



# Recommendations

## Recommendation 1

**2.63** The committee recommends that the Australian Government immediately adopt the emissions reduction targets outlined by the Climate Change Authority in its final report released on 27 February 2014. Namely that Australia's 2020 minimum emissions reduction target be set at 15% below 2000 levels and that Australia's carryover from the first commitment period of the Kyoto Protocol be used to raise the 2020 emissions reduction target by 4%, giving a total 2020 target of 19%.

## Recommendation 2

**2.65** The committee recommends that the Australian Government immediately adopt the carbon budgets outlined by the Climate Change Authority in its final report released on 27 February 2014. Namely that Australia set a national carbon budget for the period 2013–2020 of 4,193 Mt CO<sub>2</sub>-e and a carbon budget for the period of 2013–2050 of 101.1 Gt CO<sub>2</sub>-e.

## Recommendation 3

**2.67** The committee recommends that the Australian Government immediately adopt the longer term targets outlined by the Climate Change Authority in its final report released on 27 February 2014. Namely, that beyond 2020 Australia continues to reduce emissions within a trajectory range bounded by the paths to 40% and 60% below 2000 levels in 2030.

## Recommendation 4

**3.142** The committee recommends that the Clean Energy Package not be repealed.

## Recommendation 5

**3.143** The committee recommends that the transition of the fixed carbon price to a fully flexible price under an emissions trading scheme with the price determined by the market occur on 1 July 2014.

## Recommendation 6

**3.144** The committee recommends that the Government adopt stringent legislated caps on carbon emissions, based on the advice of the Climate Change Authority, to ensure that Australia meets its emissions reduction targets.

## Recommendation 7

**4.57** The committee recommends that the Climate Change Authority be retained and that the Government withdraw the Climate Change Authority (Abolition) Bill 2013.

## **Recommendation 8**

**4.60** The committee recommends that the Clean Energy Finance Corporation be retained and that the Government withdraw the Clean Energy Finance Corporation (Abolition) Bill 2013.

## **Recommendation 9**

**4.63** The committee recommends that the funding cuts to the Australian Renewable Energy Agency contained in the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 not be passed and that funding for the 'One Million Solar Roofs' program be additional and not come out of the Agency's existing funding.

## **Recommendation 10**

**5.129** The committee recommends that the Emissions Reduction Fund not be substituted for the carbon pricing mechanism.

## **Recommendation 11**

**6.87** The committee recommends that the Government not proceed with the Emissions Reduction Fund as it is fundamentally flawed and in doing so notes that:

- there is insufficient funding to be able to secure enough abatement to meet Australia's emissions targets now and into the future;
- there is a lack of a robust safeguard mechanism with stringent baselines and penalties for exceeding baselines;
- there is no legislated limit or 'cap' on Australia's emissions in line with emissions reductions targets;
- there is no access to international emissions credits;
- the maximum terms of contracts for purchasing emissions reductions under the Emissions Reduction Fund need to be increased;
- the use of international permits needs to be limited at 50%, with the maximum caps being 12.5% from Certified Emissions Reductions under the Clean Development Mechanism and 37.5% from European Union permits;
- an increase of staffing will be required within the Department of the Environment to enable the scheme to be designed properly;
- an increase of staffing will be required within the Clean Energy Regulator in order to administer the scheme properly; and
- the maintenance and establishment of a range of complementary measures, including the Renewable Energy Target and fuel emissions standards are required.

## **Recommendation 12**

**7.61** The committee recommends that the Renewable Energy Target be retained in its current format.

### **Recommendation 13**

**7.64** The committee recommends that, once further details are available in relation to the proposed streamlining of the Carbon Farming Initiative, including the changes to permanency rules and the methodologies to be implemented, that the proposals be referred to a Senate Committee for inquiry and report.

### **Recommendation 14**

**7.65** The committee recommends that, in the event the Emissions Reduction Fund proceeds, measures are put in place to ensure the viability of existing projects prior to 1 July 2014 under the Carbon Farming Initiative.

### **Recommendation 15**

**7.67** The committee recommends that the 'One Million Solar Roofs' and the 'Solar Towns and Schools' program focus on helping low-income Australians to access solar PV and solar hot water and not be paid for out of the Australian Renewable Energy Agency's existing budget.

### **Recommendation 16**

**7.69** The committee recommends that the Government provide further details about the proposed Twenty Million Trees program and its implementation.