

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

Question: BET 68

Topic: Carbon Price #2

Hansard Page: Wednesday 5 June 2013, Page 103

Senator BIRMINGHAM asked:

Senator BIRMINGHAM: Mr Heferen, I suspect these questions will be matters that you will wish to take on notice—especially the first one, which is about carbon-pricing matters. You took the question on notice when I asked for a breakdown of the \$6.265 billion in the cash receipts for this year and how that was comprised of the carbon tax component from this year versus advance selling of permits. If you are doing that on notice, can I ask for a breakdown across each of the forward years for each of the components of sales in the year versus forward sale of permits and of course which vintage year those forward sale of permits relate to and the assumed price for each of those components in each of those years.

Mr Brake: Yes, we can take that on notice.

Senator BIRMINGHAM: Also, just so that I am clear on your understanding of the meaning as it is in box 9 on page 248 of Budget Paper No. 1, the price estimate in those cash receipts for the advance option element of those figures is based on the EU futures price. That is what we have discussed during the course of the day with you earlier in the day. I want to be crystal clear about that.

Mr Brake: I think that was covered very extensively in discussions with fiscal group. The wording in that box is very deliberate and clear.

Senator BIRMINGHAM: Please take on notice what it is. Would that have been the futures price for 2015-16 and for 2016-17 at the time of the budget being prepared in the month or two leading up to the budget release?

Mr Brake: That is right. That is what Dr Gruen said earlier.

Senator BIRMINGHAM: You have taken on notice what it is. Obviously the department of climate change gave a figure last week of \$5.42. We will see how that matches up with what your department says. Thank you for clarifying those matters.

Answer:

There is no information publicly available to respond to this question. The advance auction arrangements are specified in the Clean Energy (Auction of Carbon Units) Determination 2013.