

# **Survey of Australian Legal Responses to Climate Change**

Working Paper

Environmental Defender's Office WA Inc

April 2008

*We gratefully acknowledge the support provided by our sponsor:*

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## **Introduction**

*EDO WA has conducted a survey of the Australian legal climate change initiatives. The purpose of the survey is to provide information for law reform suggestions on further climate change initiatives in WA and Federally. While the paper focuses on mandatory or legislated requirements, some voluntary initiatives have also been included where they are considered to be significant. The paper does not contain critical analysis of each or comment as to their deficiencies.*

*EDO WA has developed a companion paper surveying international legal responses and initiatives. A separate paper which will analyse some of these initiatives and provide law reform suggestions for the WA and Federal Government is also being developed.*

*As the climate change policy environment is changing very rapidly, this is a working paper that will be updated as necessary.*

## **1. Emissions reduction targets**

### **Federal**

The Federal Government is committed to a 60% reduction in greenhouse gas emissions by 2050.<sup>1</sup>

### **New South Wales**

In its NSW Greenhouse Plan 2005, the Government committed to a 60% reduction in greenhouse gas emissions by 2050, with an interim goal of 2000 emissions levels by 2025.<sup>2</sup>

### **South Australia**

#### ***Climate Change and Greenhouse Emissions Reduction Act 2007***

The Act entered into force on 3 July 2007. It sets a target to reduce greenhouse gas emissions within the state to 40% of 1990 levels by 2050 (i.e. a 60% reduction).<sup>3</sup>

### **Western Australia**

In May 2007 the Premier announced in a statement "Making Decisions for the Future: Climate Change" that a Climate Change Bill will be introduced into Parliament.<sup>4</sup> The Bill will set a target for reduction of greenhouse gas emissions to 60% below 2000 levels by 2050. It will also include a mandatory energy efficiency scheme for large electricity consumers, a Cleaner Energy Target of 50 per cent by 2010 for the South West Interconnected System (SWIS) to increase to 60 per cent by

<sup>1</sup> <http://www.alp.org.au/media/0607/tvitre080.php>, accessed March 3, 2008

<sup>2</sup> NSW Greenhouse Office, *NSW Greenhouse Plan* (2006)

[http://www.greenhouse.nsw.gov.au/data/assets/pdf\\_file/0016/2662/28-11\\_FINAL\\_NSW\\_GH\\_Plan\\_web.pdf](http://www.greenhouse.nsw.gov.au/data/assets/pdf_file/0016/2662/28-11_FINAL_NSW_GH_Plan_web.pdf), accessed March 3, 2007.

<sup>3</sup> s 3(1)(a)(i), [http://www.climatechange.sa.gov.au/news/news\\_4.htm](http://www.climatechange.sa.gov.au/news/news_4.htm), accessed December 18, 2007.

<sup>4</sup> <http://www.premier.wa.gov.au/docs/features/2007006ClimateChangeWEB.pdf>, accessed December 19, 2007.

2020. The Bill is also proposed to include a renewable energy target of 15 per cent by 2020 and 20 per cent by 2025 for the SWIS.

### **Queensland**

In April 2007, the Premier announced that Queensland will set a target for reduction of greenhouse gas emissions to 60% below 2000 levels by 2050.<sup>5</sup>

### **Australian Capital Territory**

The ACT Government has set itself the target of reducing Greenhouse gas emissions to their 1990 level by 2008, followed by a further 20% reduction by 2018.<sup>6</sup>

### **Northern Territory**

The Energy Smart Buildings Policy aims to achieve and maintain best practice energy management in NT Government buildings. The policy sets targets for the reduction of energy use for government department buildings, starting with a 1% reduction target for 2005/2006 and increasing to 10% in 2010/2011, compared to the baseline year of 2004/2005.<sup>7</sup>

## **2. Renewable energy targets**

### **Federal**

#### **Mandatory Renewable Energy Target (MRET)**

The MRET scheme commenced on 1 April 2001, pursuant to the *Renewable Energy (Electricity) Act 2000* and the *Renewable Energy (Electricity) Regulations 2001*.<sup>8</sup> The scheme currently places a legal liability on the wholesale purchasers of electricity to proportionately contribute towards the generation of an additional 9,5000 gigawatt hours (GWh) of renewable energy a year by 2010, and then to maintain those levels to 2020. Liable parties meet their obligations by surrendering Renewable Energy Certificates (RECs), which are created by renewable energy generators. If liable parties do not meet an annual REC requirement, they must pay a penalty.

