

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	1
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Citizens' Assembly		
Hansard Page EC:	EC 4		

Senator Abetz/Birmingham asked:

Senator ABETZ: And, of course, you might have been very busy trying to put together a people's assembly of 150 people. So chances are you were scaling up for that. Was any work done by the department on this great idea of a people's assembly?

Mr Comley: As soon as the government announced it, we considered it in the context of our incoming government brief. We did some preparatory work afterwards, but not long after the election the decision was made not to proceed with that. We had done some preliminary work but it was not that extensive.

Senator ABETZ: Are you able to cost that for us?

Mr Comley: I can take that on notice.

Senator ABETZ: Yes, if you could.

Senator BIRMINGHAM: Can you tell us the actual date you stopped working on that?

Mr Comley: I will take that on notice. There was a communique that came out of the Multi-Party Climate Change Committee, so I will simply go back to that point in time when the government announced that it was not continuing with that.

Answer:

The Government's election commitment to appoint a Citizens' Assembly was costed by the Department of Finance and Deregulation under the Charter of Budget Honesty, and this costing was released on 3 August 2010. Following the outcome of the federal election in 2010, the Department undertook some preliminary consideration of the Citizens' Assembly. This was undertaken by existing staff in the Department. It is not possible to separately cost this work.

In the communiqué of its first meeting on 7 October 2010, the Multi-Party Climate Change Committee concluded that the Citizens' Assembly should not be implemented in its proposed form. The Department ceased work on the proposed Citizens' Assembly following this announcement.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome: 1 **Question No:** 2
Program: 1.1
Division/Agency: LD
Topic: Geospatial Intelligence Pty Ltd and
BAE Systems contracts
Hansard Page EC: EC 4

Senator Abetz asked:

Ms Thompson: Thank you, Senator. The work that the firms you referred to are doing for the department is related to our work in terms of carbon accounting both internationally and domestically for what is known as reducing emissions from avoided deforestation and degradation. As part of that work, the department has been negotiating with a firm on establishing a satellite that will be part of our regional effort to do carbon forest monitoring. In addition, we do have a purchase of satellite remote sensing images for the same reason. With respect to your question about the exact figure for the consultancy services, I would need to take that on notice. It sounds about right to me but I would like to check.

Senator ABETZ: That is a long way to get to the point of saying that you will take it on notice. Thank you for that. You can check up those two contracts for me and whether you have any other contracts in this area.

Answer:

The Department has entered into the following arrangements in relation to the following services:

Supplier	Services	Contract Amount (including GST)	Start Date	End Date
Geospatial Intelligence Pty Ltd	Supply of high resolution earth observation imagery	\$6,842,000.00	19 April 2011	30 June 2012
BAE Systems Australia Ltd	Establishment of a satellite antenna dish	\$7,464,112.70	16 May 2011	16 November 2013
Geoscience Australia	Medium resolution satellite imagery (landsat data)	\$435,000.00	13 September 2010	30 June 2013

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	3
Program:	1.1		
Division/Agency:	LD		
Topic:	National Carbon Offset logo		
Hansard Page EC:	EC 6		

Senator Abetz asked:

Senator ABETZ: I will table that so as to assist and confirm that that is the new logo. That cost the Australian taxpayer \$61,000 to develop, is that correct?

Ms Thompson: That sounds about right, but I would need to check.

Answer:

The development of the National Carbon Offset Standard logo cost \$59,136 (including GST). This procurement incorporated design work, market research, development of a style guide (how to use the logo) and final production of the logo, and was subject to a rigorous tender process.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	4
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Fuel tax concessions		
Hansard Page EC:	EC 49		

Senator Birmingham asked:

Senator BIRMINGHAM: The scenarios Treasury modelled included providing price impacts some of which excluded the provision of fuel tax concessions. Was that specifically asked for by the department on behalf of the minister?

Mr Comley: I do not know off the top of my head. I will take that on notice.

Answer:

No, the Department did not specifically ask for price impacts excluding fuel tax concessions.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	5
Program:	1.1		
Division:	CSMD		
Topic:	Multi-Party Climate Change Committee		
Hansard Page EC:	EC 50		

Senator Birmingham: You will take all of the fun out of it if you reach exasperation and do not react anymore. Mr Comley, could you please detail for the committee what bodies of research, modelling et cetera have been requested or are being prepared for the Multi-Party Climate Change Committee.

Mr Comley: I think you need to ask that of Treasury. To the best of my knowledge, all of the modelling is being conducted in Treasury.

Senator Birmingham: The question was broader, however, than purely modelling; I also asked about bodies of research. Are we only looking at modelling on different price points that is being sought through Treasury, or have other bodies of research or pieces of information that may be prepared either by the department or by external consultants been requested by the MPCCC?

Mr Comley: There has been some material requested by the Multi-Party Climate Change Committee. Most of that material has subsequently been published. The Multi-Party Climate Change Committee has put out communiqués and often attached papers. A number of papers from the department on international action and other things have been put into the public domain. There may be other matters that have gone to the Multi-Party Climate Change Committee which may in fact have been cabinet-in-confidence. That is why I am pausing. We can certainly take on notice material that has been provided. But my recollection is that all of the commissioned work that has been provided to the Multi-Party Climate Change Committee has been published. For example, Rod Simms wrote a short paper which I think went to the Multi-Party Climate Change Committee but I think most of it has been published. We can take that on notice.

Answer:

The terms of reference for the Multi-Party Climate Change Committee (the Committee) state (in Item 8) that, ‘as part of building community consensus around the need for action on climate change and a carbon price, the Committee may choose to make some of its materials available to the public’.

The Committee regularly released documents following each monthly meeting, such as meeting communiqués, minutes and other documents. All of these documents are available on the Committee’s webpage at: www.climatechange.gov.au/en/government/initiatives/mpccc.

The Department recently responded to a Freedom of Information (FOI) request for all documents supplied to the Committee up to 6 May 2011 and released all documents with no exemptions. Details of the documents released under the FOI can be found on the Department's FOI Disclosure Log at: www.climatechange.gov.au/en/about/foi-disclosure-log.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	6
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Multi-Party Climate Change Committee		
Hansard Page EC:	Written		

Senator Birmingham asked:

- a. How many meetings has the Multi-Party Climate Change Committee held since its inception in September 2010?
- b. What has been the average duration of each of these meetings?
- c. Please provide a list of all those who attended each meeting. Has the Prime Minister attended every meeting of the Multi-Party Climate Change Committee? If not, on which occasion was she not present and what were the reasons given?
- d. For all other members on the Committee who have not attended every meeting, please detail on which occasion were they not present and what reason was given.

Answer:

- a. Since the establishment of the Multi-Party Climate Change Committee (the Committee) in September 2010 there have been a total of seven meetings, as at 23 May 2011. The dates of these meetings are as follows: 7 October 2010, 10 November 2010, 21 December 2010, 18 February 2011, 18 March 2011, 19 April 2011 and 17 May 2011.
- b. The average duration of each meeting has been two hours.
- c. A list of attendees at each Committee meeting is as follows:

7 October 2010: The Prime Minister, the Hon Julia Gillard MP, the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, the Leader of the Australian Greens, Senator Bob Brown, the Deputy leader of the Australian Greens, Senator Christine Milne, the Member for New England, Mr Tony Windsor MP, the Member for Melbourne, Mr Adam Bandt MP and the Parliamentary Secretary for Climate Change and Energy Efficiency, the Hon Mark Dreyfus QC MP. All four expert advisors, Professor Ross Garnaut, Professor Will Steffen, Mr Rod Sims and Ms Patricia Faulkner, were also in attendance at this meeting.

