

Agenda Item 3 – Briefing and further discussion of a carbon price mechanism

Paper: Yes

Timing: 9:15am – 9:55am

Lead discussant: Minister for Climate Change and Energy Efficiency

the Hon Mr Greg Combet AM MP

Objective / Handling note: That the Committee consider a possible architecture for a carbon price that commences with a fixed price and transitions to a cap and trade scheme.

Talking points:

- Invite the Committee to consider the agenda paper that sets out a possible architecture for a cap and trade scheme that commences with a fixed price (Attachment 3A of Agenda Papers).
- You may wish to step Committee members through the elements of architecture in the order they appear in the paper:
 - start date - 1 July, 2012;
 - fixed price for a 3 – 5 year period, transitioning to a cap and trade scheme with an option to delay the transition;
 - broad coverage;
 - [s 47C]
- no international linking during the fixed price phase, but linking once emissions trading commences (with appropriate criteria for offset units).
- This broad architecture does not rule out any of the broad spectrum of options available in relation to assistance measures for households, businesses and communities.

[s 47C]