The Renewable Energy Legislation Amendment (Renewable Power Percentage) Bill 2008 was introduced into parliament on 14 February 2008, by the Federal Government. The Bill expands the national renewable energy target incrementally from 2008 in line with the Government's election policy. It will require that at least 20% (approximately 60,000 GWh) of electricity is to be generated from renewable sources by 2020<sup>9</sup>.

<sup>5</sup> Queensland Government, ClimateSmart 2050 - Queensland Climate Change Strategy 2007: A Low Carbon Future [http://www.thepremier.qld.gov.au/library/pdf/climate/ClimateSmart\\_2050.pdf](http://www.thepremier.qld.gov.au/library/pdf/climate/ClimateSmart_2050.pdf), accessed March 3, 2008

<sup>6</sup> Office of the Commissioner for the Environment, *State of the Environment Report 2003* [http://www.environmentcommissioner.act.gov.au/\\_data/assets/pdf\\_file/0015/12147/greenhousecontributions03p.pdf](http://www.environmentcommissioner.act.gov.au/_data/assets/pdf_file/0015/12147/greenhousecontributions03p.pdf), accessed March 3, 2008.

<sup>7</sup> Environment Protection Agency, *The Northern Territory Strategy for Greenhouse Action (2006)* [http://www.nt.gov.au/nreta/environment/greenhouse/pdf/greenhouse\\_action.pdf](http://www.nt.gov.au/nreta/environment/greenhouse/pdf/greenhouse_action.pdf), accessed March 3, 2008

<sup>8</sup> <http://www.greenhouse.gov.au/markets/mret/>, accessed December 17, 2007.

<sup>9</sup> At the time of writing, thi Bill had been referred to the Senate Economics Committee. A report is due 30/05/08 ([http://parlinfoweb.aph.gov.au/piweb/view\\_document.aspx?ID=1409&TABLE=BILLSLST](http://parlinfoweb.aph.gov.au/piweb/view_document.aspx?ID=1409&TABLE=BILLSLST)).

The Office of the Renewable Energy Regulator oversees the implementation of the MRET.

## **New South Wales**

### **NSW Mandatory Renewable Energy Target (NRET)**

The Renewable Energy (NSW) Bill (2007) was introduced into Parliament on 27 June 2007, by the State Government.<sup>10</sup> The Bill proposes mandatory renewable energy targets for electricity consumed in NSW of 10 per cent by 2010 and 15 per cent by 2020, to be in force by 2008. If implemented, the Bill would create a renewable energy market based on tradable renewable energy certificates (RECs), which are created and sold by accredited persons who generate electricity using renewable energy sources. Certain persons who acquire electricity from the national electricity market for use in NSW or who generate electricity for their own use or for retail supply in NSW will be required to acquire and surrender a certain proportion of RECs each year, or pay a penalty.

### **Electricity Supply (General) Amendment (Renewable Energy Sources) Regulation 2006**

Effective 15 January 2007, this amends the Electricity Supply (General) Regulation 2001. The regulation<sup>11</sup> creates a condition on licences held by retail suppliers of electricity to residential premises. When dealing with potential customers (including existing customers entering into new contracts), suppliers must offer the equivalent of a minimum of 10 per cent of the electricity supplied will be obtained from accredited renewable energy sources. Suppliers are also required to be members of an approved renewable energy sources accreditation scheme.

## **Queensland**

### **10% Renewable and Low Emission Energy Target**

This was announced in ClimateSmart 2050, a policy document released in June 2007.<sup>12</sup> Electricity retailers will be required to source 6 per cent of their electricity sales from Queensland-based renewable or low-emissions generators by 2015 to avoid financial penalties. This will rise to 10 per cent for 2020 until 2030. The proposed renewable energy technologies include “clean coal” energy as well as renewable energy.

