

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

Supplementary Budget Estimates 2011-12, 17 October 2011

Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	48
Program:	1.1		
Division/Agency:	CSD		
Topic:	Clean Energy Regulator Recruitment		
Hansard Page EC:	ECA7		

Senator BIRMINGHAM: Are you able to give a breakdown of the 50 that have already been hired in terms of their positions?

Mr Padovan: I do not have that at hand. I can certainly take that on notice.

Answer:

As at 17 November 2011, 58 employees have been recruited to plan and implement the establishment of a Clean Energy Regulator.

A breakdown of the employment status of those employees is as follows:

- non-ongoing employees: 17;
- Department of Climate Change and Energy Efficiency ongoing employees temporarily transferred for planning and implementation duties: 38; and
- temporary transfers from other Government agencies: 3.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	49
Program:	1.1		
Division/Agency:	CSD		
Topic:	Portfolio Staffing		
Hansard Page EC:	ECA8		

Senator BIRMINGHAM: Unless that number drops to 700 at some stage, it is not going to average out against 1,013.

Mr Comley: Mr Bowles is saying that there are two issues. Firstly, that number I gave you is the headcount not FTE. The numbers in the PBS are FTE—full-time equivalent. If, for example, we had half of our staff at half time then we would only have 75 per cent of the headcount number recorded as FTE. We do have a reasonable number of part-time staff and a number of these functions. Secondly, these are the numbers collected by the portfolio budget statement, but the clean energy future package did include some departmental funding for the department that comes, obviously, with associated FTE. So we would not be hitting precisely that FTE number average in the PBS because effectively additional funds were allocated to the department in that time.

Senator BIRMINGHAM: Is there a revision to that FTE average in the PBS?

Mr Comley: We would have to take that on notice.

Answer:

The revised FTE average for the Department as at November 2011 was 920.

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Outcome:	1	Question No:	50
Program:	1.1		
Division/Agency:	CSD		
Topic:	Portfolio Staffing		
Hansard Page EC:	ECA11		

Senator BIRMINGHAM: Within this program area, program 1.1, do you have an estimate for the growth of the headcount either since 30 June or during the course of this calendar year, whatever measures are going to be easiest for you to give us an indication?

Mr Comley: I would have to take it on notice.

Answer:

The Department does not prepare information on headcount at the program level.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	51
Program:	1.1		
Division/Agency:	ASCD		
Topic:	Climate Change Foundation Campaign - Grants		
Hansard Page EC:	ECA12-13		

Senator ABETZ: I will ask it now and they can take it on notice. The specific question is whether or not GetUp has applied for funding and, if so, whether or not it has been successful. And if you are able to provide to us on notice all those organisations that have been successful.

Senator WONG: This is under the grant program?

Senator ABETZ: Yes, foundation grants.

Mr Comley: I am just checking the brief now. I believe the answer to the question 'Have they received funding?' is no. The question on whether they applied is what we are just trying to check.

Senator ABETZ: It might be that they have been successful but as yet not received funding. You can take that on notice.

Mr Comley: We will take it on notice.

Answer:

GetUp has not applied to the Department for funding under the Climate Change Grant Program.

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Outcome:	1	Question No:	52
Program:	1.1		
Division/Agency:	LD		
Topic:	Camel Breeding		
Hansard Page EC:	ECA15		

Senator ABETZ: Minister, your continual interventions do not overcome the fact that you promised 'no carbon tax'. If I can ask the officials: so the camels have now got in another breeding season, one assumes, whilst all this consultation has been taking place?

Ms Thompson: I am not sure at what time of the year camel's breed. I would have to take that on notice.

Answer:

The breeding season for camels in Australia is from May to October. Pregnancy lasts about 13 months and a cow gives birth to a single young, which is weaned at about 18 months.

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Climate Change and Energy Efficiency Portfolio

Outcome: 1 **Question No:** 53
Program: 1.1
Division/Agency: RD
Topic: Regulatory Division
Hansard Page EC: Written

Senator Birmingham asked:

1. When was the Regulatory Division of DCCEE established?
2. What is its purpose?
3. How many staff have been employed within the Division each month since its establishment?
4. What have been the salary costs and total costs of the Division each month since its establishment?

