, from our point of view, we deal with this as a matter of practicality. As a matter of practicality, we do not believe that there is currently a market for future dated units. Although we are equipped to conduct auctions, it does not seem particularly prudent to embark on that at this point in time. That is not to say that that might not change in the future.

Senator MILNE: I am taking from you are saying that that was your advice to the minister?

Senator Cormann: I think the evidence that was provided is that the deliberative processes of government are not disclosed in this forum. Again, in an abundance of helpfulness, I will take on notice and check with the minister whether he wants to add any further information to what has been provided so far.

Answer:

The Department of the Environment, together with the Clean Energy Regulator, provided advice to the Minister for the Environment that there is currently no evidence of a market for carbon units with a vintage year of 2015-16. Therefore, conducting auctions for these units before 30 June 2014 would be unnecessary and costly.

The Minister removed the requirement for the Clean Energy Regulator to conduct these auctions by signing the Clean Energy Auction Revocation Determination 2014.