## **South Australia**

### ***Climate Change and Greenhouse Emissions Reduction Act 2007***

The Act entered into force on 3 July 2007. It sets targets for renewable energy to comprise at least 20% of electricity consumption and generation by 31 December 2014<sup>13</sup> The Act commits the

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<sup>10</sup> <http://www.deus.nsw.gov.au/energy/Renewable%20Energy/Renewable%20Energy.asp>, accessed December 17, 2007.

<sup>11</sup> As amended on 15 January 2007 by the Electricity Supply (General) Amendment (Renewable Energy Sources) Regulation 2006

<sup>12</sup> Available at [http://www.thepremier.qld.gov.au/library/pdf/climate/ClimateSmart\\_2050.pdf](http://www.thepremier.qld.gov.au/library/pdf/climate/ClimateSmart_2050.pdf), accessed March 3, 2008.

<sup>13</sup> ss3(1)(a)(ii)(A) and (B), [http://www.climatechange.sa.gov.au/news/news\\_4.htm](http://www.climatechange.sa.gov.au/news/news_4.htm), accessed December 18, 2007.

Government to work with business and the community to develop and put in place strategies and policies to reach the renewable energy targets<sup>14</sup>.

## **Victoria**

### **Victorian Renewable Energy Target (VRET)**

The VRET commenced operation on 1 January 2007, pursuant to the *Victorian Renewable Energy Act 2006*.<sup>15</sup> The Act sets targets for renewable energy generated from renewable sources, increasing to 10% (274GWh) by 2016. The scheme requires all electricity retailers and wholesale purchasers to surrender Victorian Renewable Energy Certificates (VRECs) in proportion to their acquisitions of electricity to avoid liability for penalties. Accredited renewable energy power stations and small generation unit owners are eligible to create VRECs under the scheme.

## **Western Australia**

### **Mandatory Renewable Energy Target (Western Australia) (WARET)**

The Electricity Industry (Western Australian Renewable Energy Targets) Amendment Bill 2005 is a private members bill, currently before Parliament.<sup>16</sup> It was passed by the Legislative Council on 26 October 2006 and had its second reading speech in the Assembly on 1 November 2006.

The Bill allocates certain conditions and licences in relation to renewable energy for holders of retail licences in the South West interconnected system (SWIS, providing electricity for Perth, Geraldton, Kalgoorlie and the South West).<sup>17</sup> The WARET establishes a renewable energy target that increases by approximately 1% per year reaching 8.3% by 2010 and 20% by 2020. It imposes a CPI adjusted penalty of \$40/MWh for non-compliance.<sup>18</sup>

The Premier's Action Statement has since been released (May 2007), committing only to a 15% renewable energy target.<sup>19</sup>

## **3. Emissions trading schemes**

### **New South Wales**

#### **Greenhouse Gas Reduction Scheme**

The NSW Greenhouse Gas Reduction Scheme (GGAS) commenced on 1 January 2003.<sup>20</sup> GGAS is implemented through the *Electricity Supply Amendment (Greenhouse Gas Emission Reduction) Act 2002* (inserting Part 8A into the *Electricity Supply Act 1995*), the *Electricity Supply Amendment*

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<sup>14</sup> See also Premier's News Release, dated 3 July 2007 at

[http://www.climatechange.sa.gov.au/PDFs/News%20Releases/climate\\_legislation.pdf](http://www.climatechange.sa.gov.au/PDFs/News%20Releases/climate_legislation.pdf), accessed 2 May 2008.

<sup>15</sup> <http://www.esc.vic.gov.au/public/VRET/>, accessed December 17, 2007.

<sup>16</sup> Electricity Industry (Western Australian Renewable Energy Targets) Amendment Bill 2005

<http://www.parliament.wa.gov.au/web/newwebparl.nsf/iframewebpages/Bills+-+Current>, accessed on 2 January 2008.

<sup>17</sup> *Electricity Industry (Western Australian Renewable Energy Targets) Amendment Bill 2005*, s14A.

<sup>18</sup> Paul Llewellyn MLC South West Region, "Towards 20% Renewable Energy by 2020"

<sup>19</sup> <http://www.premier.wa.gov.au/docs/features/2007006ClimateChangeWEB.pdf>, accessed March 3, 2008.