Answer:

- 1-2. The Regulatory Division was established on 22 November 2010. Its purpose is primarily the implementation and administration of the *National Greenhouse and Energy Reporting Act 2007*.
- 3-4. The Regulatory Division's staffing numbers and salary and divisional costs for each month since its establishment are as follows:

	No of Staff	Salary Expenditure (\$)	Total Divisional Costs (\$)
Nov-10	55	596,319	633,788
Dec-10	56	551,497	550,045
Jan-11	55	376,009	397,331
Feb-11	55	469,939	476,676
Mar-11	55	572,888	586,009
Apr-11	58	502,497	519,859
May-11	62	579,777	638,306
Jun-11	68	667,627	1,500,834
Jul-11	74	675,499	800,377
Aug-11	87	783,264	1,154,150
Sep-11	104	1,086,754	982,798
Oct-11	120	1,107,424	1,673,857

**Senate Standing Committee on Environment, Communications and the Arts
Legislation Committee**

Budget Estimates 2010-2011, May 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	54
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Clean Energy Future Package Communications		
Hansard Page EC:	Written		

Senator Birmingham asked:

Please detail all expenditure planned or undertaken in 2010/11 and 2011/12 as part of the communication of the clean energy future package including recipients of grants, research undertaken, advertising, sponsorships, websites, call centres, etc.

Answer:

As of 17 October 2011, expenditure undertaken to communicate the clean energy future package to the Australian community included grant payments, research, advertising, sponsorships, the clean energy future website, and call centre costs.

Details of expenditure are provided below. All expenditure is reported as GST exclusive.

Clean Energy Future communication and campaign expenditure (GST exclusive)			
	2010/11	2011/12	Future Expenditure
Advertising Campaign	\$3,061,090.53	\$16,594,080.31	None Planned
Market Research	\$668,606.63	\$217,981.82	
Creative Development	\$2,331,786.43	\$147,690.81	
Pitch Fees	\$45,294.73	\$1,611.70	
Consultants	\$15,402.74	Nil	
Media Buy	Nil	\$16,208,614.16	
Legal Fees	Nil	\$18,181.82	
Direct Mail out	\$1,080,000	\$2,775,362.86	None Planned
Paper supply	\$1,080,000	Nil	
Production	Nil	\$1,293,835.71	
Distribution	Nil	\$1,481,527.15	
Discretionary Grants Program	\$284,970.91	\$359,455.00	\$1,220,000
Climate Change Grants Program	Nil	Nil	\$3,000,000
Clean Energy Future Website	\$836,651.40	\$187,696.60	\$540,000
Development	\$295,487.30	\$88,954.20	
Content	\$125,164.10	\$98,742.40	
Household Estimator	\$416,000.00	Nil	

Community Engagement Activities	\$184,198.57	\$672,699.20	\$2,222,300.00
National Schools Competition	\$35,000.86	Nil	
Australian Football League	\$80,000.00	Nil	
Contractors	\$5,670.77	Nil	
HRG	\$5,178.74	Nil	
Call Centre Services	Nil	\$572,134.20	
Media Analysis	\$26,975.00	\$100,535.00	
Climate Change Action Fund Public Notices	\$31,373.20	Nil	

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Outcome:	1	Question No:	55
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Clean Energy Future Package – Cost of Development		
Hansard Page EC:	Written		

Senator Birmingham asked:

What were the total costs involved in development of the clean energy package? Please include all research, reports, development of promotional materials, consultancies, etc.

Answer:

The Plan for a Clean Energy Future (the Plan) contains a number of different policies and programs which are designed to move Australia towards a clean energy future. These policies and programs have been designed and will be implemented across a number of Government departments. For the Department of Climate Change and Energy Efficiency (the Department), the provision of advice to Government leading to policies such as the Plan and developing supporting documentation come under the Department's Program 1.1 (Reducing Australia's Greenhouse Gas Emissions) and Program 1.2 (Improving Australia's Energy Efficiency). Given the advice that the Department provided to Government to develop the Plan was a core departmental function, no additional funds were allocated to the Department for this purpose.

As at 17 October 2011, the following costs apply:

Regarding consultancies, the total cost of consultancies commissioned by the Department between 1 September 2010 and 19 July 2011, in relation to the development of the Plan, is \$810,384.01 (GST inclusive).

Regarding the Clean Energy Future website, the total cost (including website development (including build and hosting), digital products (including video production, animations, cameos) and content) is \$608,871.83 (GST exclusive).

Regarding the development of promotional materials, the total cost (including printing of documents which form the Plan and printing of banners) is \$92,598.18 (GST exclusive).

The Department also ran an advertising campaign for the Plan. Details of expenditure on the advertising campaign are provided in the following Questions on Notice: 54, 89 and 194.

Any costs associated with modelling for the Plan undertaken by the Treasury are properly a matter for the Deputy Prime Minister and Treasurer, the Hon Wayne Swan MP.

