

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry Portfolio
Additional Budget Estimates 2013-14
27 February 2014

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY

TOPIC: Regulatory Impact Statements

REFERENCE: Written Question – Senator David Bushby

QUESTION No.: AI-97

1. The annual Best Practice Regulation Reports for 2012-13 and 2011-12 show the Regulatory Impact Statement with respect to the following initiatives was not adequate:
 - Extending Energy Efficiency Opportunities Program to Major New Developments and Expansions Projects.
 - Extension of the Energy Efficiency Opportunities Program to Transmission and Distribution Networks and Major Greenfield and Expansion Projects.
- a. Can the Department outline what the circumstances were that led to an inadequate RIS being submitted?
- b. Can the Department advise if the legislation and regulation was developed under tight time pressures?
- c. If so, how did these pressures arise?
- d. Can the Department advise if there was hurried decision making or political pressures applying to these specific cases?
- e. Can the Department advise why the RIS were found to be inadequate?

ANSWER

In 2011 the Government announced the extension of the Energy Efficiency Opportunities (EEO) Program to transmission and distribution networks and major greenfield and expansion projects. However, this initial announcement was not preceded by a regulatory impact statement (RIS) as it was intended that this would be done subsequently. The former Department of Resources, Energy and Tourism contacted the Office of Best Practice Regulation (OBPR) and initiated the required RIS processes, however, because they were not undertaken prior to the announcement, these in-principle decisions were recorded as non-compliant in the 2011-12 Best Practice Regulation Report.

An implementation RIS was prepared for the extension of EEO to major new developments and expansion projects, and assessed as adequate by OBPR. The final decision to implement this package was subsequently announced by the former Minister for Resources and Energy on 19 June 2013. Although the implementation RIS was adequate, it did not negate the fact that the initial decision was made without a RIS, when one was required. This was reported in the 2012-13 Best Practice Regulation Report with an explanatory footnote - see page 13: https://ris.govspace.gov.au/files/2012/04/2012-13-master-table-austgovtstatus_201305311.pdf.

An implementation RIS was also prepared for the extension of EEO to transmission and distribution networks, and assessed as adequate by OBPR. The final decision (also announced by the former Minister for Resources and Energy on 19 June 2013) was that the decision to extend the EEO program to energy networks would not be implemented. OBPR therefore decided not to report that an adequate RIS was not provided for the initial announcement as the initial announcement was never implemented.