<sup>20</sup> <http://www.greenhousegas.nsw.gov.au/>, accessed December 17, 2007.

(*Greenhouse Gas Emission Reduction*) Regulation 2002 and the Greenhouse Gas Benchmark Rules.

GGAS sets annual greenhouse gas reduction targets for the state. Based on these, individual electricity retailers and certain other parties who buy or sell electricity in NSW ("benchmark participants") must meet mandatory benchmarks based on their market share or pay a penalty for any shortfall. Benchmark participants can reduce the average emissions intensity of the electricity they supply or use by purchasing tradable abatement certificates. These certificates can be issued for low-emission generation of electricity (including cogeneration), improvements in emission intensity of existing generation activities, activities that reduce consumption of electricity, and carbon sequestration in forests. Some large electricity customers can also claim credit for reducing on-site emissions of greenhouse gases from (non-electricity related) industrial processes at sites which they own and control. Benchmark participants can also purchase Renewable Energy Certificates (RECs) under the Commonwealth's Mandatory Renewable Energy Target (MRET).

The initial benchmark was set in 2003 at 8.65 tonnes of CO<sub>2</sub> or the equivalent per capita. This has been reduced progressively to 7.27 tonnes for 2007 to 2021.

The scheme is administered by the Independent Pricing and Regulatory Tribunal of NSW (IPART). IPART also monitors compliance, assesses abatement projects, accredits parties to undertake eligible projects, creates certificates and manages the Greenhouse Registry. The Registry records the registration and transfer of certificates created from abatement projects.

The *Electricity Supply Amendment (Greenhouse Gas Abatement Scheme) Act 2006* extends the operation of the scheme from 2012 to 2021 or until a national emissions trading scheme is established.

## **Australian Capital Territory**

### **Greenhouse Gas Abatement Scheme**

The Scheme was enacted by the *Electricity (Greenhouse Gas Emissions) Act 2004 (ACT)* and mirrors the NSW GGAS.<sup>21</sup> The Scheme commenced on 1 January 2005 and is legislated to run until 2012.

All ACT electricity retailers are required to procure an increasing component of their electricity from accredited clean or green sources. The Act sets annual benchmarks from which mandatory individual benchmarks are set for each retailer based on their market share. Retailers must surrender one certificate for each tonne of their benchmark at the end of calendar year to show that offset action has occurred. Certificates are created by actions that offset greenhouse gas emissions and can be traded on the market and between participants.

The benchmarks are set in tonnes of CO<sub>2</sub> or the equivalent per head of ACT population, moving from 7.96 tonnes in 2005 to 7.62 tonnes in 2006 and 7.27 tonnes from 2007 to 2012. The ACT is currently looking at extending the scheme until 2020 in line with new legislation in NSW.

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<sup>21</sup> <http://www.icrc.act.gov.au/actgreenhousegasabatementscheme>, accessed December 17, 2007.

The Scheme is regulated by the Independent Competition and Regulatory Commission (ICRC) with administrative and computerised registry services from the NSW IPART.

## 4. Carbon and energy taxes

There are currently no carbon or energy taxes in any Australian jurisdiction.

## 5. Mandatory greenhouse gas reduction

### Victoria

#### **Victorian Energy Efficiency Target (VEET)**

Pursuant to the *Victorian Energy Efficiency Target Act 2007*, the VEET scheme will commence operation in 2009.<sup>22</sup> The Act sets a target for energy savings which large electricity and gas retailers in Victoria are responsible for meeting. Retailers are allocated individual targets which they must meet through energy efficiency activities, such as providing households with free or subsidised energy saving products and services. Eligible energy-saving activities will be awarded certificates equivalent to the value of the reduction of greenhouse gases. Retailers will need to surrender a specific amount of certificates to meet their targets.

The initial target is to reduce greenhouse gas emissions by 2.7 million tonnes per annum. This will apply from 2009 to 2011.