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Outcome:	1	Question No:	56
Program:	1.1		
Division/Agency:	ASCD		
Topic:	Clean Energy Future Package – Cost of Communications		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. What communications initiatives are planned ahead of and during the implementation of the clean energy package?
2. What will the cost of such initiatives be?
3. Who will be targeted and by what means will they be targeted?

Answer:

No decisions have been taken on communications initiatives related to the implementation of the Clean Energy Future package. However, the Department is conscious there are many stakeholders, individuals and communities, with an interest in the Clean Energy Future package, and is currently considering how to best reach these audiences.

During the establishment of the Regulator, industries will be extensively consulted on business processes and products to ensure that their needs are met.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	57
Program:	1.1		
Division/Agency:	CSD		
Topic:	Clean Energy Regulator and the Climate Change Authority – Staffing and Budget		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. When the clean energy package is fully operational how many staff are expected to be employed in the DCCEE, the Clean Energy Regulator and the Climate Change Authority?
1. How many are expected to be employed at 1 July 2012?
2. What will the 2012-13 budget for each body be?

Answer:

1. In the period to July 2012, the Department will undergo significant changes in staffing levels due to the recent passing of the clean energy future legislation and some program closures. Therefore, forward estimates of staffing levels for the Department are currently unavailable. However, as at November 2011, the number of full-time equivalent employees was 920. In relation to the Clean Energy Regulator (CER) and Climate Change Authority (CCA), the following numbers of staff members are expected to be employed when the clean energy package is fully operational:
 - CER – about 350 (including board members)
 - CCA – 21 (including CEO) and nine board members (including chair)
2. Due to the recent passing of the clean energy future legislation and some program closures, forward estimates of staffing levels for the Department are currently unavailable. In relation to the CER and the CCA, the following staff are expected to be employed as at 1 July 2012:
 - CER – it is expected the CER will be approaching the expected workforce of about 350.

- CCA – between eight to 15 staff members (including the CEO) and nine board members (including chair).
3. The 2012-13 operational budgets for each body are expected to be:
- DCCEE – \$112.0 million. This budget is subject to a transfer of funding for the Carbon Farming Initiative and National Greenhouse and Energy Reporting to the CER on its commencement. At this time an amount has not been determined.
 - CER – the 2012-13 budget for the CER is outlined in Appendix C of *Securing a clean energy future, the Australian Governments climate change plan*, which can be found at: <http://www.cleanenergyfuture.gov.au/clean-energy-future/securing-a-clean-energy-future/>.
- This budget is subject to a transfer of funding for the Carbon Farming Initiative, Office of the Renewable Energy Regulator, and National Greenhouse and Energy Reporting from the Department on CER's commencement. At this time an amount has not been determined.
- CCA – \$6.4 million.

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Outcome:	1	Question No:	58
Program:	1.1		
Division/Agency:	CERI		
Topic:	Clean Energy Regulator Budget		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. Why does the forecast budget for the Clean Energy Regulator decrease over time?
2. How can costs decrease in the year leading up to the end of the fixed price period and implementation of the trading period?
3. Will the costs of administration be higher under the trading period?

Answer:

1. The forecast budget for the Clean Energy Regulator decreases over time, as project development costs and ICT build costs will reduce as the Regulator transitions to business as usual operations.
2. Clean Energy Regulator costs decrease in the year leading up to the end of the fixed price period and implementation of the trading period, because ICT platforms and systems will have largely been developed and built in the first two and a half years, including those systems underpinning the flexible price.
3. Please refer to Part 2.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	59
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Clean Energy Future Package – Liable Businesses		
Hansard Page EC:	Written		

Senator Birmingham asked:

How many businesses are estimated to face liabilities under the clean energy future plan in 2012-13, 2015-16, 2020-21 and 2050? How many premises will be covered in each of these years?

Answer:

The following assumes this question refers to liable entities under the carbon pricing mechanism of the Government's Clean Energy Future plan and that the reference to 'premises' is intended to refer to 'facilities'.

For 2012-13, the Department expects up to approximately 500 businesses and 600 facilities to be covered by the carbon price mechanism, based on information from the National Greenhouse and Energy Reporting system for 2008-09 and other sources.

It is not possible to provide a reliable estimate on the number of liable entities and facilities covered by the carbon pricing mechanism in 2015-16, 2020-21 and 2050. This will depend on actions taken by many individual businesses across the economy as they respond to the carbon price and a host of other factors that influence business decisions.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	60
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Coverage of Synthetic Gases		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. What is the funding described under Governance on page 131 of the ‘Securing a clean energy future plan’ as “Coverage of synthetic gases” intended for?
2. What activities will be funded?
3. What agency will administer this funding?
4. How many staff will be employed to administer the activities funded?
5. How much revenue is generated from this “Coverage of synthetic gases” over the forward estimates?
6. How many businesses pay this revenue?