10 November 2010: The Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, the Leader of the Australian Greens, Senator Bob Brown, the Deputy leader of the Australian Greens, Senator Christine Milne, the Member for New England, Mr Tony Windsor MP, the Member for Lyne, Mr Rob Oakeshott MP, the Member for Melbourne, Mr Adam Bandt MP and the Parliamentary Secretary for Climate Change and Energy Efficiency, the Hon Mark Dreyfus QC MP. All four expert advisors, Professor Ross Garnaut, Professor Will Steffen, Mr Rod Sims and Ms Patricia Faulkner were also in attendance.

The Prime Minister, the Hon Julia Gillard MP, was not present at this meeting due to a commitment to participate in the G20 Summit in Seoul, Korea.

21 December 2010: The Prime Minister, the Hon Julia Gillard MP, the Deputy Prime Minister, the Hon Wayne Swan MP, the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, the Leader of the Australian Greens, Senator Bob Brown, the Deputy leader of the Australian Greens, Senator Christine Milne, the Member for New England Mr Tony Windsor MP, the Member for Lyne, Mr Rob Oakeshott MP, the Member for Melbourne, Mr Adam Bandt MP and the Parliamentary Secretary for Climate Change and Energy Efficiency, the Hon Mark Dreyfus QC MP. Expert advisors Professor Ross Garnaut, Professor Will Steffen, and Mr Rod Sims were also in attendance.

18 February 2011: The Prime Minister, the Hon Julia Gillard MP, the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, the Leader of the Australian Greens, Senator Bob Brown, the Deputy leader of the Australian Greens, Senator Christine Milne, the Member for Lyne, Mr Rob Oakeshott MP, the Member for Melbourne, Mr Adam Bandt MP and the Parliamentary Secretary for Climate Change and Energy Efficiency, the Hon Mark Dreyfus QC MP. Expert advisors Professor Ross Garnaut, Professor Will Steffen, Mr Rod Sims and Ms Patricia Faulkner were also in attendance.

18 March 2011: The Deputy Prime Minister, the Hon Wayne Swan MP, the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, the Leader of the Australian Greens, Senator Bob Brown, the Deputy leader of the Australian Greens, Senator Christine Milne, the Member for New England, Mr Tony Windsor MP, the Member for Lyne, Mr Rob Oakeshott MP, the Member for Melbourne, Mr Adam Bandt MP and the Parliamentary Secretary for Climate Change and Energy Efficiency, the Hon Mark Dreyfus QC MP. Expert advisors Professor Ross Garnaut, Professor Will Steffen, Mr Rod Sims and Ms Patricia Faulkner were also in attendance.

The Prime Minister, the Hon Julia Gillard MP, was unavailable to attend this meeting due to the memorial service being held in Christchurch, New Zealand.

19 April 2011: The Prime Minister, the Hon Julia Gillard MP, the Deputy Prime Minister, the Hon Wayne Swan MP, the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, the Leader of the Australian Greens, Senator Bob Brown, the Deputy leader of the Australian Greens, Senator Christine Milne, the Member for New England, Mr Tony Windsor MP, the Member for Melbourne, Mr Adam Bandt MP and the Parliamentary Secretary for Climate Change and Energy Efficiency, the Hon Mark Dreyfus QC MP. Expert advisors, Professor Ross Garnaut, Professor Will Steffen, Mr Rod Sims and Ms Patricia Faulkner were also in attendance.

17 May 2011: The Prime Minister, the Hon Julia Gillard MP, the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, the Leader of the Australian Greens, Senator Bob Brown, the Deputy leader of the Australian Greens, Senator Christine Milne, the Member for New England, Mr Tony Windsor MP, the Member for Lyne, Mr Rob Oakeshott MP, and the Member for Melbourne, Mr Adam Bandt MP. Expert advisors Professor Ross Garnaut and Ms Patricia Faulkner were also in attendance.

- d. For all other members on the Committee who have not attended every meeting, details on which occasion they were not present and the reason given is as follows:

7 October 2010: The Deputy Prime Minister, the Hon Wayne Swan MP, was unable to attend due to his attendance overseas at meetings of the IMF and World Bank. The Member for Lyne, Mr Rob Oakeshott MP, was also unable to attend this meeting for personal reasons.

10 November 2010: The Deputy Prime Minister, the Hon Wayne Swan MP, was unable to attend this meeting due to a commitment to participate in the G20 Summit in Seoul, Korea.

21 December 2010: Expert adviser Ms Patricia Faulkner was unable to attend this meeting for personal reasons.

18 February 2011: The Deputy Prime Minister, the Hon Wayne Swan MP, and Member for New England, Mr Tony Windsor MP, did not attend this meeting. Both members had competing work commitments.

19 April 2011: The Member for Lyne, Mr Rob Oakeshott MP, was unable to attend this meeting for personal reasons.

17 May 2011: The Deputy Prime Minister, the Hon Wayne Swan MP, was unable to attend this meeting due to Budget travel commitments and expert advisor Professor Will Steffen was also unable to attend due to commitments overseas. Parliamentary Secretary for Climate Change and Energy Efficiency, the Hon Mark Dreyfus QC MP, did not attend this meeting for personal reasons.

Mr Rod Sims has stood down from his role as expert advisor to the Committee due to his nomination as Chairman of the Australian Competition and Consumer Commission. His last meeting of the Committee was 19 April 2011.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	7
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Carbon tax and RET		
Hansard Page EC:	Written		

Senator Birmingham asked:

Would the carbon tax add significantly to the generation of renewable energy, above and beyond the RET of 45,000 GWh in 2020? If yes, have you done any modelling on by how much? If no, what is the point of the carbon tax?

Answer:

The Deputy Prime Minister and Treasurer, the Hon Wayne Swan MP, and the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, released *Strong growth, low pollution: modelling a carbon price* on 10 July 2011. The Treasury modelling has been prepared to inform policy design and public discussion about carbon pricing and is available at: www.treasury.gov.au/carbonpricemodelling.

The Treasury modelling report indicates that with a carbon price renewable generation reaches 20 per cent of total generation by 2020 in the core policy scenario and between 21 and 26 per cent of total generation by 2020 in the high price scenario. However, the ROAM Consulting report released with the Treasury modelling indicates that without a carbon price there is a risk that the RET would only deliver 15 per cent of total generation in 2020.

Beyond 2020, a carbon price will encourage significant additional investment in the renewables sector, with the modelling indicating that renewable generation will continue to grow strongly to 2050, to around 40 per cent of total generation, and drive around \$100 billion in investment. According to the modelling, without a carbon price renewables would account for around 10 per cent of generation in 2050.

Putting a price on carbon is the most environmentally effective and cheapest way to cut pollution. This is a fact that is well recognised by economists from around the world and respected institutions such as the Organisation for Economic Cooperation and Development and the Productivity Commission.