### South Australia

#### ***Climate Change and Greenhouse Emissions Reduction Act 2007***

The Act commenced on 3 July 2007. It sets a target for South Australia to reduce by 31 December 2050 its greenhouse gas emissions by at least 60% to an amount that is equal to or less than 40% of 1990 levels, and empowers the Minister for Climate Change and Sustainability to set sector based targets and interim targets.<sup>23</sup>

### Western Australia

#### ***Electricity Industry Act 2004***

Schedule 1 of the *Electricity Industry Act 2004* provides that a condition requiring the licensee to prepare and implement strategies for the management of greenhouse gas emissions can be imposed on a generation licence or integrated regional licence.

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<sup>22</sup> [http://www.esc.vic.gov.au/public/Energy/Victorian+energy+efficiency+target+\(VEET\)+scheme.htm](http://www.esc.vic.gov.au/public/Energy/Victorian+energy+efficiency+target+(VEET)+scheme.htm), accessed December 17, 2007.

<sup>23</sup> ss 5(1) and 5(3)

## 6. Emission reporting schemes

### Federal

#### ***National Greenhouse and Energy Reporting Act 2007***

The Act requires certain companies to report annually their greenhouse gas emissions.<sup>24</sup> From 1 July 2008, this will cover companies if, in one financial year:

- Their corporate group emits 125kt or more of carbon dioxide or the equivalent (CO<sub>2</sub>-e);
- Their corporate group produces or consumes 500TJ or more of energy;
- One or more of their facilities emits 25kt or more of CO<sub>2</sub>-e; or
- One or more of their facilities produces or consumes 100TJ or more of energy.

Lower group thresholds will be phased in by 2010-11, requiring companies that emit 50kT or more of CO<sub>2</sub>-e or use or consume 200 TJ or more of energy to report under the Act.

Companies that meet or exceed these thresholds are required to register with the National Greenhouse and Energy Register and report to Greenhouse and Energy Data Officer who will publish this data.

Penalties for not reporting will apply to companies and to a CEO if he/she 'knew that, or was reckless or negligent as to whether, the contravention would occur'.<sup>25</sup>

#### **Greenhouse Challenge Plus Program**

Under the Greenhouse Challenge Plus Program companies may voluntarily report their yearly emissions and mitigation plans to the Commonwealth Government.

From 1 July 2006, Part 3 of the Fuel Tax Act 2006 requires that a business must be a member of the Greenhouse Challenge Plus Program in order to receive more than \$3 million in fuel tax credits in a financial year.<sup>26</sup>

### South Australia

#### ***Statutes Amendment (Electricity and Gas) Act 2004***

This Act amended the *Gas Act 1997*, the *Electricity Act 1996* and the *Electricity Regulations 1997*. Section 26A(2) of the *Gas Act* and s 24(2) of the *Electricity Act* now require gas and electricity providers to inform their customers about the amount of greenhouse gas emissions associated with the customer's consumption.

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<sup>24</sup> <http://www.greenhouse.gov.au/reporting/index.html>, accessed December 18, 2007.

<sup>25</sup> s 471(b)

<sup>26</sup> s 45-5 of the *Fuel Tax Act 2006* (Cth).

## 7. Energy efficiency schemes

### Federal

#### ***Energy Efficiency Opportunities Act 2006***

The Act entered into force on 1 July 2006 and was amended in March 2007. It requires businesses with high energy usage to publish assessments of their current energy use and potential for improving their efficiency every 5 years.

The *Energy Efficiency Opportunities Regulations 2006* provide detailed requirements for assessment, reporting, verification and other elements of the program.

#### ***Minimum Energy Performance Standards (MEPS) Regulations***

The Regulations specify general requirements for MEPS for appliances, including offences and penalties if a party does not comply with the requirements.<sup>27</sup>

MEPS programs are mandatory in Australian jurisdictions by state government legislation which gives force to the relevant Australian Standards. Technical requirements for MEPS are set out in the relevant appliance standard, which is referenced in state regulations.

MEPS standards are mandatory for the following products manufactured in or imported into Australia:

- refrigerators and freezers;
- mains pressure electric storage water heaters;
- three phase electric motors (0.73kW to <185kW);
- single phase air conditioners and three phase air conditioners up to 65kW cooling capacity;
- ballasts for linear fluorescent lamps;
- linear fluorescent lamps - from 550mm to 1500mm inclusive with a nominal lamp power >16W, distribution transformers - 11kV and 22kV with a rating from 10kA to 2.5MVA; and
- commercial refrigeration (self contained and remote systems).

