



Board Meeting Summary Paper

Subject: National Greenhouse and Energy Reporting Scheme
Date: 19 October 2009

AUASB AGENDA ITEM NO. 13
Meeting Date: 26-27 October
2009

Action Required

For Information Purposes Only

Agenda Item Objectives

To provide an update on assurance matters arising from the activities of the Department of Climate Change (DCC) with respect to the National Greenhouse and Energy Reporting Scheme (NGERS) and the proposed Carbon Pollution Reduction Scheme (CPRS), including Emission-Intensive Trade-Exposed (EITE) assistance program and the Electricity Sector Adjustment Scheme (ESAS).

Background

The AUASB Technical Group has been advising the Department of Climate Change on the following aspects of the development of the regulatory framework for assurance under NGERS and CPRS, being:

1. National Greenhouse and Energy Reporting (Audit) Determination 2009 (NGER Determination) – a legislative instrument containing requirements for the conduct of audits and preparation of auditor's reports under NGERS. This will also underpin audits for the purposes of CPRS.
2. National Greenhouse and Energy Reporting Amendment Regulations (NGER Regulations) – primarily for the registration of auditors who may conduct audits under NGERS.
3. EITE activity assessments and EITE Regulations – assurance requirements for data submitted for the initial assessment of activities as EITE and development of activity definitions, as well as EITE regulations for the annual applications for assistance by way of free CPRS emissions units.
4. ESAS applications – assurance requirements for data submitted for annual ESAS assistance in meeting CPRS requirements.
5. CPRS amendments – assurance requirements for pre-submission audits of NGER reports submitted for CPRS.

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Matters to Consider

The Technical Group have had on-going discussions with the DCC on each of these matters:

1. NGER Determination – the DCC are working with the Office of Legislative Drafting Policy (OLDP) to make amendments to the draft NGER Determination to address some of the submissions received. The AUASB have ongoing communication with the DCC to press for consistency between the core concepts and terms used in the AUASB Standards and those used in the NGER requirements. The DCC plan to issue the final NGER Determination by year end.
2. NGER Regulations – although the AUASB made a submission on the draft NGER Regulations, the Technical Group did not have any significant concerns regarding these regulations as the draft regulations for registration of auditors were based broadly on the Registered Company Auditor scheme and also the AUASB does not issue standards on auditor registration. The DCC is in the process of addressing the submissions received and if necessary amending the draft regulations. The DCC plan to issue the final regulations by year end.
3. EITE – the AUASB has been advising the DCC on requirements for auditor’s reports on production data and projections to be presented in applications for EITE assistance under the CPRS. The approach taken by the DCC for EITE applications is consistent with the AUASB Standards.
4. ESAS – the AUASB has been invited by the DCC to comment on draft requirements for auditor’s reports on emissions and energy intensity data to be presented in applications for ESAS assistance under the CPRS.
5. CPRS – the AUASB has provided comments to the DCC on amendments to the draft CPRS legislation which provide requirements for pre-submission audits of NGER Reports and anticipates further consultation as drafting progresses. The existing Carbon Pollution Reduction Scheme legislative package comprising of 11 Bills, which failed to be passed by the Senate in August, is expected to be reintroduced before the end of the year.

Material Presented

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Notes

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