Putting a price on the carbon pollution that Australia's largest polluters produce creates a powerful incentive for all businesses to cut their pollution by investing in clean technology or finding more efficient ways of operating. It encourages businesses across all industries to find the cheapest and most effective way of reducing carbon pollution rather than relying on more costly approaches, such as government regulation.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	8
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Emissions		
Hansard Page EC:	Written		

Senator Birmingham asked:

- a. Based on 'business as usual' scenarios, what are Australia's greenhouse gas emissions forecast to be in 2020?
- b. How is the Renewable Energy Target expected to impact on this emissions projection?
- c. How are other State and Federal climate change policies expected to impact on this emissions projection?
- d. To achieve actual reduction of greenhouse gas emissions in Australia of 5 per cent against 2000 levels, what carbon price does the Department believe would be necessary?

Answer:

- a. There are two commonly used definitions of 'business as usual' emissions.
 - The Australian Government's official projections refer to Australia's emissions in the absence of all measures that have been implemented to reduce greenhouse gas emissions as Australia's 'business as usual' emissions. In 2010, the Department¹ estimated that business as usual emissions would have been 799 megatonnes of carbon dioxide equivalent (Mt CO₂-e) in 2020.
 - The Government's official projections refer to Australia's emissions after accounting for all implemented (or committed) measures as Australia's 'baseline' emissions. In 2010, the Department¹ projected Australia's baseline emissions to be 690 Mt CO₂-e in 2020. This projection incorporated the effect of measures for which abatement estimates were able to be made at the time. This did not include some measures such as the Carbon Farming Initiative (CFI).
- b. In 2010, the Department¹ estimated that Australia's emissions would have been around 30 Mt CO₂-e higher in 2020 without the Renewable Energy Target.

¹ Department of Climate Change and Energy Efficiency's *Australia's emissions projections 2010*

- c. In 2010, the Department² estimated that without the other state and federal government policies and measures Australia's emissions would have been around 79 Mt CO₂-e higher in 2020. This estimate incorporated the effect of measures for which abatement estimates were able to be made at the time. This did not include some measures such as the CFI.
- d. The Government has publicly released the results of Treasury modelling, outlining greenhouse gas reductions achieved under two price scenarios:
- Core policy scenario – assumes a world with a 550 parts per million (ppm) stabilisation target and an Australian emission target of a 5 per cent cut on 2000 levels by 2020 and an 80 per cent cut by 2050. Assumes a nominal domestic starting price of A\$20 per tonne (t) CO₂-e in 2012-13, rising 5 per cent per year, plus inflation, before moving to a flexible world price in 2015-16, projected to be around A\$29/t CO₂-e.
 - High price scenario – assumes a world with a more ambitious 450 ppm stabilisation target and an Australian emission target of a 25 per cent cut on 2000 levels by 2020 and an 80 per cent cut by 2050. Assumes a nominal domestic starting price of A\$30/t CO₂-e in 2012-13, rising 5 per cent per year, plus inflation, before moving to a flexible world price in 2015-16, projected to be around A\$61/t CO₂-e.

Under the Treasury's core policy scenario, Australia achieves the emissions reductions target of 5 per cent below 2000 levels in 2020 (which requires emissions reductions of 159 Mt CO₂-e in 2020) using a combination of domestic abatement and the purchase of international permits.

The Government has not formally modelled a scenario where all the emissions reductions occur domestically. However, in the Treasury's high price scenario, with a carbon price of A\$62/t CO₂-e in 2020 (2010 \$) domestic abatement is projected to be around 150 Mt CO₂-e, slightly less than the 159 Mt CO₂-e abatement task at 2020. This implies that a carbon price of around A\$62/t CO₂-e (2010 \$) would be required to meet the 5 per cent reduction target using only domestic abatement, compared with A\$29/t CO₂-e (2010 \$) in the core policy scenario with the international linking.

These modelling results can be found on the Treasury website, at:
www.treasury.gov.au/carbonpricemodelling/.

² Department of Climate Change and Energy Efficiency's *Australia's emissions projections 2010*

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	9
Program:	1.1		
Division/Agency:	CSMD		
Topic:	International permits		
Hansard Page EC:	Written		

Senator Birmingham asked:

What are the estimates or projections of global average prices for tradable carbon emissions and/or abatement certificates between now and 2020?

Answer:

The most recent projections of average global carbon prices have been released by the Government as part of the recent Treasury climate change modelling update. Under the assumption of 'medium global action', world prices are expected to be around \$25 per tonne of carbon dioxide equivalent (t CO₂-e; in 2010 Australian dollars) in 2015-16, rising to \$29/t CO₂-e in 2019-20 (in real terms).

The modelling results are available at: www.treasury.gov.au/carbonpricemodelling/.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	10
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Emissions reductions		
Hansard Page EC:	Written		

Senator Birmingham asked:

Based on a carbon tax starting at each of the following prices in 2012, and increasing by 4 per cent per annum in real terms for a period of five years, what reductions in greenhouse gas emissions in Australia against 'business as usual' levels would be expected to occur?

- a. \$5
- b. \$10
- c. \$15
- d. \$20
- e. \$25
- f. \$30
- g. \$35
- h. \$40
- i. \$45
- j. \$50

Answer:

Economic modelling is required to provide an accurate estimate of domestic emissions reductions from different carbon prices.

The Department has not undertaken or commissioned separate economic modelling of the carbon price scenarios mentioned.

Modelling results for scenarios chosen by the Government are available on the Treasury website: www.treasury.gov.au/carbonpricemodelling/.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome: 1 **Question No:** 11
Program: 1.1
Division/Agency: ASCD
Topic: Climate change and carbon tax market
research
Hansard Page EC: Written

Senator Birmingham asked:

Since the 2010 election, what market research has been commissioned or requested by the Department, whether of its own accord or on behalf of any Minister and/or the Multi-Party Climate Change Committee, on attitudes to climate change and/or attitudes to climate change mitigation policies including possible mechanisms for carbon pricing? Please outline in each case the nature and scope of the market research, when it was commissioned or requested and by whom, when it was provided or will be due to be provided and how much the work has cost and/or is expected to cost.

Answer:

In the period from August 2010 until May 2011 the Department commissioned the following research project which included coverage on attitudes to climate change and/or attitudes to climate change mitigation policies, including possible mechanisms for carbon pricing. This research was carried out as required under the Government's Advertising Guidelines:

Project	Project Timing	Scope	Reporting	Cost (inc GST)
Climate Change Segmentation, Benchmark and Communications Quantitative Research	October - November 2010	4,717 Adults, 18 and over, 12 focus groups	Draft, December 2010 Final, February 2011	\$270,230

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	12
Program:	1.1		
Division/Agency:	RD		
Topic:	NGERS		
Hansard Page EC:	Written		

Senator Birmingham asked:

- a. How many businesses are anticipated to be required to report under National Greenhouse and Energy Reporting Act 2007 obligations this year? How does this compare with last year?
- b. How does the Government verify the emissions levels reported by these businesses? Are audits undertaken? If so, how many will be performed this year and next year?
- c. Have discrepancies in reporting been identified previously? If so, what actions have been undertaken to resolve such discrepancies?
- d. Have any penalties been imposed for erroneous reporting? What penalties can be imposed for erroneous reporting of emissions levels?

