

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

Answers to questions on notice
Environment and Energy portfolio

Question No: 36
Hearing: Budget Estimates
Outcome: Corporate
Program: Legal
Topic: Cost Benefit Analyses
Hansard Page:
Question Date: 08 June 2017
Question Type: Written

Senator Roberts asked:

Have published cost-benefit-analyses (CBAs) accompanied climate related legislation and regulations?

Answer:

The following describes the approach to cost-benefit analysis for key climate policy decisions that have involved new, or amendments to existing, regulation and legislation since the introduction of the *Australian Government Guide to Regulation* in March 2014.

Renewable Energy (Electricity) Act 2000

- The Australian Government appointed an Expert Panel in 2014 to examine the operation and costs and benefits of the *Renewable Energy (Electricity) Act 2000* and related regulations, and the Renewable Energy Target scheme constituted by these instruments. However, the scope of the Expert Panel's work was broader than cost and benefits and as such did not undertake a formal cost-benefit analysis. The Report of the Expert Panel was released publicly on 28 August 2014.

Energy Efficiency Opportunities Act 2006

- On 15 May 2014, the then Minister for Industry and the Parliamentary Secretary to the Prime Minister announced the repeal of the Energy Efficiency Opportunities (EEO) program. The original EEO program required all entities with energy use of greater than 0.5 petajoules per year to: audit their energy use; identify opportunities to increase energy efficiency; and provide reports to the government and public. The program was later extended to electricity generators and new developments and expansion projects. The costs and benefits were examined as part of a broader analysis of the regulatory impact, and this analysis is publicly available.

National Greenhouse Energy Reporting Act 2007 and the National Greenhouse Energy Reporting (Measurement) Determination 2008

- The Department maintains continuous improvement of the National Greenhouse and Energy Reporting Scheme (NGERS), with routine amendments being released annually to enact improved and streamlined guidance in response to industry feedback, and for policy and technical changes such as supporting the Emissions Reduction Fund and ongoing international reporting obligations. Since the introduction of the *Australian Government Guide to Regulation* in March 2014, the Office of Best Practice Regulation (OBPR) have assessed these amendments are minor and not requiring the preparation of a Regulation Impact Statement (RIS).

Carbon Credits (Carbon Farming Initiative) Act 2011, Carbon Credits (Carbon Farming Initiative) Regulations 2011 and the Carbon Credits (Carbon Farming Initiative) Rule 2015.

- The Emissions Reduction Fund White Paper was released in April 2014 and the Department submitted this document to OBPR, certifying that it contained analysis consistent with a RIS. A CBA was not prepared.

National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015

- OBPR advised in 2015 that a standard form RIS was appropriate for the policy decision relating to the safeguard mechanism and associated amendments to the NGERS scheme as it is likely to have a measurable but contained impact on certain defined sectors of the economy. As such, a CBA was not required for this policy decision.

Building Energy Efficiency Disclosure (Disclosure Affected Buildings) Determination 2016

- From 1 July 2017, the threshold for mandatory disclosure of a building's energy efficiency when selling or leasing commercial office space was lowered from 2000 square metres to 1000 square metres. An analysis of costs and benefits was completed by ACIL Allen Consulting in their review of March 2015. This review is publicly available.

Ozone Protection and Synthetic Greenhouse Gas Management Legislation Amendment Bill 2017

- The cost benefit analysis of ozone depleting and synthetic greenhouse gas reduction policies was completed for the Department by Jacobs Australia Pty Ltd on 12 August 2015 and subsequently released on the Department's website.