



Australian Government

Australian Government response to the
Environment and Communications References
Committee report:

Retirement of coal fired power stations – Final report

MAY 2024

Response

Recommendation 1

The committee recommends that the Australian Government adopt a comprehensive energy transition plan, including reform of the National Electricity Market rules.

Response

NOTED

The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 2

The committee recommends that the Australian Government, in consultation with industry, community, union and other stakeholders, develop a mechanism for the orderly retirement of coal fired power stations to be presented to the COAG Energy Council.

Response

NOTED

The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 3

The committee recommends that the Australian Government, through representation on the COAG Energy Council, put in place a pollution reduction objective consistent with Australia's obligations under the Paris Agreement in the National Electricity Objectives.

Response

NOTED

The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 4

The committee recommends that the Australian Government establish an energy transition authority with sufficient powers and resources to plan and coordinate the transition in the energy sector, including a Just Transition for workers and communities.

Response

NOTED

The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 5

The committee recommends:

- That the Australian Government commission a comprehensive and independent assessment of the health impacts of coal fired power stations.
- That the Australian Government develop a load-based licencing arrangement for coal fired power stations for adoption at COAG based on the New South Wales Load-Based Licencing scheme, with fees that reflect the health impacts and other externalities of power station emissions.
- That the Australian Government take additional measures to ensure compliance with the standards set in the National Environmental Protection (Air Quality) Measure and - in the case of sulphur dioxide and nitrogen dioxide - international best practice standards. In regions where these standards are exceeded such as the Hunter and Latrobe Valleys, coal fired power stations must be compelled to reduce emissions to levels below the NEPM standards.
- That the Australian Government ensure a more rigorous assessment of power station emissions through an independent audit of reports provided through the National Pollutant Inventory.

Response

NOTED

The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 6

- a. The committee recommends that the Commonwealth and state energy ministers should undertake a national audit of likely rehabilitation costs for existing coal mines and power stations and assess these costs against the current provisions or bond arrangements.
- b. The committee recommends that the Commonwealth and state energy ministers should also work to develop a common approach to setting rehabilitation bonds to ensure that rehabilitation costs are properly provisioned for.

Response

NOTED

The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 7

a. The committee recommends that the Australian Government continue and expand the Renewable Energy Target beyond 2020 and consider adopting renewable energy reverse auctions such as adopted by the ACT to bring more new generation into the national electricity market.

b. The committee also recommends that the Australian Government support the continuing deployment grid level battery storage and of household solar and battery storage technologies, including making the necessary regulatory changes, such as aligning the settlement and bidding time periods in the National Electricity Market, to encourage the utilisation of products that promote decentralisation of electricity production while enhancing the stability of the grid.

Response

NOTED

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 8

The committee recommends that the Australian Government commit to not provide any direct funding, subsidies or other support for the construction of new coal fired power stations in Australia.

Response

NOTED

The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 9

The committee recommends that the Australian Government reverse its ideological opposition to the introduction of a scheme for managing the transition in the electricity sector such as an Emissions Intensity Scheme or the setting of pollution intensity standards and commit to considering fairly all policy options presented by the forthcoming final report of the Finkel Review.

Response

NOTED

The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Dissenting Recommendation 1

The Federal Government restate its commitments to both the Paris Agreement and the Renewable Energy Target, in light of mixed messaging and conflicting signals from the Government which are hurting investment.

Response

NOTED

However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Dissenting Recommendation 2

The Federal Government commit to developing and implementing a stable and consistent energy policy to support new investment in the sector post 2020 through its 2017 Climate Change Review and that as a matter of urgency, it re-introduce an emission intensity scheme into consideration by this review.

Response

NOTED

The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Dissenting Recommendation 3

The Federal Government establish mechanisms to support a just transition for workers and communities resulting from the retirement of coal fired power generators, including a national framework for worker redeployment schemes modelled on the Victorian Government's Latrobe Valley Worker Transfer Scheme.

Response

NOTED

The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.