



# AUASB Board Meeting Summary Paper

---

**AGENDA ITEM NO.**           **8**

**Meeting Date:**               7 April 2014

**Subject:**                       Emissions Reduction Fund and Clean Energy Regulator Update

**Date Prepared:**               27 March 2014

---

**Action Required**

**For Information Purposes Only**

---

## Agenda Item Objectives

To provide the AUASB with an update on developments in relation to:

1. The proposed Emissions Reduction Fund (ERF), including the activities of the Department of Environment and to identify possible implications for the AUASB.
2. The National Greenhouse and Energy Reporting (NGER) and related schemes which the Clean Energy Regulator (CER) administers.

## Background

### *Policy*

The Department of Environment is responsible for policy development in relation to climate change and is responsible for developing the policy with respect to the government's proposed ERF and the legislation or regulation necessary to implement the scheme. The proposed ERF is intended to replace the CPM, which the government is seeking to repeal by 1 July 2014.

The Department of Environment issued an ERF green paper in December 2013, the submissions for which will be used to inform the Department's white paper which will set out the policy for the ERF, from which the legislation will be drafted. Legislation will need to be in place by 1 July for commencement of the scheme. The Department of Environment attended the February AUASB meeting to present on the ERF green paper and discuss the assurance implications of the ERF with the AUASB.

### *Regulation*

The CER is responsible for the regulation of schemes related to climate change, which currently include:

- Carbon pricing mechanism (CPM)
  - National Greenhouse and Energy Reporting Scheme (NGERS)
  - Jobs and Competitiveness program (JCP)
  - Renewable Energy Target (RET), including partial exemption certificate (PEC) relief
- 

*This document contains preliminary views and/or AUASB Technical Group recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.*

- Carbon Farming Initiative (CFI)

These schemes continue to operate at the present time, however all except NGERs may not operate after 1 July 2014 if they are repealed, in the case of CPM, JCP and RET schemes, or adapted, in the case CFI, to become part of the ERF.

### **Matters to Consider**

#### *Emissions Reduction Fund*

Following discussion with the Department of Environment at the February Board meeting, the AUASB made a submission to the Department of Environment on the ERF Green Paper – see Agenda Item 8.1. The policy decisions of the government following consideration of the submissions received are expected to be reflected in an ERF White Paper in the near future.

The AUASB Technical Group continues to liaise with the Department of Environment as they develop policy with respect to assurance under the proposed ERF.

#### *Clean Energy Regulator*

The CER continues its NGER audit program of CER initiated audits of NGER registered corporations and assessment of the assurance reports lodged under the CPM and other schemes. In addition, it has established a greenhouse and energy auditor inspection program to ensure that registrations are held only by auditors who maintain the necessary competency requirements under NGERs.

An AUASB Member and a member of the AUASB Technical Group both presented at the CER's NGER audit workshops in Sydney and Melbourne in March 2014.

The AUASB Technical Group will continue to liaise with the CER and the Department of Environment and monitor their activities, including release of the anticipated ERF White Paper, and co-ordinate the AUASB's response to that White Paper once issued.

### **Material Presented**

|                 |   |
|-----------------|---|
| Agenda Item 8   | AUASB Board Meeting Summary Paper   |
| Agenda Item 8.1 | AUASB submission on the ERF Green Paper (March 2014) [Confidential]               |
| Agenda Item 8.2 | Attachment to AUASB submission on the ERF Green Paper (March 2014) [Confidential] |

---