Australia and New Zealand work together to keep MEPS levels the same; most standards are joint.

#### **Australian Building Greenhouse Rating (ABGR)**

The ABGR is a voluntary federal initiative to assist building owners, managers and tenants to benchmark their greenhouse performance. The scheme is administered nationally by the New South Wales Department of Environment and Climate Change and also locally by state greenhouse agencies. The ABGR scheme rates buildings from one to five stars, with five stars representing exceptional greenhouse performance. Only an Accredited Assessor to the ABGR scheme is able to provide an accredited rating, and does this by applying a strict Validation

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<sup>27</sup> <http://www.energyrating.gov.au/meps1.html>, accessed December 18, 2007.

Protocol to the building data to ensure that offices around the country are rated consistently and fairly.<sup>28</sup>

## **New South Wales**

### **BASIX – Building Sustainability Index**

BASIX was introduced as amendments to the *Environmental Planning and Assessment Regulation 2000*, made pursuant to the *Environmental Planning and Assessment Act 1979*.

It sets energy and water reduction targets for residential dwellings. Designers of new dwellings, alterations and additions must enter information onto an online assessment program which produces a certificate if these targets are met. BASIX commenced operation in 2004 and has been progressively amended to increase coverage and the targets set. Currently, BASIX requires a 40% reduction in greenhouse gas emissions.<sup>29</sup> It applies to all residential construction with an estimated cost of \$50,000 or more, and where development approval is required.

### ***Energy and Utilities Administration Regulation 2006***

This requires certain electrical equipment to be registered and labelled with an energy efficiency label, including:

- single phase air conditioners and single phase heat pumps (excluding ducted air conditioners and heat pumps);
- clothes washing machines;
- dishwashers;
- refrigerating appliances; and
- rotary clothes dryers.

## **Queensland**

### **Smart Energy Savings Program**

Medium and large energy users will be required to conduct efficiency audits and implement savings measures that have a 3 year or less payback period, that is, money invested will be paid back through returns, profit or savings within 3 years. An Energy Saving Fund will be available to subsidise efficiency savings measures for small and medium scale users.<sup>30</sup>

### **Efficiency Standards for Commercial Buildings**

From 2010, new commercial buildings will be required to conform to a four star energy efficiency rating under Australian Building Greenhouse Rating Scheme.<sup>31</sup>

### **Phase Out of Electric Hot Water Systems**

From 1 March 2006, non-electric hot water systems were required in all new homes. From 2010, electric hot water systems will be phased out in existing homes. As electric systems expire they will

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<sup>28</sup> About ABGR, [http://www.abgr.com.au/About\\_ABGR/](http://www.abgr.com.au/About_ABGR/), accessed April 2, 2008.

<sup>29</sup> BASIX, *Benchmarking BASIX* (April 2006) [http://www.basix.nsw.gov.au/docs/Benchmarking\\_BASIX.pdf](http://www.basix.nsw.gov.au/docs/Benchmarking_BASIX.pdf), accessed April 2, 2008.

<sup>30</sup> Department of Mines and Energy, *ClimateSmart 2050*,

[http://www.thepremier.qld.gov.au/library/pdf/climate/ClimateSmart\\_2050.pdf](http://www.thepremier.qld.gov.au/library/pdf/climate/ClimateSmart_2050.pdf), p 11, accessed April 2, 2008.

<sup>31</sup> Id, p 18

have to be replaced with gas or solar systems, unless the area has no gas connection. Rebates are available for converting to gas.<sup>32</sup>

## **South Australia**

### **Building Standards**

Since 2006, requirements for energy efficient construction include:<sup>33</sup>

- New housing, alterations and additions must meet the Building Code of Australia (BCA) 5-star efficiency rating requirements.
- Water heating must be solar, heat pump or gas with a 2.5 star rating.
- Commercial buildings must meet energy efficiency requirements regarding building fabric, external glazing, building sealing, air-conditioning and ventilation, lighting and power, and access for maintenance.

