

# IMPLEMENTATION ISSUES UNDER THE CARBON PRICING MECHANISM



Australia's climate policy settings are under review. The Commonwealth Government has indicated it intends to repeal the carbon price and implement the Direct Action Plan to reduce Australia's emissions.

Nevertheless, under the current legislative arrangements, the Authority is required to recommend caps for the carbon pricing mechanism. The mechanism is the primary way Australia would meet its 2020 targets, imposing a limit on more than half of Australia's emissions. There are many factors to consider when calculating and recommending caps, including the national emissions reduction goals. Chapter 13 examines those factors and calculates caps corresponding to the Authority's recommended 2020 goals.