

# 2017 REVIEW OF AUSTRALIAN CLIMATE CHANGE POLICIES

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Legal Briefings - By **Peter Briggs** and **Rob Merrick**

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The Federal Government has announced terms of reference for a review of its climate change policies in 2017.

## WHAT HAS HAPPENED?

The focus is stated to be ensuring Australia's policies remain effective to meet our Paris Agreement 2030 target of reducing emissions by 26-28%.

The terms of reference are broad. They include the following points. While initially understood to include consideration of an 'emissions intensity scheme' (**EIS**) for the electricity sector, the Prime Minister has ruled out any carbon tax, emissions trading scheme (ETS) or electricity EIS.

- the opportunities and challenges of reducing emissions on a sector-by-sector basis;
- the impact of policies on jobs, investment, trade competitiveness, households and regional Australia;
- the integration of climate change and energy policy, including the impact of state-based policies on achieving an effective national approach;
- the role and operation of the Emissions Reduction Fund and its safeguard mechanism;
- complementary policies, including the National Energy Productivity Plan;
- the role of research and development and innovation;
- the potential role of credible international units in meeting Australia's emissions targets; and

- a potential long-term emissions reduction goal post-2030.

Further details are available [here](#).

## WHAT DOES IT MEAN?

The review reminds us that Australia's climate change policies and regulations continue to be in a state of flux and the ongoing impact on business in Australia is uncertain.

Regulation is expected to increase over time to meet the 26-28% emissions reduction target by 2030, but the form and potential impact remain uncertain.

## NEXT STEPS

The Government has stated that review will involve close engagement with business and the community, beginning with consultation on a discussion paper. The review will commence in February and conclude by the end of 2017.

The terms of reference state the review will build on parallel processes, including the Finkel review of the reliability and security of the National Electricity Market, and the work of the Ministerial Forum on Vehicle Emissions.

## WHAT SHOULD WE DO?

Businesses should consider participating in the 2017 review.

Commercial arrangements should continue to be prepared mindful of the uncertainty in this area.

We would be pleased to discuss these matters with you further.

## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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