Answer:

- a. As at 20 June 2011, there were 773 corporations that were required under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act), to provide reports in relation to the 2009-10 reporting year. This was an increase of 62, from the 711 corporations required to report for 2008-09.

Registration applications for the 2010-11 reporting year are due by 31 August 2011.

- b. All reports received by the Greenhouse and Energy Data Officer (GEDO) undergo a validation process. This process involves a comprehensive data check for all reporters to identify possible errors or discrepancies in reported data as well as checking other information required to be provided.

In April 2011, a pilot National Greenhouse and Energy Reporting (NGER) audit program commenced. The program which will involve at least 24 audits of 2009-10 reports, will trial and improve audit methodology prior to the introduction of a broader and ongoing NGER audit program. Pilot audits are expected to be completed by end July 2011.

The introduction of a broader and ongoing NGER audit program is planned for 2011-12. Final details of the program are still being developed, and will be based on the results of the pilot audit program.

- c. The validation process has identified a number of corporations that have discrepancies in their NGER reports. Additionally, some corporations have self-identified discrepancies. Where discrepancies have been identified, the corporation has been contacted, and for the more significant discrepancies, the GEDO has set up a resubmission process to enable corporations to address errors and facilitate the submission of a compliant report.
- d. No penalties have been imposed to date. Penalty provisions are outlined in Part 5 of the NGER Act.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	13
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Cleaner Car Rebate		
Hansard Page EC:	Written		

Senator Birmingham asked:

What was the estimate of cumulative abatement for a cleaner car rebate scheme provided by the Department to the Minister's Office on 19 July 2010? (as referred to in the answer to Question on Notice 16 through February's Additional Estimates).

Answer:

The cumulative abatement estimate that was provided to the Minister's Office on 19 July 2010 was 0.6 megatonnes of carbon dioxide equivalent over the period to 2018-19.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	14
Program:	1.1		
Division/Agency:	CSMD		
Topic:	RET		
Hansard Page EC:	Written		

Senator Birmingham asked:

- a. What has been the effect of the Renewable Energy Target (RET) on electricity prices?
- b. What has been the cost of the RET to consumers?
- c. What modelling has been done on how much the RET will add to electricity prices over the coming period of time?
- d. Why is the cost of the RET coming in at so much higher than the Government claimed before it extended the RET, and before it separated out solar?

Answer:

- a. The impact of the Renewable Energy Target (RET) on retail electricity prices varies between states and territories depending in part on the pricing arrangements operating in each jurisdiction. RET-liable entities (mainly electricity retailers) pass on costs associated with the purchase and surrender of renewable energy certificates to meet annual RET targets.

The RET impact on residential electricity prices has been modest. For example, the recently-released Australian Energy Market Commission (AEMC) report: *Future Possible Retail Electricity Price Movements: 1 July 2010 to 30 June 2013*, estimates (page 3) the RET costs to contribute 2 to 4 per cent of residential retail electricity prices nationally over the period under study. The AEMC report is available at: <http://www.aemc.gov.au/Market-Reviews/Completed/Future-Possible-Retail-Electricity-Price-Movements-1-July-2010-to-30-June-2013.html>.
- b. Please refer to the response to part (a).
- c. The following independent modelling, commissioned by the Department includes assessments of the impact of the RET on future retail electricity prices:
 - *Benefits and Costs of the Expanded Renewable Energy Target*, released publicly in January 2009. This report estimated the expanded RET would increase electricity prices, averaged across residential, commercial and industry users nationally, by around 3.5 per cent in the period 2010-2015 and 2.6 per cent in the period 2016-2020.
 - *Impacts of Changes to the Design of the Expanded Renewable Energy Target*, released publicly in May 2010. This report, which modelled the impacts of enhancements to

separate the RET into small-scale and large-scale components, estimates that with the enhancements, the RET would increase retail electricity prices (averaged across electricity user classes) by 4.4 per cent in the period 2010-2015 and 5.4 per cent in the period 2016-2020.

The estimates in the two reports are not directly comparable as the 2010 modelling accounts for the effects of partial exemptions from RET liability for electricity used in emissions-intensive trade-exposed industrial activities and later introduction of a carbon price.

The Department has also commissioned updated modelling of impacts of the RET to inform a Council of Australian Governments review of specific RET issues. This modelling will account for recent policy changes in Commonwealth and state/territory support for small-scale solar systems.

- d. The recent increases in costs of the RET are attributable to the higher than expected uptake of rooftop solar panels, fuelled by declining system costs, the strong Australian dollar and economy, as well as incentives such as Solar Credits and state and territory feed-in tariff schemes. This higher uptake has increased the cost of the small-scale component of the RET.

The Australian Government is mindful of the need to balance support for renewables under the RET with the flow-on effects of this support to all electricity users and has moved in recent months to moderate support for rooftop solar panels by bringing forward the phase-out of the Solar Credits multiplier under the RET to 1 July 2013.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	15
Program:	1.1		
Division/Agency:	Executive		
Topic:	Secretary Speech on Carbon Markets		
Hansard Page EC:	EC 21		

Senator Boswell asked:

Senator BOSWELL: Was the government uncomfortable with your statement in the speech that carbon markets are essentially regulatory interventions?

Mr Comley: I do not know. No-one in the government has ever raised with me any discomfort with that speech.

Senator BOSWELL: Was there any statement in the speech that was not consistent with government policy?

Mr Comley: I would have to review that speech, which is almost a year old.

Answer:

Mr Comley is satisfied there was nothing in the content of his speech to the Committee for Economic Development of Australia of 11 June 2010 that was not consistent with Australian Government policy.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	16
Program:	1.1		
Division/Agency:	ID		
Topic:	Indian Coal Tax		
Hansard Page EC:	EC 34		

Senator Boswell asked:

Mr Comley: It was going to raise half a billion dollars a year from coal in India.

Senator BOSWELL: How much per tonne would that be?

Mr Comley: I would have to take that on notice. About a \$1.10 a tonne is the carbon tax on that in India.

Senator BOSWELL: What about when we bring coal into India? What does that do? Does that tax apply?

Mr Comley: I am not aware whether there is an import tariff on the equal value of the coal. My understanding is that it is only the extraction, but we could check on that.

Answer:

The Indian Clean Energy Cess (their term for a tax) on coal is set at the rate of 50 rupees (~AU\$1.06¹) per tonne of coal. It applies to both coal produced in India and imported coal, including coal imported from Australia.

The Clean Energy Cess section of India's *Finance Act 2010* (the Act) sets out the tax on domestically produced coal. The Act also states the tax is to be applied as a duty of excise. As a consequence, the tax is also applicable to imported coal, lignite and peat. This is because, under India's *Customs Tariff Act 1975*: "Any article which is imported into India shall, in addition, be liable to a duty (hereafter in this section referred to as the additional duty) equal to the excise duty for the time being leviable on a like article if produced or manufactured in India and if such excise duty on a like article is leviable at any percentage of its value, the additional duty to which the imported article shall be so liable shall be calculated at that percentage of the value of the imported article".²

¹ Universal Currency Exchange (<http://www.xe.com/ucc/>) accessed 23 June 2011

² *Customs Tariff Act 1975*, <http://www.cbec.gov.in/customs/cst-0809/cst-act-rules-interpt.pdf>

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	17
Program:	1.1		
Division/Agency:	ID		
Topic:	Polish Regulations		
Hansard Page EC:	EC 35		

Senator Boswell asked:

Mr Comley: I am making three points. The first point is that fugitive emissions are the responsibility, in this case, of the Polish government and, therefore, if that led to higher emissions, that would require them either to reduce emissions elsewhere or purchase international permits, which has a direct cost to Poland. The second point is that, under the European emissions trading scheme, fugitives from coal are not a covered sector under the scheme, so the coal mine operator does not pay a direct liability under the EU Emissions Trading Scheme. But the third point is that the EU has an overarching directive that, for sectors not covered by the emissions trading scheme, member states should look to put in place regulations or other regulatory measures that would lead to a reduction in emissions by 10 per cent.

