

## ACT Greenhouse Gas Abatement Scheme: Penalties, 2005 to 2012

Section 16 of the ACT's *Electricity (Greenhouse Gas Emissions) Act 2004* (the Act) specifies that the penalty is the amount prescribed by regulation adjusted in accordance with the regulations and may be adjusted in accordance with movements in the All Groups Consumer Price Index (CPI) for Canberra issued by the Australian Statistician. In November 2007, s. 16(6) of the Act (the section dealing with greenhouse penalties) was amended to change the definition of the Consumer Price Index (CPI) to use the figures relevant to Canberra rather than Sydney.

Division 2.2 of the *Electricity (Greenhouse Gas Emissions) Regulation 2004* (the Regulation) prescribes details of the greenhouse penalty. Section 12 of the Regulation sets the starting penalty at \$10.50 per tonne of carbon dioxide equivalent of greenhouse shortfall (t CO<sub>2</sub>-e) with the provision that this is to be adjusted on 1 July 2005 and annually thereafter.

Section 13 of the Regulation sets out a formula for adjustment of the penalty in line with the CPI as follows:

### **13 CPI adjustment to greenhouse penalty—Act, s. 16(3)**

- (1) The amount of the greenhouse penalty is to be adjusted on 1 July each year, beginning 1 July 2005, by the following formula and rounded to the nearest half dollar:

$$\text{greenhouse penalty for the previous year} \times \frac{A}{B}$$

- (2) In this section:

**A** means the sum of the CPI numbers for each quarter of the year previous to the year beginning on 1 July when the adjustment is to be made.

**B** means the sum of the CPI numbers for each quarter of the year 2 years previous to the year beginning on 1 July when the adjustment is to be made.

A penalty adjustment series from commencement of the legislation in 2004 to 2012 is set out in the table below.

## ACT Greenhouse Gas Abatement Scheme—Greenhouse Penalties (by year)

Indexation Year	Starting Penalty (\$ / per t CO <sub>2</sub> -e)	A <sup>1</sup>	B <sup>2</sup>	CPI Indexation Factor (A/B as of 1 July)	Adjusted Penalty (\$ / per t CO <sub>2</sub> -e)	Adjusted Penalty (rounded to nearest half dollar) (\$ / per t CO <sub>2</sub> -e)	Compliance Year
2004 <sup>3</sup>	10.50	n/a	n/a	n/a	n/a	n/a	n/a
2004-05	10.50	586.6	573.5	1.023	10.74	10.50	2005
2005-06	10.50	607.7	586.6	1.036	10.90	11.00	2006
2006-07	11.00	625.5	607.7	1.029	11.32	11.50	2007
2007-08	11.50	648.0	625.5	1.036	11.91	12.00	2008
2008-09	12.00	670.1	648.0	1.034	12.41	12.50	2009
2009-10	12.50	684.5	670.1	1.021	12.77	13.00	2010
2010-11	13.00	703.1	684.5	1.027	13.35	13.50	2011
2011-12	13.50	720.8	703.1	1.025 <sup>4</sup>	13.84	14.00	2012

### Notes:

<sup>1</sup>the sum of the CPI numbers for each quarter of the year previous to the year beginning on 1 July when the adjustment is to be made

<sup>2</sup>the sum of the CPI numbers for each quarter of the year 2 years previous to the year beginning on 1 July when the adjustment is to be made

<sup>3</sup>Section 12 of the *Electricity (Greenhouse Gas Emissions) Regulation 2004* sets the starting penalty at \$10.50 per tonne of carbon dioxide equivalent of greenhouse shortfall (t CO<sub>2</sub>-e)

<sup>4</sup>as of 1 July 2012