

Senator the Hon Robert Hill
Leader of the Government in the Senate
Minister for the Environment

The Hon Ian Causley MP
Chair
House of Representatives Standing Committee
on Environment and Heritage
Parliament House
CANBERRA ACT 2600

30 Mar 1999

Dear Mr Causley

I am writing to you to thank you and the members of the Committee for the interim report, *Regulatory Arrangements for Trading in Greenhouse Gas Emission*, which you presented out of session in August 1998, and to advise you of the Government's interim response to the report.

As you know, the Australian Greenhouse Office (AGO) has been asked by the Government to provide advice on the feasibility of introducing a national greenhouse gas emissions trading system. It would seem to be advantageous for the findings of your Committee to be formally integrated with the AGO study.

Therefore, the *Government's* interim response to the Committee's report, which I will table in Parliament, will be for the AGO, as part of its feasibility -study, to consider the findings of the HORSCERA report, and to consult with interested parties on the Committee's recommendations and the issues raised in the report. At the end of public consultation on the issues, the Government will consider both the Committee's recommendations and recommendations from the AGO about the feasibility and design of a national emissions trading system.

On behalf of the Government, I would like to thank the Committee for its work. The interim report provides a detailed and insightful analysis of the issues related to emissions trading.

The Committee has generated considerable interest in emissions trading through the inquiry process and has contributed significantly to the public debate on the issues in Australia. The issues surrounding emissions trading are of key concern to our State and Territory Governments, industry (both sources and sinks) and conservation groups and I am anticipating an ongoing and productive debate on the issues.

Yours sincerely

Robert Hill