Senator BOSWELL: Have they put that in?

Mr Comley: I am not familiar with what restrictions are currently in Poland, but that is the EU recommendation. You would have to look at the particular circumstance in Poland, whether they have regulated in such a way as to reduce emissions.

Senator BOSWELL: There is a difference between a recommendation and actually doing it. Are they doing it?

Mr Comley: I would have to take on notice what Poland has put in place.

Answer:

Under the European Union (EU) Effort Sharing Decision¹, each EU member state has agreed to binding targets for 2013 to 2020 for sectors not covered by the EU Emissions Trading Scheme. These targets cover fugitive emissions. Taken together, the targets imply a reduction in the EU's total emissions from non-covered sectors of 10 per cent from 2005 levels by 2020.²

Targets for individual EU member states are based on their relative gross domestic product per capita. Poland's 2020 target is a 14 per cent increase from the 2005 level, reflecting its relatively low wealth compared to other EU states. Individual EU countries are free to choose how they meet these targets. Allowing higher emissions in one sector means that greater reductions are required in others.

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:140:0136:0148:EN:PDF>

² http://ec.europa.eu/clima/policies/package/index_en.htm

To achieve its individual target, Poland has adopted a long-term and integrated strategy for achieving key climate goals in the sectors of energy, industry, transport, construction and housing, agriculture, forestry and waste management.³ It has also adopted targeted policies to increase the share of renewable energy sources in final energy consumption to 14 per cent in 2020, up from 7.5 per cent in 2009,⁴ and the share of biofuels in transport to 10 per cent of the market by 2020.⁵

With regard to specific regulatory measures taken by Poland to meet its target, its most recent National Communication to the United Nations Framework Convention on Climate Change, cites the following regulations:

- Renewable energy: To implement the EU's Directive on electricity from renewable energy sources (2001/77/EC) in Poland, the *Polish Energy Law* was amended in 2005. The amendments institute a quota system obligation in the form of a "green certificate" to increase the share of renewable energy sources in the national fuel and energy balance by 7.5 per cent in 2010 and 14 per cent in 2020.
- Biofuels: The *Regulation of the Council of Ministers of 15 June 2007 on National Index Targets for 2008-2013* specifies the minimum amount of biocomponents and other renewable fuels in the total amount of liquid fuels and biofuels to be consumed in a calendar year. Poland has also introduced excise duty fees for engine petroleum and diesel oil, and decreased excise duty fees for biocomponents.
- Buildings: Poland has amended its building regulations to follow the European Parliament and Council Directive 2002/91/WE on energy characteristics of buildings and minimum energy efficiency requirements.
- Agriculture and forestry: Legislation on the protection of agricultural and forest lands specifies permissible transformations of forest areas for non-forest purposes. In addition, Poland's *National Programme for the Augmentation of Forest Cover* (2003) sets out measures targeted at increasing national forest cover from 28 to 30 per cent by 2020.⁶
- Mining: Poland's *Energy Policy of Poland until 2030* (the Policy) identifies maximum use of methane released when extracting coal in mines as an overarching objective in relation to the coal industry. The Policy says that to achieve this objective, the following measures will be taken:
 - supporting the industrial use of methane released when extracting hard coal in mines; and
 - introducing technology solutions which allow recovery of methane from ventilation air pumped out of hard coal mines.⁷

³ *Strategies for Greenhouse Gas Emissions Reductions in Poland until 2020*

(http://www.mos.gov.pl/g2/big/2009_04/cf234906b019de170218bf79f913990c.pdf)

⁴ EU Energy in figures and factsheets (revision 2011) (<http://ec.europa.eu/energy/publications/statistics/doc/2011-2009-country-factsheets.pdf>)

⁵ *Energy Policy of Poland until 2030*

(<http://www.mg.gov.pl/Wiadomosci/Strona+glowna/RM+przyjela+Polityke+energetyczna+Polski+do+2030+r.htm#>)

⁶ Poland's National Communication to the United Nations Framework Convention on Climate Change

(http://unfccc.int/resource/docs/nate/pol_nc5.pdf)

⁷ *Energy Policy of Poland until 2030*

(<http://www.mg.gov.pl/Wiadomosci/Strona+glowna/RM+przyjela+Polityke+energetyczna+Polski+do+2030+r.htm#>), p 9-10

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	18
Program:	1.1		
Division/Agency:	CSMD		
Topic:	CSIRO Report		
Hansard Page EC:	EC 37		

Senator Boswell asked:

Senator BOSWELL: If CSIRO can rock up and tell us how to stop it—I do not think they can; I am sure that they cannot.

Mr Comley: I am happy to provide the CSIRO report.

Answer:

The report, *Strategic Review of Gas Management Options for Reduced GHG Emissions*, has been tabled with the Committee.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	19
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Consultations with states and territories		
Hansard Page EC:	EC 41		

Senator Cameron asked:

CHAIR: On these issues that Senator Fisher has asked about, were there negotiations and discussions with state governments in relation to the Howard government's decision to implement a price on carbon?

...

CHAIR: Can you take that on notice?

Mr Comley: I can, but, as Senator Macdonald rightly points out, I was not in the department at the time. My recollection is that it was launched on 3 June 2007. The only reason that sticks in my mind is that that was a date that was subsequently used in a range of legislation. I am not personally familiar with whether there were consultations with the states prior to the release of that, but I am happy to take that on notice.

Answer:

The Department of the Prime Minister and Cabinet (PM&C) held departmental responsibility for the Secretariat for the Prime Minister's Task Group on Emissions Trading.

PM&C transferred a number of files relating to emissions trading to the Department of Climate Change after it was established on 3 December 2007.

No record of formal negotiations or discussions with state and territory governments taking place prior to former Prime Minister Howard's announcement has been identified in the files consulted.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	20
Program:	1.1		
Division/Agency:	LD		
Topic:	Agricultural Emissions		
Hansard Page EC:	EC 60		

Senator Cameron asked:

CHAIR: Just so we are clear, the department says that it is currently estimated that the agriculture, forestry and fishing sector—for brevity the agricultural sector—is responsible for 109.8 megatonnes of CO₂ emissions or 19.5 per cent of total emissions in Australia. Is that correct?

Ms Thompson: Yes. That sounds like you are reading from the beginning of the consultation paper.

CHAIR: Yes.

Ms Thompson: I am sorry, I do not have that with me. But we might be able to take your question on notice if that would assist.

