

House of Representatives
Supplementary Order Paper

Thursday, 25 October 2012

Climate Change Response (Emissions Trading and
Other Matters) Amendment Bill

Proposed amendments

Moana Mackey, in Committee, to move the following amendments:

Clause 7:

In *clause 7(1)*, after the definition of **annual financial statements of the Government** (after line 4 on page 11), insert:

“**carbon cap price** means the amount specified in **section 178BA**”.

Clause 28:

In *new section 63A*, replace *subsection (2)* with:

- “(2) Despite anything in this Act, a person to whom this section applies is only liable to surrender, and may only surrender, the following amounts:
- “(a) for the period 1 January 2013 to 31 December 2013, 67% of a unit for each whole tonne of emissions from the activity rounded down to the nearest unit:
 - “(b) for the period 1 January 2014 to 31 December 2014, 83% of a unit for each whole tonne of emissions from the activity rounded down to the nearest unit.”

Clause 29:

In *new section 64A*, replace *subsection (2)* (lines 30 to 32 on page 22) with:

- “(2) Despite section 64, a participant to whom this section applies is entitled to receive the following amounts:
- “(a) for the period 1 January 2013 to 31 December 2013, 67% of a unit for each whole tonne of removals from the activity rounded down to the nearest unit:

- “(b) for the period 1 January 2014 to 31 December 2014, 83% of a unit for each whole tonne of removals from the activity rounded down to the nearest unit.”

Clause 73:

In *new section 178A(2)(a)(i)*, replace “a sum of \$25” (line 12 on page 38), with “the carbon cap price”.

In *new section 178A(2)(b)(ii)*, replace “a sum of \$25” (line 34 on page 38), with “the carbon cap price”.

In *new section 178B(1)*, replace “a sum of \$25” (line 17 on page 39), with “the carbon cap price”.

In *new section 178B(1)(a)*, replace “a sum of \$25” (line 22 on page 39), with “the carbon cap price”.

In *new section 178B(2)*, replace “a sum of \$25” (lines 31 and 32 on page 39), with “the carbon cap price”.

In *new section 178B(3)*, replace “a sum of \$25” (line 35 on page 39), with “the carbon cap price”.

In *new section 178B(3)(a)*, replace “a sum of \$25” (line 5 on page 40), with “the carbon cap price”.

In *new section 178B(5)*, replace “the payment of \$25” (line 12 on page 40), with “the carbon cap price”.

In *clause 73*, after *new section 178B* (after line 18 on page 40), insert:

“178BA Carbon cap price

“(1) From 1 January 2013 to 31 December 2013 the carbon price will be \$30.

“(2) From 1 January 2014 to 31 December 2014 the carbon price will be \$35.

“(3) From 1 January 2015 to 31 December 2015 the carbon price will be \$40.

“(4) From 1 January 2016 to 31 December 2016 the carbon price will be \$45.

“(5) From 1 January 2017 onwards the carbon price will be \$50.”

Clause 100:

In *new section 234(6)*, replace “that **section 63A** no longer applies to any person and no person is liable to surrender, or is restricted to surrendering, 1 unit for each 2 whole tonnes of emissions” (line 35 on page 63 to line 2 on page 64) with “that all participants face full surrender obligations”.

In *new section 235(2)*, replace “\$25” (line 26 on page 64) with “the carbon cap price”.

In *new section 235(3)*, replace “\$25” (line 33 on page 64) with “the carbon cap price”.

Explanatory note

This Supplementary Order Paper amends the Climate Change Response (Emissions Trading and Other Matters) Amendment Bill to amend the emissions trading scheme to implement the recommendations of the review panel.

There are 2 transition phases within the emissions trading scheme, a fixed price option of \$25, and a 2 for 1 deal. These reduce costs for emitters of carbon and lower prices that foresters receive for their carbon credits, making the effective maximum price for carbon \$12.50.

The expert review panel that the National party set up to review the emissions trading scheme proposed phasing both price options out. They proposed to increase the price cap by \$5 each year out to 2017 up to it reaching \$50 and then to consider in the next review whether price caps would be needed beyond that. For the 1 for 2 deal the panel suggested it be changed to a 67% obligation in 2013, 83% in 2012, and finally in 2015 emitters being liable for 100% of emissions.

These transition phases are no longer needed. Emitters have been in the scheme for a reasonable period of time now to adjust, carbon prices are at an all-time low costing around \$3-4 and many industries already have generous 60–90% subsidies.

This Bill has departed from the recommendations of the review panel and attempts to implement an indefinite transition period.
