

RECOMMENDATIONS

Recommendation(1)

The Committee recommends that emissions permits be licences to emit, which are issued on terms that are clear, understandable, and known. Permits should not confer property rights.

Recommendation (2)

The Committee recommends the early trialing of emissions trading in Australia under the following conditions:

- **voluntary participation;**
- **based on emissions levels at the start-up date of the trial;**
- **without prejudice to the eventual design of the compulsory emissions trading scheme, except for a guarantee of recognition in the compulsory scheme for emissions reductions made during the trial;**
- **consideration to be given to preferentially allocating permits in the compulsory scheme to participants in the trial; and**
- **continuing consultation about the design of the compulsory scheme.**