

# Chapter 1

## Referral and conduct of the inquiry

### Referral

1.1 On 13 October 2016, the Senate referred the following matter to the Environment and Communications References Committee for inquiry and interim report by 28 November 2016 and final report by 1 February 2017:

- (a) the experience of closures of electricity generators and other large industrial assets on workers and communities, both in Australia and overseas;
- (b) the role that alternative mechanisms can play in alleviating and minimising the economic, social and community costs of large electricity generation and other industrial asset closures, drawing on experiences in Australia and overseas;
- (c) policy mechanisms to encourage the retirement of coal fired power stations from the National Electricity Market, having regard to:
  - (i) the 'Paris Agreement' to keep global warming below 2 degrees celsius, and ideally below 1.5 degrees celsius,
  - (ii) the state and expected life span of Australia's coal fired power plants,
  - (iii) the increasing amount of electricity generated by renewable energy and likely future electricity demand,
  - (iv) maintenance of electricity supply, affordability and security, and
  - (v) any other relevant matters;
- (d) policy mechanisms to give effect to a just transition for affected workers and communities likely impacted by generator closures, as agreed in the 'Paris Agreement', including:
  - (i) mechanisms to ensure minimal community and individual impact from closures, and
  - (ii) mechanisms to attract new investment and jobs in affected regions and communities;
- (e) the appropriate role for the Federal Government in respect of the above; and
- (f) any other relevant matters.<sup>1</sup>

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1 *Journals of the Senate*, 2016, No. 11 (13 October 2016), p. 329.

1.2 The Senate subsequently extended the reporting date to 29 March 2017.<sup>2</sup>

### **Conduct of the inquiry**

1.3 In accordance with its usual practice, the committee advertised the inquiry on its website and wrote to relevant individuals and organisations inviting submissions by 10 November 2016. The committee continued to accept submissions after this date.

1.4 The committee received 139 submissions, which are listed at Appendix 1. The public submissions are also available on the committee's website at [www.aph.gov.au/senate/ec](http://www.aph.gov.au/senate/ec).

1.5 The committee held public hearings for this inquiry in Canberra on 9 November 2016 and in Melbourne on 17 November 2016. Since the tabling of the interim report, the committee held an additional two public hearings for this inquiry, in Sydney on 22 February 2017 and in Perth on 23 February 2017. A list of witnesses who appeared at all hearings is at Appendix 2.

### **Note on references**

1.6 In this report, references to the committee *Hansard* transcripts are to the proof transcripts. Page numbers may vary between proof and official *Hansard* transcripts.

### **Acknowledgement**

1.7 The committee thanks all of the individuals and organisations that contributed to the inquiry.

### **Structure of the report**

1.8 This final report encompasses the interim report, and comprises five chapters. The matters covered in the remaining chapters of the report are outlined below:

- Chapter 2 outlines the electricity market in Australia, the contribution of coal fired power stations in electricity generation and the role of coal fired power stations in meeting emissions targets;
- Chapter 3 discusses potential mechanisms for the retirement of coal fired power stations;
- Chapter 4 discusses the role of 'just transition' policies and options for transition management; and
- Chapter 5 sets out the committee view and recommendations.

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2 *Journals of the Senate*, 2016, No. 23 (1 December 2016), p. 753.