



2017 REVIEW OF CLIMATE CHANGE POLICIES

Terms of Reference

The Government is committed to addressing climate change. Through effective policies, ambitious and responsible targets, and careful management, Australia is playing its role in global efforts to reduce emissions, while maintaining a strong economy and realising the benefits of the transition to a lower emissions future.

The Government's policies are working to reduce Australia's emissions. They have Australia on track to surpass its 2020 emissions reduction target and provide a framework for the longer term.

In setting its 2030 target of reducing emissions to 26-28 per cent below 2005 levels, the Government committed to reviewing its policies during 2017. The review will ensure the Government's policies remain effective in achieving Australia's 2030 target and Paris Agreement commitments. The review will look at:

- 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.

The review will involve close engagement with business and the community, beginning with consultation on a discussion paper.

The review will monitor and be informed by developments in international climate policy, and include a focus on electricity prices for end users. 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.

The review will commence in February 2017 and conclude by the end of 2017.