

**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]