Answer:

1. The funding is for the purpose of applying an equivalent carbon price to synthetic greenhouse gases, using the existing levy structure under Ozone Protection and Synthetic Greenhouse Gas Management legislation, and for the establishment and operation of a program for the destruction of synthetic greenhouse gases and ozone depleting substances. Of the \$60 million funding over the forward estimates, approximately \$7 million is attributable to applying the equivalent carbon price and approximately \$53 million to the program for destruction of synthetic greenhouse gases and ozone depleting substances, with most of the funding for the latter being for payment for the proven destruction of end-of-life synthetic greenhouse gases and ozone depleting substances.
2. The activities that will be funded are:
 - implementation and administration of the equivalent carbon price on synthetic greenhouse gases, including support for additional audit and compliance activities; and

- development and administration of a program for the destruction of waste ozone-depleting substances and synthetic greenhouse gases.
3. The Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC) will administer this funding.
 4. DSEWPaC has advised that it will employ an estimated 10 additional full time equivalent staff over the forward estimates period for work that arises as a result of applying the equivalent carbon price to synthetic greenhouse gases. DSEWPaC will also employ an estimated one additional full time staff equivalent from 2012-13, and one further additional full time staff equivalent from 2013-14, in relation to establishing and administering the program for the destruction of synthetic greenhouse gases and ozone depleting substances.
 5. The equivalent carbon price on synthetic greenhouse gases is estimated to generate \$630 million in revenue over the forward estimates.
 6. At this time, it is not possible to precisely estimate the number of businesses that will pay the equivalent carbon price on synthetic greenhouse gases. The number will depend on the number of businesses that apply for, and are granted, the relevant licences. Some of these businesses may be exempted from paying the equivalent carbon price in circumstances permitted by the legislation (which include medical, veterinary, health or safety purposes).

The number of businesses which may apply for these licences may differ from the number which hold licences under the current regime. This is due to a range of factors including changing industry dynamics, changes to licensing requirements as a result of legislative amendments in early 2011 and the introduction of the carbon price, and the effect on existing licence holders of the Government's ban on importing most types of equipment containing hydrochlorofluorocarbons.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	61
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Emissions Projections		
Hansard Page EC:	Written		

Senator Birmingham asked:

What will Australia's estimated domestic emissions be under the clean energy future plan in each year to 2020 (inclusive)?

Answer:

Treasury projected Australia's domestic emissions under the Clean Energy Future plan in each year to 2020 as part of the *Strong Growth, Low Pollution Report*. The data behind the modelling is available at: www.treasury.gov.au/carbonpricemodelling.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	62
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Internationally Sourced Abatement		
Hansard Page EC:	Written		

Senator Birmingham asked:

What volume of internationally sourced abatement will be purchased under the clean energy future plan in each year to 2020 (inclusive)? What is the value of this abatement?

Answer:

Projections of internationally sourced abatement are publicly available and can be found at:
www.treasury.gov.au/carbonpricemodelling/content/report.asp.

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Climate Change and Energy Efficiency Portfolio

Outcome: 1 **Question No:** 63
Program: 1.1
Division/Agency: CSMD
Topic: Estimated Real Carbon Price to 2020
Hansard Page EC: Written

Senator Birmingham asked:

What is the estimated real carbon price in 2010 dollars under the clean energy future plan in each year to 2020 (inclusive)? What is the estimate price in nominal terms in each year?

Answer:

Chart 5.1 of Treasury's *Strong Growth, Low Pollution Update* provides an estimate of the carbon price to 2020 in 2010 Australian dollars:

	2013	2014	2015	2016	2017	2018	2019	2020
Real carbon price (2010 \$, A\$/t CO ₂ -e)	21.00	21.50	22.10	24.60	25.60	26.80	28.00	29.40
Nominal carbon price	23.00	24.15	25.70					

An estimate of the nominal carbon price for each year could be derived using a forecast of inflation.

Further data is available at: www.treasury.gov.au/carbonpricemodelling.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	64
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Vivid Economics Report		
Hansard Page EC:	ECA21		

Senator BOSWELL: On 16 February, the minister states in a speech: Vivid Economics estimate that key economies such as the United States, the United Kingdom and China have effective carbon prices well in excess of Australia's. Why didn't you put a qualifier in that speech?

Dr Kennedy: Senator, the exchange that you are referring to is in the preparation of that report and the exchange between the department and Vivid Economics. If I understand the timing correctly, the minister is then speaking subsequently to the report being released after all those exchanges have taken place.

