



REPORT ON CLEAN ENERGY BILLS RELEASED

The Joint Select Committee on Australia's Clean Energy Future Legislation has released its report on the 18 Clean Energy Bills and the Steel Transformation Plan Bill 2011.

The bills implement the government's decision to place a price on emissions and move to an emissions trading scheme by 2015. They provide for a fixed emissions price for three years starting at \$23 per tonne of carbon equivalent emissions. The legislation provides that this will be paid by liable entities, which have facilities that emit 25 000 tonnes or more of carbon pollution a year. The Government estimates that approximately 500 companies and organisations will be liable entities.

The bills provide for assistance to support jobs in emissions-intensive trade exposed industries, tax reform and assistance to households.

The committee recommended that Parliament pass the bills. Costs to the Australian economy in commencing a gradual transition now to a cleaner economy are expected to be a reduction in average income growth of 0.1 per cent annually with no change in total employment.

These costs will be much less than if the transition is delayed. They are also minimal compared with the effects of climate change, such as rising sea levels and changes in the suitability of land for agriculture.

The committee also made specific recommendations that:

- the treatment of LPG be re-examined;
- the regulation of refrigerant gasses be re-examined – most refrigerant gasses have a warming effect many times that of carbon dioxide; and
- the Government increase community awareness of the scheme to address misconceptions about how liabilities and Government payments will operate – some industry sectors, such as agriculture, face much more favourable arrangements than they realise.

Committee Chair Anna Burke said, 'The committee has concluded that the bills provide the best way forward for Australia to grow its clean technology sector and play its part in combating climate change. Companies that develop innovative, clean technology stand to gain significant financial rewards. The bills start Australia down this path by giving industry the certainty to invest.'

'The Australian economy has always been evolving and changing. The bills and government policy will enhance this process through substantial transitional assistance for families and businesses.'

'We have had numerous reviews on this since 1999. Now is the time to act. Changing to a low emissions economy will be much easier once we start doing so.'

The report is available at <http://www.aph.gov.au/house/committee/jscacefl/report.htm>. It includes additional comments by the Australian Greens and a dissenting report by the Coalition.

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