Answer:

The latest data shows that the Agriculture, Forestry and Fishing sector accounted for 109.8 megatonnes of carbon dioxide equivalent or 19.5 per cent of total emissions in Australia. These figures are reported in *The National Inventory by Economic Sector 2009*, published by the Department of Climate Change and Energy Efficiency.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	21
Program:	1.1		
Division/Agency:	LD		
Topic:	Howard Government green carbon initiative		
Hansard Page EC:	EC 61		

Senator Cameron asked:

CHAIR: The Howard government with Mr Turnbull as the environment minister had a Carbon Farming Initiative, a green carbon initiative. Are you aware of that?

Ms Thompson: I think we would need to take that on notice. It may have been part of the direct action agenda—

Mr Comley: No; I think there was a small green carbon fund which was essentially looking at research and development issues. A similar fund was proposed—

CHAIR: I think that is right.

Answer:

The Green Carbon Initiative was announced on 24 January 2009 by the then Leader of the Opposition, the Hon Malcolm Turnbull MP. It comprised:

- a Green Carbon Initiative to offset greenhouse gases by capturing and storing large quantities of carbon in soil and vegetation;
- measures to encourage improved energy efficiency in buildings; and
- increased investment in new technologies to address climate change – particularly clean coal.¹

The Rudd Government also proposed a Green Carbon Fund as part of negotiations for the Carbon Pollution Reduction Scheme in November 2009. The proposed \$40 million fund sought to build the resilience of natural ecosystems under threat from climate change and to fund environmental stewardship initiatives where there are carbon and biodiversity co-benefits.

¹ The Hon Malcolm Turnbull MP, Leader of the Opposition, 'Green Carbon Initiative', press release, 24 January 2009.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	22
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Carbon price and state legislation		
Hansard Page EC:	EC 39		

Senator Fisher asked:

Senator FISHER: Can you take on notice the question as to whether or not state and territory governments will be required to pass any kind of legislation to bring the carbon tax into effect nationally.

Mr Comley: I will take it on notice.

Answer:

State or territory governments will not be required to pass legislation to introduce the carbon price nationally. The Australian Parliament has sufficient legislative powers under Australia's Constitution to establish the carbon price mechanism without any additional state or territory legislation.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	23
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Ministerial level consultations with states and territories		
Hansard Page EC:	EC 40		

Senator Fisher asked:

Mr Comley: Those mechanisms I was referring to were officials-level consultations. I am also aware that there have been some ministerial-level consultations with states and territories.

Senator FISHER: What are they—by whom and with whom?

Mr Comley: I would have to take on notice any specific details, but that would be both by Minister Combet and Parliamentary Secretary Dreyfus, who has had conversations with his state counterparts. I believe, although it is not our portfolio, that Minister Ferguson has regular contact with his ministerial counterparts and some of that would go to questions of carbon pricing.

Senator FISHER: To the extent that you are able, can you detail the ministerial-level discussions on notice?

Mr Comley: I will take that on notice.

Answer:

The Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, has met or had discussions with representatives of the New South Wales Government, the Victorian Government, the South Australian Government, the Queensland Government, the Tasmanian Government and the Australian Capital Territory Government on issues concerning the proposed carbon price mechanism, energy efficiency policy and other matters relevant to the climate change portfolio.

The Parliamentary Secretary for Climate Change and Energy Efficiency, the Hon Mark Dreyfus QC MP, has met with representatives of the Western Australian Government, the Victorian Government, the South Australian Government, the Queensland Government, the Tasmanian Government, the Northern Territory Government and the Australian Capital Territory Government on issues concerning energy efficiency policy and other matters relevant to the climate change portfolio.

The Minister for Resources and Energy, the Hon Martin Ferguson AM MP, has not participated in any specific consultations on the carbon price with state and territory counterparts outside the state and territory forums and regular bilateral contact.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	24
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Official-level consultations with states and territories		
Hansard Page EC:	EC 40		

Senator Fisher asked:

Senator FISHER: You provided Senator Macdonald with details of the official-level discussions in respect of Queensland—with whom. Can you, on notice, provide the same in respect of the other states and territories?

Mr Comley: We can take that on notice.

Senator FISHER: Thank you. To the extent that there have been the various discussions and consultations, whether they be at officials level or ministerial level, have any documents changed hands?

Mr Comley: I am not aware of any documents that have changed hands. These have tended to be meeting discussions. But I can take on notice whether any documents have changed hands.

Dr Kennedy: In a discussion with the states and territories, we would provide them with information that had been recently released by the MPCCC, for example, or any other relevant documents, and we may have a discussion around those documents. So, to that extent, there would be an agenda and documents. But there are no documents that I am aware of beyond that.

Senator FISHER: Can you take that on notice, Mr Comley?

Mr Comley: Yes.

Senator FISHER: To the extent that there have been documents provided, if they are documents that are not already in the public arena, can the committee be provided with access to those documents?

Mr Comley: I will take that on notice, because it depends what the documents are.

Answer:

The States and Territories Forum (the Forum) has been established to provide state and territory officials with up to date information on progress towards introducing a carbon price.

The Forum has met twice. Participants from states and territories (in addition to Queensland representatives) were:

- Department of Premier and Cabinet, Victoria – Donald Speagle, Simon Camroux, Chris Hotham;

- Department of Premier and Cabinet, Tasmania – Jessica Lerch, Greg Johannes, John McCormick, Wendy Spencer;
- Department of Premier and Cabinet, Western Australia – David Smith, Rosh Ireland;
- Department of the Chief Minister, Northern Territory – Vikki McLeod, Shane Brittle;
- Department of Premier and Cabinet, South Australia – Stephanie Ziersch;
- Department of Premier and Cabinet, New South Wales – Jennifer Stace, Liz Moore, Madeleine Mispel;
- Department of the Environment, Climate Change and Water, New South Wales – Leisl Baumgartner; and
- Department of the Environment, Climate Change, Energy and Water, Australian Capital Territory – Heather Tomlinson.

The first meeting was held on 28 March 2011. Papers provided to participants are listed below. The only paper from this meeting not previously made public or otherwise circulated to stakeholders is the agenda for the meeting, and can be found at [Attachment A](#).

- Agenda.
- Multi-Party Climate Change Committee (MPCCC) position paper: Carbon Price Mechanism.
- Department of Climate Change and Energy Efficiency (DCCEE) paper: Efforts to Reduce Emissions in Key Economics.
- Lists of membership of groups – Industry Transitional Assistance Working Group, Business Roundtable, Energy Sector Working Group, Peak Stakeholder Liaison Group, NGO Roundtable.
- Presentation – Progress in International Negotiations.
- Media Release by Minister Combet and Minister Ferguson – announcing the Business Roundtable Working Group members.

The second meeting was held on 3 May 2011. Papers provided to participants are listed below. Papers not already publicly available or otherwise circulated to stakeholders are highlighted in bold and attached to this answer.

- **Agenda ([Attachment B](#)).**
- MPCCC position paper: Carbon Price Mechanism.
- DCCEE paper: Efforts to Reduce Emissions in Key Economics.

- Technical Working Group Presentation.
- Technical Working Group discussion paper: Point of Liability and Carbon Cost Pass Through.
- MPCCC Associated Group Structure chart.
- Discussion paper: Carbon Farming Initiatives.
- **Consolidated membership lists of consultation groups** (Attachment C).
- Coal Mining Sector paper.
- Grantham Research Institute on Climate Change and the Environment – Paper on Climate Change as a Legislative Challenge – a review of climate change in 16 countries.
- **Victorian Government paper: Principles on a National Carbon Price** (Attachment D).



