



Minerals Sector Statement of Principles on Climate Change Policy

The minerals industry acknowledges that sustained global action is required to reduce the scale of human induced climate change.

A measured transition to a low emissions global economy will require the alignment of three key policy pillars:

a global agreement for greenhouse gas emission abatement that includes emissions reduction commitments from all major emitting nations;

market-based policy measures that promote the abatement of greenhouse gas emissions at the lowest cost, while minimising adverse social and economic impacts, including on the competitiveness of the internationally traded sector;

substantial investment in a broad range of low emissions technologies and adaptation measures.

In the absence of a global agreement in the near term, the imperative for all nations is to sustainably reduce the production and consumption of greenhouse gas emissions without compromising international competitiveness, energy security and economic growth, improved living standards and poverty alleviation.

A measured transition to a low carbon economy can be accomplished by a variety of policy mechanisms that integrate all of the following design features:

Clear, predictable and long-term price signal – ensure that carbon price signals influence producers and consumers such that emissions and carbon consumption are reduced, and the focus on low carbon technologies is increased

Broad based – cover the broadest possible range of greenhouse gas emission sources, sinks and low carbon energy options.

Internationally competitive – progressively reduce emissions without distorting trade and investment flows or compromising the international trade competitiveness of Australian industry.

Revenue neutral – the objective is to establish a carbon price signal to change behaviour not raise revenues – if revenues are raised, they should be used to provide assistance to individuals and firms adversely affected by the policy measures, not be diverted into general revenue.

Simple and effective – to achieve sustainable emissions reductions at least economic cost, and be simple to implement.

Measured, equitable transition –to avoid adverse economic and social consequences, ensure continued energy security and provide equitable treatment of existing investment and greater certainty to new investment. Transitional measures to maintain trade competitiveness should be non-discriminatory.

Technology – encourage the adoption of the most efficient low emissions technologies through a carbon price signal, and fiscal measures where market failure can be demonstrated.

Consultation on these policy measures should be conducted in an open and transparent way, and include genuine consultation with all stakeholders.

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