Senator BOSWELL: So you would stand by the fact that America and China have a more effective carbon price than Australia?

Mr Comley: Again, it is hard without a document in front of me. What you have just read out said that Vivid Economics estimates that that is the case.

Senator BOSWELL: That is right.

Mr Comley: And that is clearly the case. That is what Vivid Economics said.

Senator BOSWELL: But did you check with Vivid Economics? Surely you do not let your minister go out unprepared.

Mr Comley: We certainly would advise a minister if they are quoting from a source that we think does not have veracity. We have not come to the conclusion that the Vivid Economics report is not a well-founded report. There are some differences of view that you can have on the methodology. That is not surprising in an area like this. As I said, if you have the misfortune to dig deep enough into many of the things that get published in ABS publications, they are certainly doing the best they can but there are some complex methodological issues on a whole range of things. A classic example is the measurement of public service productivity. That does not mean that you cannot make statements, even though there is not 100 per cent consensus on a precise methodology.

Senator BOSWELL: The question I am asking is: did you check that speech? And did you qualify it?

Mr Comley: I would have to take on notice whether that particular speech was passed to the department for comments.

Answer:

On 14 February 2011, Minister Combet's Office provided the Department with a draft of the Minister's speech to the Australian Workers' Union national conference.

The Department provided comments to the Minister's Office on 15 February 2011.

The Department had previously advised the Minister that the methodology for comparing different policies is still developing and the carbon prices reported should be taken as indicative, as different methodological approaches would give rise to different carbon prices. The Department further advised that the broad conclusion that other countries are taking actions that give rise to implied carbon prices that are at least equivalent to, if not greater than, that currently applying to Australia's electricity sector, is valid.

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Outcome:	1	Question No:	65
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Vivid Economics Report		
Hansard Page EC:	ECA22		

Senator BOSWELL: In reply to my question the word 'indicative' was used. 'Indicative' means there is some qualification or doubt in that. We will not dwell on that; I will move to another question. Did the department provide any subsequent advice to the minister after 19 October 2010 in relation to the Vivid Economics report on carbon pricing?

Mr Comley: My recollection is that we had provided some information on the Vivid Economics report in that time frame but I do not have it in front of me.

Dr Kennedy: We would have to take the question on notice.

Senator BOSWELL: The head of the department says that you have.

Dr Kennedy: To answer the specifics, I mean. You are asking if we have provided a minute or particular advice—I presume that is your question. That is something I will have to check but, as the secretary said, we provide advice on a range of matters all the time.

Senator BOSWELL: No, he did not say that. He said he had provided advice on this Vivid Economics report—or he thought he had.

Dr Kennedy: What I said was that I would check if there was a specific minute prepared in that advice. But the secretary is right: advice would have been prepared on this type of matter on an ongoing basis.

Senator BOSWELL: Could I ask that advice to be made public.

Mr Comley: We will take that on notice.

Answer:

The Department provided advice to the Minister for Climate Change and Energy Efficiency on 25 March 2011 on concepts and methodologies associated with the Productivity Commission research report *Carbon Emissions Policies in Key Economies*.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	66
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Legal Advice on Repeal of Clean Energy Legislation		
Hansard Page EC:	ECA23		

Senator BOSWELL: In answer to a question on notice to the Senate Select Committee on the Scrutiny of New Taxes, question No. 10 of 16 September, you said the department received advice on 21 September 2011 on the effect of section 51(xxxi.) of the Constitution, relating to the acquisition of property on just terms or the repeal of legislation. Did that advice say that compensation would be required in the event of the repeal of the clean energy legislation?

Mr Comley: The Commonwealth does not typically disclose the nature of the legal advice it receives.

Senator BOSWELL: Are you refusing to table that advice?

Mr Comley: I do not think it is a matter for me, as a departmental official, to make a judgment about the release of legal advice. There are two issues here. One is within the bureaucracy, where the release of constitutional advice is a matter that would need to be consulted on with the Attorney-General's Department. The second matter is a general principle that the government does not release such legal advice, and I would certainly want to take advice from my minister.

CHAIR: This government or any government?

Mr Comley: It has been a longstanding practice that provision of legal advice, and in particular constitutional advice, is—

Senator BOSWELL: You will take that on notice and see?

Mr Comley: I would be happy to take it on notice.

Answer:

The Department received legal advice on this issue on 21 September 2011. The advice was requested on 16 September 2011.

The content of legal advice, including constitutional advice, is generally not disclosed as doing so may prejudice the Commonwealth's legal interests.