AGENDA

States and Territories Forum

Location: Executive Conference Room, 2 Constitution Avenue, Canberra

Time: 10.30 – 12.30 am

Date: Monday 28th March 2011

Contact: Contact details have been removed for non-SES staff

Agenda Item		Time
1.	Welcome and introductions	10
2.	Role of the States and Territories Forum <ul style="list-style-type: none">• Aim of the Forum• Relationship with Select Council on Climate Change	10
3.	Multi-Party Climate Change Committee	10
4.	Consultative forums and Working Groups <ul style="list-style-type: none">• Business and NGO Roundtable• ITA WG• Energy Subgroup• Household Assistance Working Group• Land Sector Working Group• Peak Stakeholder Liaison Group• Technical Working Groups	20
5.	Discussion of proposed architecture for a carbon price mechanism <ul style="list-style-type: none">• Including discussion of the Garnaut Review Update Paper 6 – Carbon Pricing and Reducing Australia's Emission	30
6.	Treasury Modelling	10
7.	Issues of concern to the States and Territories and priorities for further consideration	20
8.	Progress in International Negotiations	5
9.	Date of the next meeting and close	5

On arrival, visitors must be accompanied by a DCCEE staff member while in the building.

Please contact phone extension xxxx

for access to the meeting room.



AGENDA

States and Territories Forum

Location: Executive Conference Room, 2 Constitution Avenue, Canberra

Time: 10.30 – 12.30 am

Date: Tuesday 3rd May 2011

Contact: Contact details have been removed for non-SES staff

Agenda Item	
1.	Welcome and introductions
2.	Multi-Party Climate Change Committee update
3.	Consultative Forums and Working Groups – update on recent activity <ul style="list-style-type: none">• Business and NGO Roundtable• Industry Transitional Assistance Working Group• Energy Subgroup• Technical Working Groups (Point of Liability, Refinery Fuel, Natural Gas)
4.	Carbon Farming Initiative
5.	Garnaut update <ul style="list-style-type: none">• Reflections on Update Papers 1-8• International action
6.	Issues of interest to States and Territories and priorities for further consideration
7.	Date of the next meeting and close

On arrival, visitors must be accompanied by a DCCEE staff member while in the building.

Please contact phone extension xxxx

for access to the meeting room.

Peak Stakeholder Liaison Group

Richard Stanton (Chief Executive Officer)	A3P – The Australian Plantations Products & Paper Industry Council
Simon Kelley (Head of Carbon Price Implementation)	AGL Energy Limited
Bryan Nye (Chief Executive Officer)	Australasian Railways Association
Craig Heidrich (Executive Director)	Australian (Iron & Steel) Slag Association
Graeme Sharman (Policy Manager)	Australian Airports Association
Miles Prosser (Executive Director)	Australian Aluminium Council
Douglas Browning (Secretary)	Australian Association of Leather Industries Ltd
Mike Harris (Chief Executive)	Australian Automobile Association
Siwei Goo (Economic Adviser)	Australian Chamber of Commerce and Industry
Ralph Hillman (Executive Director)	Australian Coal Association
Tony Mohr (Manager – Climate Change)	Australian Conservation Foundation
Tony Westmore (Senior Policy Officer – Energy & Climate Change)	Australian Council of Social Services
Ged Kearney (President)	Australian Council of Trade Unions
Michael Hitchens (Chief Executive Officer)	Australian Industry Greenhouse Network
Peter Burn (Director of Public Policy)	Australian Industry Group
John Tilley (Executive Director)	Australian Institute of Petroleum
Michael Kilgariff (Chief Executive Officer)	Australian Logistics Council
Damien Dwyer (Director – Energy Markets & Climate Change)	Australian Petroleum and Exploration Association
Steve Davies (Policy Adviser)	Australian Pipeline Industry Association
Angela Gillham (Manager – Industry Operations and Environment)	Australian Shipowners Associations
Stuart St Clair (Chief Executive)	Australian Trucking Association
Damian Sullivan (Senior Manager – Equity in Response to Climate Change)	Brotherhood of St Laurence
Andrew Purvis (Vice President – Blue Scope Steel)	Bureau of Steel Manufacturers Australia
Maria Tarrant (Deputy Chief Executive)	Business Council of Australia
Dr Tony Beck (Executive Director)	Carbon Markets Institute
Margie Thomson (Chief Executive Officer)	Cement Industry Federation

Matt Levey (Adviser – Campaigns)	CHOICE
Brendan Bateman (Partner, Clayton Utz)	Clayton Utz
Kane Thorton (Director – Strategy and Operations)	Clean Energy Council
Georgina Woods (Director)	Climate Action Network Australia
Erwin Jackson (Deputy Chief Executive Officer)	Climate Institute
Peter Strong (Executive Director of COSBOA)	Council of Small Business of Australia
Brad Page (Chief Executive Officer)	Energy Supply Association of Australia
Andrew McKellar (Chief Executive)	Federal Chamber of Automotive Industries
Damian Jeffree (Director – Policy)	Finance Industry Council of Australia
Nathan Fabian (Chief Executive Officer)	Investor Group on climate change
Warring Neilsen (Government Relations)	LPG Australia
Megan Anwyl (Executive Director)	MagNet – Magnetite Network
Brendan Pearson (Deputy Chief Executive)	Minerals Council of Australia
Allan Hansard (Chief Executive Officer)	National Association of Forest Industries
Charles McElhone (Manager – Trade and Economics)	National Farmers Federation
Malcolm Roberts (Executive Director)	National Generators Forum
Ros de Garis (Chief Executive Officer)	National Lime Association of Australia
Juliana Payne (Chief Executive)	National Tourism Alliance
Peter Gniel (Director – Government Relations, Trade and Economic Policy)	Plastics and Chemicals Industries Association
Tony Wheelens (General Manager Group Government & Industry Affairs)	Qantas Airways Limited
Paul Tyrell (Chief Executive Officer)	Regional Aviation Association of Australia
Andrew Petersen (CEO)	Sustainable Business Australia
John Lee (Chief Executive)	Tourism and Transport Forum
Steve Wright (CEO)	TRU Energy & Energy Retailers Association of Australia
Lin Hatfield Dodds (National Director)	UnitingCare Australia
Elenie Poulos (National Director)	UnitingJustice Australia
Kellie Caught (Climate Change Policy Manager)	WWF – Australia