## **Victoria**

### **Victorian Energy Efficiency Target (VEET)**

Pursuant to the *Victorian Energy Efficiency Target Act 2007*, the VEET scheme will commence operation in 2009.<sup>34</sup> The Act sets a target for energy savings which large electricity and gas retailers in Victoria are responsible for meeting. Retailers are allocated individual targets which they must meet through energy efficiency activities, such as providing households with free or subsidised energy saving products and services. Eligible energy-saving activities will be awarded certificates, equivalent to a value of greenhouse gas reduction. Retailers will need to surrender a specific amount of certificates to meet their targets.

The initial target is to reduce greenhouse gas emissions by 2.7 million tonnes per annum. This will apply from 2009 to 2011.

### **Adoption of Building Code of Australia's 5 Star Efficiency Standard**

This standard was adopted in 2006, and in addition homes are required to have either a rain water tank or a solar hot water heater.<sup>35</sup>

## **Western Australia**

### **New Energy and Water Efficiency Standards for Homes**

From 1 September 2007, construction of new homes will have to comply with the new Energy Use in Houses Code and the Water Use in Houses Code, called the "5 star plus" building standards.<sup>36</sup>

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<sup>32</sup> Ibid.

<sup>33</sup> <http://www.planning.sa.gov.au/go/building/sustainability-and-efficiency>, accessed December 17, 2007.

<sup>34</sup> [http://www.esc.vic.gov.au/public/Energy/Victorian+energy+efficiency+target+\(VEET\)+scheme.htm](http://www.esc.vic.gov.au/public/Energy/Victorian+energy+efficiency+target+(VEET)+scheme.htm), accessed December 17, 2007.

<sup>35</sup>

[http://www.dpc.vic.gov.au/domino/Web\\_Notes/newmedia.nsf/955cbeae7df9460dca256c8c00152d2b/e2b6540129bfc781ca257004001c39ea!OpenDocument](http://www.dpc.vic.gov.au/domino/Web_Notes/newmedia.nsf/955cbeae7df9460dca256c8c00152d2b/e2b6540129bfc781ca257004001c39ea!OpenDocument), accessed April 2, 2008.

<sup>36</sup> [http://www.5starplus.wa.gov.au/home\\_owners](http://www.5starplus.wa.gov.au/home_owners), accessed April 2, 2008; *Premier's Action Statement*, p. 16.

Households will be required to have solar or gas hot water systems, water efficient fittings and pool blankets.

## 8. Transport, vehicle and fuel schemes

### Federal

#### **Cleaner Fuel Grants Scheme**

The Cleaner Fuels Grants Scheme is established under the *Energy Grants (Cleaner Fuels) Scheme Act 2004* and provides for the payment of a grant to producers and importers of eligible cleaner fuels (currently bio-diesel, ultra-low sulphur premium unleaded petrol (PULP) and ultra-low sulphur diesel (ULSD)).<sup>37</sup> The excise is currently 1.1 c/L for PULP and 1.0 c/L for ULSD. For biodiesel, the grant will offset the excise/ customs duty payable until 20 June 2011. The grant will then be phased out by 30 June 2015.

### New South Wales

#### ***Biofuel (Ethanol Content) Act 2007***

The Act requires primary wholesalers of petrol to ensure that ethanol constitutes at least 2 percent of their total petrol sales in NSW.

#### ***Passenger Transport Act 1990***

Section 28C of the Act provides that regular bus service operators must observe performance standards set in their service contract. These standards are to include greenhouse emissions standards developed by the Director-General following consultation with the NSW Greenhouse Office in the Cabinet Office.

## 9. Carbon geosequestration

### Federal

The Commonwealth Department of Resources, Energy and Tourism (formerly Tourism Industry and Resources) is developing legislation to regulate the injection and storage of greenhouse gases in offshore Commonwealth waters.<sup>38</sup>

<sup>37</sup> <http://www.ato.gov.au/businesses/content.asp?doc=/content/00128216.htm&page=1&H1>, accessed April 2, 2008.

<sup>38</sup> <http://www.aar.com.au/pubs/cc/foccnov07.htm?email=true>, accessed December 18, 2007.

