



TREASURER

Ref: MC16-018835

Mr Ross Vasta MP
Chair
Standing Committee on Petitions
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Mr Vasta

Thank you for your letter dated 12 October 2016 concerning the terms for the Fee and Dividend policy on Carbon Fuels petition submitted for consideration before the Standing Committee of Petitions.

The proposal to impose a fee on carbon based fuels would be similar to a carbon tax. The Government does not support a carbon tax and considers that Australia can effectively address climate change without one.

The Government is committed to addressing climate change without imposing a burden on consumers and businesses through its Direct Action Plan. This plan includes a \$2.55 billion Emissions Reduction Fund to support Australian businesses and households to take practical, direct action to reduce emissions and improve the environment. This has already resulted in 143 million tonnes of emissions reduction.

In addition, the Government has committed to a 23.5 per cent Renewable Energy Target which includes measures that will provide certainty to industry, encourage further investment in renewable energy and better reflect market conditions. The Government has also made substantial commitments in clean energy innovation through the Australian Renewable Energy Agency (ARENA), the Clean Energy Finance Corporation (CEFC), the CSIRO and Australia's universities.

With this package, Australia is already on track to meeting its international commitments to reduce Australia's emissions by 13 per cent below 2005 levels by 2020.

In response to concerns surrounding Australia's role in promoting international engagement to address climate change, you may be aware that the nations of the world finalised a new global climate change agreement (the Paris Agreement), to apply from 2020, at the 2015 Paris climate change conference.

The Paris Agreement is significant as for the first time, developed and developing countries, agreed to significantly reduce emissions from business as usual levels. Across a number of metrics, Australia's contributions to the Paris Agreement - to reduce our emissions by 26-28% by 2030 - compare favourably to other similar developed economies.

I trust this information will be of assistance to you.

Yours sincerely

The Hon Scott Morrison MP
23 / 11 / 2016