On this basis, the Department will not disclose the legal advice.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	67
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Renewable Energy Atlas		
Hansard Page EC:	Written		

Senator Fisher asked:

1. How much money was spent developing the Renewable Energy Atlas, which was announced by then Environment Minister Peter Garrett on 17 October 2008?
2. Why does the Climate Change and Energy Efficiency website no longer host the Renewable Energy Atlas?
3. When was it taken down?
4. Given the company listed as providing details of wind farm investment in Australia no longer provides such information, where can planners and investors go to find the information previously provided on the website?

Answer:

1. Work commenced on the Renewable Energy Atlas of Australia (REAA) in early 2007. The estimated total cost of the REAA is around \$590,000 over 2007-2009. This includes staff costs as well as data purchase costs.
2. The Department of Climate Change and Energy Efficiency (DCCEE) has not hosted the REAA. Instead, the DCCEE website included a link to the REAA on the Department of the Environment, Water, Heritage and the Arts website, and later the Department of Sustainability, Environment, Water, Population and Communities website.

The REAA was decommissioned in late 2010 and information is now available directly from other sources. Continuation of the REAA was not considered to represent value for money for the Government.

3. The REAA was decommissioned in late 2010.
4. The REAA did not provide details of wind farm investment in Australia. Rather, it provided data on wind speeds and wind directions. This information is now available directly from www.windlab.com.

For information on wind projects operating or under construction around Australia, interested parties could visit the website of the Clean Energy Council at www.cleanenergycouncil.org.au. Information on the construction of generators in the National Electricity Market is also available from www.aemo.com.au.

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Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	68
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Regulation Impact Statement		
Hansard Page EC:	ECA37		

Senator McKENZIE: In an answer to question on notice No. 7 of the scrutiny of new taxes committee on 16 September the department, in replying to the question on notice, stated that the department was advised by the Office of Best Practice Regulation that a regulation impact statement was not required for the matters set out in the government's announcement on 24 February 2011. When was that advice given to the department and what were the reasons for that decision?

Dr Kennedy: I will have to take on notice the exact date when that was provided to the department and the OBPR would provide you with the answer as to the reasons for the decision. But I can take both questions on notice and obtain that information from the OBPR. There would be a record of the decision.

Answer:

The Department apologises for an error in its earlier response to this question, provided to the Scrutiny of New Taxes Committee on 27 September 2011. The following corrects the earlier response:

The Office of Best Practice Regulation advised the Department that a Regulation Impact Statement was required for Cabinet's consideration of the matters covered in the Government's announcement of 24 February 2011, which related to an emissions trading scheme with broad coverage of sectors and gases and a fixed price start. The Office further advised that the Regulation Impact Statement prepared for the Carbon Pollution Reduction Scheme would be considered adequate, to the extent that it was relevant to those matters. This Regulation Impact Statement was published with the Carbon Pollution Reduction Scheme Bill 2010 and is available at:

www.austlii.edu.au/au/legis/cth/bill_em/cprsb2010350.txt/cgi-bin/download.cgi/download/au/legis/cth/bill_em/cprsb2010350_2.pdf.

A final Regulation Impact Statement for the Clean Energy Future was publicly released on 21 July 2011. It is available at:

<http://ris.finance.gov.au/files/2011/07/03-Clean-Energy-Future-RIS.pdf>

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Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	69
Program:	1.1		
Division/Agency:	LD		
Topic:	Ocean Carbon		
Hansard Page EC:	Written		

Senator Siewert asked:

1. Does the Department have funds allocated for developing Australia's policy position on how ocean carbon should be incorporated into domestic and international carbon accounts? If yes, please provide an update of that work including any reports or publications and timelines for implementation. If no, why not?
2. Does the Department have funds allocated to support existing Australian research into measuring and managing Australia's ocean carbon stores - particularly in seagrass & mangrove areas? If yes, please provide an update of that work including any reports or publications and timelines for implementation. If no, why not?

Answer:

The Department does not have designated funding for development of policy positions on domestic and international accounting for ocean carbon or to support research into measuring and managing Australia's ocean carbon stores – particularly in seagrass and mangrove areas.

The Department is aware that there is interest from research and scientific organisations and other stakeholders and is monitoring developments in this field. However, the current accounting rules for the United Nations Framework Convention on Climate Change and the Kyoto Protocol exclude the reporting of ocean carbon stores.