## 10. Promotion of alternative energy sources

### Queensland

#### **Queensland 13% Gas Policy**

The scheme began on 1 January 2005, pursuant to Chapter 5A of the *Electricity Act 1994*. It requires electricity retailers to source at least 13% of their electricity from gas-fired generation. Eligible fuels are:

- Natural gas;
- Coal seam gas (including waste coal mine gas);
- Liquefied petroleum gas; and
- Waste gases associated with conventional petroleum refining.

The scheme is based on tradable gas electricity certificates (GECs), which represent one megawatt hour (MWh) of eligible gas-fired electricity. Retailers who do not produce sufficient GECs to meet their 13% target are liable for a shortfall penalty of \$11 per GEC.

Queensland's ClimateSmart policy announced that the target will be increased to 18% by 2020.<sup>39</sup>

### South Australia

#### ***Electricity (Feed-In Scheme – Residential Solar Systems) Act 2007***

The *Electricity (Feed-In Scheme – Residential Solar Systems) Act* was passed by the Queensland parliament on 14 February 2008, and is expected to come into force on 1 July 2008.<sup>40</sup> The Act amends the *Electricity Act 1996* to encourage residential solar photovoltaic installations. Domestic operators of small-scale, grid-connected photovoltaic electricity systems will receive 44 cents per kilowatt-hour of electricity fed back into the grid (double the standard retail price).

### Victoria

#### ***Energy Legislation Amendment Act 2007***

Commencing on 14 August 2007, this amends the *Electricity Industry Act 2000* by inserting a new division: 'Terms and conditions for the purchase of small renewable energy generation electricity'. With the aim of promoting generation of energy from small, renewable sources, this division regulates the price paid to generators of renewable energy with a capacity of less than 100kW.

### Western Australia

#### ***Electricity Industry Act 2004***

Section 122 of the *Electricity Industry Act 2004* provides that regulations are to be made for the purpose of establishing a wholesale electricity market in the South West Interconnected System,

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<sup>39</sup> Department of Mines and Energy, *ClimateSmart 2050*,

[http://www.thepremier.qld.gov.au/library/pdf/climate/ClimateSmart\\_2050.pdf](http://www.thepremier.qld.gov.au/library/pdf/climate/ClimateSmart_2050.pdf), p 9, accessed April 2, 2008

<sup>40</sup> [http://www.climatechange.sa.gov.au/news/news\\_5.htm](http://www.climatechange.sa.gov.au/news/news_5.htm), accessed December 18, 2007.

and an objective of the market is to avoid discrimination against sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions.

## **11. Carbon rights and vegetation management**

### **New South Wales**

#### ***Carbon Rights Legislation Amendment Act 1998***

This Act amends the *Conveyancing Act 1916* to recognise and define carbon rights associated with carbon sequestered by trees and forests from the atmosphere. It also amends the *Forestry Act 1916* to enable the Forestry Commission to acquire and trade in such rights as well as to procure land and manage it for investors in such rights.

#### ***Crown Lands Legislation Amendment (Carbon Sequestration) Act 2006***

This Act amends the *Crown Lands Act 1989* and the *Western Lands Act 1901* to permit the grant of carbon sequestration and related forestry rights in respect of Crown land.

#### ***Energy Services Corporations Act 1995***

This Act provides that an electricity generator or distributor may acquire, hold, sell or otherwise deal with or trade in carbon sequestration rights.

#### ***Native Vegetation Act 2003***

This Act prohibits broad scale land clearing unless it maintains or improves environmental outcomes.

### **Queensland**

#### ***Vegetation Management Act 1999***

This Act regulates land clearing in Queensland, with the reduction of greenhouse gas emissions as an explicit objective.<sup>41</sup> Broadscale clearing of remnant vegetation was phased out on 31 December 2006.

### **Western Australia**

#### ***Carbon Rights Act 2003***

The Act provides for the creation of interests in the carbon sequestration potential of an area of vegetation, separate from the ownership of the land itself and from any plantation rights. Carbon rights encompass the right to the benefits and risks arising from carbon sequestration and release on a specified parcel of land.

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<sup>41</sup> Part 1(3)(1)(g).

***Tree Plantation Act 2003***

The Act creates property rights in tree plantations, separate from ownership of the land itself and from any carbon rights which may exist on the land.

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