



PRIME MINISTER
PARLIAMENT HOUSE
CANBERRA ACT 2600

Mr Rob Oakeshott MP
Parliament House
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Dear Mr Oakeshott

On 1 September 2010, I committed to establishing a Multi-Party Climate Change Committee ('the Committee') to consult, negotiate, and report to the Cabinet on agreed options for the implementation of a carbon price in Australia; and to provide advice on, and participate in, building a deep and lasting community consensus for action on climate change. I also further committed that the structure, membership and work plan of the Committee would be finalised by the end of September 2010.

Parliamentary representatives of the Australian Labor Party, the Australian Greens, the Coalition, and independent parliamentarians, who are committed to tackling climate change and who acknowledge that reducing carbon pollution by 2020 will require a carbon price, will be invited to join the Committee. They will be supported by a range of experts.

I have established the Committee on the basis that a carbon price is an economic reform that is required to reduce carbon pollution, to encourage investment in low emissions technologies and complement other measures including renewable energy and energy efficiency.

As noted in the Treasury incoming Government brief, a market based mechanism which prices carbon is the only realistic way of achieving Australia's bipartisan 2020 emissions reduction targets. Pricing carbon will ensure that the transition to a low-carbon economy is as smooth as possible, by creating an incentive to cut carbon pollution and encourage investment in low-emissions technologies.

It will also provide businesses with much-needed investment certainty and make sure that Australia does not fall behind the rest of the world, and therefore relinquish our competitiveness in a global economy – aims I would hope all Members of Parliament agree on.

The Committee will be most effective if it can serve as a genuine multi-party negotiating forum, I invite you to participate on the Committee. Given the task of this Committee, it will be important for representatives to commit to working within

the terms of reference (Attachment A) and for deliberations and papers to remain confidential to the Committee until a final position is agreed or all parties to the Committee agree otherwise. Members will be asked to sign confidentiality agreements to give effect to this commitment.

As part of the important task of building community consensus around the need for action on climate change and a carbon price, I understand the Committee, at its initial meeting, will determine the best mechanism for keeping the public updated on its work.

I propose to chair the Committee, with the Government further represented on the Committee by the Deputy Prime Minister, the Hon Wayne Swan MP and the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet MP.

The Committee will be supported by four independent permanent expert advisers: Professor Ross Garnaut; Professor Will Steffen; Mr Rod Sims; and Ms Patricia Faulkner AO, as well as a departmental Secretaries' Group, and by the Department of Climate Change and Energy Efficiency and the Treasury.

The formation of this Committee should be seized as an opportunity to build for Australians the low-pollution economy of the future.

As you would appreciate, many in the business community are supportive of the introduction of a carbon price, including pre-eminent leaders of industry and finance. I invite you to join with mainstream business leaders and to contribute constructively to the development of this important economic reform.

Action on climate change through the establishment of a carbon price is clearly in Australia's national interest, and in Australia's national economic interest, and I would expect that all major parties would seek to be part of this significant economic reform.

Given the timelines outlined above, I would be grateful for your response by 30 September 2010.

Yours sincerely

Julia Gillard

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