The Intergovernmental Panel on Climate Change has embarked on a process to develop accounting rules for wetlands including mangroves that is due to be finalised in 2013. If, in future, additional wetlands guidance were to be incorporated into the scope of national inventories, the Department is confident that existing capabilities would be sufficient to be able to monitor certain stores, such as mangroves. Other stores, such as seagrass, would require additional method development. The Department would reconsider its funding priorities if international guidance and rules develop in this area.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	70
Program:	1.1		
Division/Agency:	LD		
Topic:	Grants		
Hansard Page EC:	Written		

Senator Rhiannon asked:

1. What grants or other payments have been made to the National Association of Forest Industries (NAFI) and its successor, the Australia Forest Products Association (AFPA) in 2009, 2010 and 2011.
2. Under what program was each grant made.
3. What were the conditions or guidelines attached to each grant.

Answer:

The Department did not provide any grants or other payments to the National Association of Forest Industries or the Australia Forest Products Association in 2009, 2010 and 2011.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	71
Program:	1.1		
Division/Agency:	LD		
Topic:	Grants		
Hansard Page EC:	Written		

Senator Rhiannon asked:

1. What grants or other payments have been made in 2009, 2010 and 2011 to Forest and Wood Products Australia (FWPA), including for The Wood. Naturally Better.TM Partner Program, WoodSolutionsTM or Wood. Naturally Better.TM
2. What was the amount and purpose of each payment?
3. What conditions or guidelines were attached to each payment?

Answer:

No grants or other payments were, or have been, made in 2009, 2010 or 2011 to Forest and Wood Products Australia.

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Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	72
Program:	1.1		
Division/Agency:	LD		
Topic:	Greenhouse gas emissions and forestry		
Hansard Page EC:	Written		

Senator Rhiannon asked:

Greenhouse gas emissions and forestry:

1. Has the Government calculated the greenhouse gas emissions from native forest logging in Australia? If so, please provide breakdown figures for each State.
2. If not, why not? What are your plans to do so in the future?

Answer:

The emissions and removals due to forestry activities are estimated by the Department using data for forest types at the national scale for reporting under the UN Framework Convention on Climate Change. Currently, emissions and removals estimates cannot be disaggregated by jurisdiction. The Department's plan for improvements to the national inventory includes a plan to enhance the modelling capacity for forest management activities to support enhanced disaggregation of data in the future.

The methodology used by the Department to estimate emissions from harvested native forests is described in detail in Australia's National Inventory Report 2009 which can be found at: www.climatechange.gov.au/en/publications/greenhouse-acctg/national-inventory-report-2009.aspx

The net emissions from harvested native forests in Australia can be found in the Australian Greenhouse Emissions Information System at: <http://ageis.climatechange.gov.au/UNFCCC.aspx>.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	73
Program:	1.1		
Division/Agency:	LD		
Topic:	Regional Forestry Agreements		
Hansard Page EC:	Written		

Senator Rhiannon asked:

Regional Forestry Agreements (RFA):

Re: The Commonwealth Government tabled the Final Report on Progress with Implementation of NSW Regional Forest Agreements: Report of Independent Assessor

1. Given this review commenced in 2008, why wasn't climate change a serious consideration for RFAs during the preparation of this report?
2. Did your department make any suggestions or recommendations to DAFF about giving consideration to climate change impacts? If so, what was your advice?
3. What are your plans to pursue the consideration of climate change in RFAs both within your department and with DAFF in the future?
4. What are your plans to pursue the consideration of climate change impacts and forestry more broadly both within your department and with DAFF in the future?
5. How does your dept collaborate with DAFF on forestry and climate change issues?

Answer:

1. This question should be directed to the Department of Agriculture, Fisheries and Forestry which has portfolio responsibility for this matter.
2. In line with its portfolio responsibilities, the Department of Agriculture, Fisheries and Forestry led on the NSW Regional Forest Agreement (RFA) review and the development of a whole of government response. Officers in the Department of Climate Change and Energy Efficiency (DCCEE) were consulted as part of this process.
3. Each of the RFAs is a twenty year agreement. The process for extending the agreements will be determined by the Australian Government and the relevant state government as part of the third five-yearly review. The Government has committed to working with the state governments to improve arrangements for RFAs in a renewal process during 2011 and 2012. DCCEE will be involved in the whole of government work on the RFA renewal process.

4. - 5. DCCEE works closely with DAFF on an ongoing basis to develop and implement international and domestic policy related to climate change and forestry. Areas of close engagement include work on the international positions for the UNFCCC and Kyoto Protocol, international and domestic carbon accounting and the treatment of forestry in the Carbon Farming Initiative. DCCEE collaborates with DAFF at all levels, both through formal processes such as Interdepartmental Committees and informally through regular consultation and communication on issues of relevance.

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Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	181
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Carbon Price		
Hansard Page EC:	ECA40		

Senator BIRMINGHAM: The 500 companies—that of course is companies that the carbon price applies to, site basis and the threshold applies to sites—are you able to tell me how many sites there are?

