

## **CLEAN ENERGY LEGISLATIVE PACKAGE – SUMMARY OF LEGISLATION**

### **Clean Energy Bill 2011**

### **Carbon Pricing Mechanism**

Establishes a carbon price which is expected to apply to around 500 of the nation's biggest polluters with:

- rules for who is covered and what sources of carbon pollution are included;
- liable entities' obligation to surrender emissions units corresponding to their carbon pollution;
- caps on the amount of carbon pollution from 1 July 2015;
- carbon units issued as personal property;
- allocation of carbon units, including by auction and the issue of free units;
- mechanisms to contain costs, including the fixed charge period and price floors and ceilings;
- links to the Carbon Farming Initiative (CFI), by making carbon credits eligible for surrender;
- linking to other credible emissions trading schemes;
- assistance for emissions-intensive trade-exposed activities and coal-fired electricity generators; and
- monitoring, enforcement, appeal and review provisions.

### **Clean Energy Regulator Bill 2011**

### **Establishes Regulator**

Sets up the Clean Energy Regulator as a statutory authority that will administer the mechanism and enforce the law.

The responsibilities of the Regulator include:

- providing education on the mechanism and how it works;
- assessing emissions data to determine each entity's liability;
- operating the Registry;
- monitoring, facilitating and enforcing compliance with the mechanism;
- allocating units including freely allocated units, fixed price units and auctioned units;
- administering the National Greenhouse and Energy Reporting System (NGERS), the Renewable Energy Target and the CFI;
- accrediting auditors for the CFI and NGERS; and
- working with other national law enforcement and regulatory bodies, including ASIC, the ACCC, AUSTRAC, the Federal Police and the Director of Public Prosecutions.

### **Climate Change Authority Bill 2011**

### **Establishes Independent Review Body**

Sets up the Climate Change Authority, which will be an independent body that provides the Government expert advice on key aspects of the mechanism and the Government's climate change mitigation initiatives.

Establishes the Land Sector Carbon and Biodiversity Advisory Board.

### **Clean Energy (Consequential Amendments) Bill 2011**

### **Links mechanism, regulator and other functions**

Makes consequential amendments to ensure:

- NGERS supports the mechanism;
- the Australian National Registry of Emissions Units covers the mechanism and the CFI;
- the Regulator covers the mechanism, CFI, the Renewable Energy Target and NGERS;
- public accountability and financial management rules for the Regulator and Authority;
- that emissions units and their trading are covered by laws on financial services and regulated by ASIC;
- that activities related to emissions trading are covered by laws on money laundering and fraud;
- synthetic greenhouse gases are subject to an effective carbon price through existing synthetic greenhouse gas regulation of those substances;
- a refundable tax offset is provided for eligible conservation tillage equipment; and
- the taxation treatment of emissions units for the purposes of GST and income tax is clear.

<b>Clean Energy (Unit Shortfall Charge—General) Bill 2011</b>	<b>Procedural Bills</b>
<b>Clean Energy (Unit Issue Charge—General) Bill 2011</b>	
<b>Clean Energy (Charges—Excise) Bill 2011</b>	
<b>Clean Energy (International Unit Surrender Charge) Bill 2011.</b>	
<b>Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment Bill 2011</b>	
<b>Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment Bill 2011</b>	
<p>The elements of the mechanism which oblige a person to pay money are implemented through separate bills that comply with the requirements of section 55 of the <i>Constitution</i>.</p>	
<b>Excise Tariff Legislation Amendment (Clean Energy) Bill 2011</b>	<b>Fuel Tax Arrangements</b>
<b>Customs Tariff Amendment (Clean Energy) Bill 2011</b>	
<ul style="list-style-type: none"> <li>• Impose an effective carbon price on aviation and non-transport gaseous fuels through excise and customs tariffs.</li> </ul>	
<b>Fuel Tax Legislation Amendment (Clean Energy) Bill 2011</b>	
<ul style="list-style-type: none"> <li>• Reduce the business fuel tax credit entitlement of non-exempted industries for their use of liquid and gaseous transport fuels, in order to provide an effective carbon price on business through the fuel tax system.</li> </ul>	
<b>Clean Energy Amendment (Household Assistance) Bill 2011</b>	<b>Household Assistance</b>
<p>Implements the household assistance measures announced by the Government on 10 July 2011. This bill will amend relevant legislation to increase pensions and allowances, income support allowances and family payments and provide income tax cuts for lower and middle income households. There is no exposure draft of this bill.</p>	
<b>Clean Energy Finance Corporation (CEFC)</b>	<b>Clean Energy Institutions</b>
<b>Australian Renewable Energy Agency</b>	
<p>Legislation to establish these agencies will be introduced in 2012 following the consideration of advice from the Chair of the CEFC as to governance and investment mandate of the CEFC.</p>	
<b>Steel Transformation Plan</b>	<b>Steel Assistance</b>
<p>Legislation to establish the Government's Steel Transformation Plan will be introduced at the same time as the Clean Energy Legislation Package.</p>	
<b>Other funding measures</b>	<b>Programs</b>
<p>Other funding measures, including the Clean Technology Programs, coal sector assistance, household and community sector energy efficiency programs and land sector programs, will be implemented through the budget process.</p>	
<b>Implementing Regulations</b>	<b>Legislative instruments</b>
<p>Subordinate rules for the implementation of the plan and decision making by the Regulator. These include:</p>	
<ul style="list-style-type: none"> <li>• Pollution caps</li> <li>• Jobs and Competitiveness Program details</li> <li>• Application requirements for generator assistance</li> <li>• Procedural details</li> <li>• Auction rules</li> </ul>	