

# **Recommendations**

## **Recommendation 1**

**2.206** The committee recommends that the government reconsider its proposed approach to how Australia can best contribute to a reduction in global greenhouse gas emissions.

## **Recommendation 2**

**2.207** The committee recommends that any Australian emissions trading scheme be designed such that it encourages:

- (a)** economic activity and growth in Australia which helps reduce overall global greenhouse gas emissions, even if it means an increase in domestic emissions;
- (b)** Australian businesses operating at world's best environmental practice in terms of their level of domestic emissions, rather than to disadvantage them compared to any less environmentally friendly overseas competitors.

## **Recommendation 3**

**2.208** The committee recommends that the government assess and more properly explain publicly the advantages and disadvantages of all the policy and design options aimed at reducing global greenhouse gas emissions that have been raised so far.

## **Recommendation 4**

**2.209** In particular, the committee recommends that before any Australian emissions trading scheme is implemented, the government demonstrates much more clearly than it has so far, how it will be:

- (a)** environmentally effective – that is how it will help reduce global emissions;
- (b)** economically responsible – that is it will not put more Australian jobs at risk for no environmental gain; and
- (c)** mindful of Australia's energy needs into the future – that it will not put Australia's energy security at risk.

## **Recommendation 5**

**3.144** The committee recommends that the CPRS as currently designed not be proceeded with.

## **Recommendation 6**

**3.145** The committee recommends that the Commonwealth Government commit to design a more appropriate scheme for Australia, which will be more effective in helping to reduce emissions globally and which will be more economically responsible.

## **Recommendation 7**

**4.114** The committee recommends that the Senate not consider any legislation to give effect to the government's proposed CPRS until the government has fully complied with the relevant order of the Senate of 11 March 2009 and has released all of the information currently being kept secret.

## **Recommendation 8**

**4.115** The committee recommends that the government direct the Department of the Treasury to undertake and publish modelling of the impact of the proposed CPRS:

- (a) assuming little or no action by Australia's major competitors to reduce greenhouse gas emissions;
- (b) taking account of the economic conditions due to the global financial crisis;
- (c) on industry at a sectoral level, including the effective rates of compensation to industry;
- (d) on regional areas of Australia; and
- (e) in comparison with modelling of a variety of viable alternative policy scenarios aimed at Australia contributing to the reduction of greenhouse gas emissions.

## **Recommendation 9**

**5.114** The committee recommends that the CPRS EITE assistance measures:

- (a) be reviewed to consider providing assistance on a production basis;
- (b) be maintained at commencement levels until Australia's major competitors face comparable carbon costs; and
- (c) not exclude the coal mining industry.

## **Recommendation 10**

**5.115** The committee recommends that recognition should be given to those industries that contribute to a global reduction in emissions, such as LNG.

## **Recommendation 11**

**6.31** The committee recommends that the government conduct a thorough review of:

- (a)** Australia's future energy needs and how the proposed CPRS will impact on future energy supply across Australia;
- (b)** The necessary transitional arrangements for the energy supply industry, given the potentially significant impact of the CPRS on the economic viability of the energy industry's very capital intensive enterprises, and the impact on Australia's energy security should one or more of the electricity generators fail; and
- (c)** The expected impact of the proposed CPRS on energy security in Western Australia given the unique circumstance of that state as it is not part of the National Electricity Grid.

## **Recommendation 12**

**7.86** The committee recommends that the government conduct a proper assessment of the impact of its proposed CPRS on levels of employment, to assess levels of employment as a 'modelling result' rather than including employment levels as a 'modelling assumption'.

## **Recommendation 13**

**7.87** The committee recommends that before legislation to introduce the proposed Carbon Pollution Reduction Scheme is passed, the government conduct a more comprehensive assessment of the impact of the proposed CPRS on individual states and regional economies to ensure the scheme, including compensation arrangements, is structured so that particular states and regions are not disproportionately and unfairly impacted.

## **Recommendation 14**

**7.88** The committee recommends that the government properly inform the community how the scheme will impact them and advise of actions they can take to reduce the cost impost of the scheme.

## **Recommendation 15**

**9.60** The committee recommends that the development of emission abatement or reduced emissions technologies be encouraged and facilitated, not constrained as they will be under the proposed CPRS. Consideration should be given by government to providing tangible recognition to businesses operating at world best practice levels.

### **Recommendation 16**

**9.61 The committee recommends that incentives be provided to encourage research and development of second generation biofuels.**

### **Recommendation 17**

**9.62 The committee recommends that the Commonwealth and state governments remove restrictions on the mining and exporting of uranium.**

### **Recommendation 18**

**9.63 The committee recommends that the Commonwealth Government explore the feasibility, advantages and disadvantages of producing nuclear power in Australia, as a means of reducing domestic emissions and providing energy security for Australia into the future.**