Dr Kennedy: About 600 facilities is the number associated with the 500 businesses as an estimate. I will confirm that number for you.

Answer:

The Department confirms its expectation that up to approximately 600 facilities may be over thresholds to be covered by the carbon pricing mechanism. This estimate is based on information reported under the National Greenhouse and Energy Reporting System, and information from other sources.

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Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	199
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Carbon Permits		
Hansard Page EC:	Written		

Senator Birmingham asked:

How many carbon permits will be issued each year every year between now and 2021?

Answer:

The actual number of units issued between now and 2021 will depend on reported emissions in the fixed price years and the cap set by the Government in the flexible price years. Accurate estimates of the number of units will therefore depend on future decisions by liable parties and also by the Government when it sets the pollution caps.

However, estimates of the number of carbon units that will be issued can be derived from:

- the fiscal estimates provided on an accrual basis for the forward estimates period in the table on page 143 of the *Mid-Year Economic and Fiscal Outlook 2011-12*; and
- the carbon price in the years 2012-13, 2013-14, and 2014-15 (\$23.00, \$24.15 and \$25.40).

These two pieces of data show that the number of carbon units that will be issued are estimated to be: 334 million in 2012-13; 357 million in 2013-14 and 362 million in 2014-15.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	200
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Emissions Projections		
Hansard Page EC:	Written		

Senator Birmingham asked:

What proportion of all emissions expected to be covered between now and 2021 will be emissions from the electricity and stationary energy sector?

Answer:

The carbon pricing mechanism will have broad coverage of emission sources from commencement, encompassing: stationary energy; industrial processes; fugitive emissions (other than from decommissioned coal mines); and emissions from non-legacy waste. An equivalent carbon price will be applied through separate legislation to some business transport emissions, non-transport use of liquid and gaseous fuels, and synthetic gases. Agricultural and land sector emissions will not be covered.

Chart 5.9 of Treasury's *Strong Growth, Low Pollution Update* provides Australia's emissions under broad sectoral definitions for the Government policy scenario. In this scenario, emissions from electricity generation and stationary energy comprise 62 per cent of emissions from the sectors broadly covered by the carbon price from 2012-2021.

Further data is available at: www.treasury.gov.au/carbonpricemodelling/.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	201
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Carbon Permits		
Hansard Page EC:	Written		

Senator Birmingham asked:

How is it that the nominal cost of carbon permits will rise 1500 per cent between now and 2050, the real cost will rise 500 per cent between now and 2050, but electricity will only rise 15 per cent between now and 2050 (in measures attributable to the carbon tax)?

Answer:

Electricity prices and carbon prices will not necessarily increase at the same rate into the future. Price outcomes will depend on changes in the emissions intensity of the electricity generation sector, which will result from technology change and take-up of new technologies.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	215
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Clean Energy Regulator		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. What expanded powers will the Clean Energy Regulator have?
2. Has ORER proposed any changes as part of the claimed increased powers for the Clean Energy Regulator?

Answer:

1. The Clean Energy Regulator Bill 2011 sets up an independent Clean Energy Regulator to administer the carbon pricing mechanism. In the interests of administrative efficiency, the Clean Energy Regulator will also administer the National Greenhouse and Energy Reporting System, the Carbon Farming Initiative and the Renewable Energy Target.

The Clean Energy Regulator will exercise the powers that are currently exercised by the Renewable Energy Regulator. From 2 April 2011 (which is the day the Clean Energy Regulator will commence), those powers will allow the Clean Energy Regulator to refuse an application for registration, or to suspend registration under the *Renewable Energy (Electricity) Act 2000* (the REE Act), if satisfied that the person is not a fit and proper person.

In addition, the Clean Energy Regulator will deal with protected information it collects after commencement under the information disclosure provisions of the *Clean Energy Regulator Act 2011* (CER Act) on 2 April 2011, rather than those of the REE Act. The CER Act expands the circumstances of disclosure of this new information to include, for example:

- disclosure to bodies and persons to whom protected information collected prior to 2 April 2011 cannot be disclosed. These bodies include, inter alia, the Australian Competition and Consumer Commission and Australian Securities and Investments Commission, and also a state/territory government body prescribed by the regulations;

- disclosure for the purposes of the REE Act, or the performance of functions under the REE Act, and in the course of an official's employment or service with the Clean Energy Regulator; and
 - to reduce a threat to life or health.
2. The Renewable Energy Regulator has not asked for any changes to the powers of the Clean Energy Regulator beyond those now included in the REE Act and the CER Act.