States and Territories' Forum

Steven Kennedy (Deputy Secretary)	DCCEE
Jenny Wilkinson (First Assistant Secretary)	DCCEE
Donald Speagle (Deputy Secretary)	Department of Premier and Cabinet (VIC)
Simon Camroux (Senior Team Leader)	Department of Premier and Cabinet (VIC)
Greg Johannes (Deputy Secretary)	Department of Premier and Cabinet (TAS)
Jessica Lerch (Director)	Department of Premier and Cabinet (TAS)
Jennifer Stace, (Manager)	Office of Environment and Heritage (NSW)
Vikki McLeod (Director, Energy Policy and Climate Change Unit)	Department of the Chief Minister (NT)
Stephanie Ziersch (Director of Sustainability and Climate Change)	Department of Premier and Cabinet (SA)
Heather Tomlinson (Director)	Department of Environment, Climate Change, Energy & Water (ACT)
Liz Moore (Policy Manager Infrastructure, Environment and Economic Development)	Department of Premier and Cabinet (NSW)
Leisl Baumgartner (Director Air, Noise and Climate Change)	NSW Department of Environment, Climate Change and Water
David Smith (Deputy Director General – Coordination)	Department of Premier and Cabinet (WA)
Rosh Ireland	Department of Premier and Cabinet (WA)
Greg Withers, Assistant Director General	Department of Environment & Resources Management (QLD)
Geoff Robson (Director, Economic Policy)	Department of Premier and Cabinet (QLD)
David Hourigan (Executive Director, Economic Policy)	Department of Premier and Cabinet (QLD)
Tanya Homan (Director, Economic and Structural Policy)	Treasury (QLD)
Ben Barr (Executive Director, Office of Clean Energy)	Department of Employment, Economic Development and Innovation (QLD)
Craig Daly (Adviser, Climate Change)	Department of the Prime Minister and Cabinet
Philippa Brown (Senior Adviser)	Treasury
Chris Johnston (Assistant Secretary)	DCCEE
Andrew Bray (Director)	DCCEE
Paula Matthewson (Secretariat CST)	DCCEE

Technical Working Groups***Refinery Oil***

Peter Morris	Australian Coal Association
Paul Barrett	Australian Institute of Petroleum (AIP)
Damian Dwyer	Australian Petroleum Production & Exploration Association (APPEA)
Heather Brodie	Biofuels Association of Australia
Frank Topham	Caltex
Ian Maloney	Elgas
Warring Neilson	Elgas
Daniel O'Meara	Exxon
Steve Mewing	LyondellBasell
Peter Gniel	Plastic and Chemical Industries Association (PACIA)
Stephen Bell	Quenos
Dave Plunkett	Quenos
Rod Boyd	Shell
Regina Quinlan	Virgin Blue

Point of Liability

Michael Ison	Australian Aluminium Council
Peter Morris	Australian Coal Association
Paul Barrett	Australian Institute of Petroleum (AIP)
John Tilley	Australian Institute of Petroleum (AIP)
Damian Dwyer	Australian Petroleum Production & Exploration Association (APPEA)
Heather Brodie	Biofuels Association of Australia
Andrew Darley	CSR
Sean Ventris	CSR
Roy Gellweiler	Tomago Aluminium Company
Anne Casamento	Xstrata Coal

Geoff Rousel

Westpac

Natural Gas

Peter Morris

Australian Coal Association

Anatara Mascarenhas

AEMO

Damian Dwyer

Australian Petroleum Production & Exploration
Association (APPEA)

Heather Brodie

Biofuels Association of Australia

Andrew Darley

CSR

Alistair Phillips

ERAA

Angela Moody

Ergon

Brenden Carriker

Simply Energy

Alex Fleming

Simply Energy

Con Hristodoulidis

TruEnergy

Geoff Rousel

Westpac

BUSINESS ROUNDTABLE ON CLIMATE CHANGE – PARTICIPANT LIST

Michael Fraser (Managing Director and Chief Executive Officer)	AGL Energy
Peter Anderson (Chief Executive)	Australian Chamber of Commerce and Industry
Heather Ridout (Chief Executive)	Australian Industry Group
Hubrecht (Hubie) van Dalsen (President, Metallurgical Coal)	BHP Billiton
Paul O'Malley (Chief Executive Officer and Managing Director)	BlueScope Steel
Maria Tarrant Deputy (Chief Executive)	Business Council of Australia
Matthew Warren (Chief Executive)	Clean Energy Council
Brad Page (Chief Executive Officer)	Energy Supply Association of Australia
Nathan Fabian (Chief Executive Officer)	Investor Group
Mark Menhinnitt (Chief Executive Officer)	Lend Lease
Cameron Clyne (Chief Executive Officer)	National Australia Bank
Ben Fargher (Chief Executive Officer)	National Farmers' Federation
Grant King (Managing Director)	Origin
Alan Joyce (Chief Executive Officer and Managing Director)	Qantas
David Peever (Managing Director)	Rio Tinto Australia
Ann Pickard (Executive Vice President Upstream Australia)	Shell
Masahide (Max) Yasuda (President and Chief Executive Officer)	Toyota
Don Voelte (Managing Director and Chief Executive Officer)	Woodside
Michael Luscombe (Chief Executive Officer and Managing Director)	Woolworths

INDUSTRY TRANSITIONAL ASSISTANCE (ITA) WORKING GROUP -

Alan Cransberg (Managing Director)	Alcoa
Heather Ridout (Chief Executive)	Australian Industry Group
Hubie van Dalsen (Managing Director Mining & Refining)	BHP Billiton
Paul O'Malley (Chief Financial Officer)	Bluescope Steel
Mark Selway (Chief Executive)	Boral
Maria Tarrant (Deputy Chief Executive)	Business Council of Australia
Julian Segal (Managing Director and Chief Executive Officer)	Caltex
Geoff Plummer (Managing Director and Chief Executive Officer)	OneSteel
Graeme Liebelt (Managing Director & Chief Executive Officer)	Orica
Grant King (Managing Director)	Origin Energy
David Peever (Managing Director)	Rio Tinto Australia
Ann Pickard (Country Chair, Shell in Australia and Executive Vice President, Upstream Australia)	Shell
Gus Carfi (Director Fibre Line)	Visy
Peter Freyberg (Chief Executive)	Xstrata Coal

ENERGY SECTOR WORKING GROUP

Michael Fraser (Managing Director and Chief Executive Officer)	AGL Energy
Ross Rolfe (Independent Non-Executive Director)	Alinta Energy
John Pierce (Chairman)	Australian Energy Market Commission
Matt Zema (Managing Director and Chief Executive Officer)	Australian Energy Market Operator
Matthew Warren (Chief Executive)	Clean Energy Council
David Brown (Chief Executive)	CS Energy
Brad Page (Chief Executive Officer)	Energy Supply Association of Australia
Brent Gunther (Vice President and Regional General Manager)	Intergen
Tony Concannon (Executive Director)	IPR GDF SUEZ Australia
Ian Nethercote (Chief Executive)	Loy Yang Power
Russell Skelton (GM Marketing & Trading)	Macquarie Generation
Malcolm Roberts (Executive Director)	National Generators Forum
Grant King (Managing Director)	Origin Energy
Richard McIndoe (Managing Director)	TRUenergy
Shirley In't Veld (Chief Executive Officer)	Verve Energy
Richard Bolt (Secretary)	Victorian Department of Primary Industries

NGO ROUNDTABLE ON CLIMATE CHANGE

Don Henry (Executive Director)	Australian Conservation Foundation
Cassandra Goldie (Chief Executive Officer)	Australian Council of Social Service
Ged Kearney (President)	Australian Council of Trade Unions
Snow Barlow (Member)	Australian Landcare Council
Genia McCaffery (President)	Australian Local Government Association
Dave Oliver (National Secretary)	Australian Manufacturing Workers' Union
Paul Howes (National Secretary)	Australian Workers' Union
Ellen Sandell (National Director)	Australian Youth Climate Coalition
Tony Nicholson (Executive Director)	Brotherhood of St Laurence
Anna Skarbek (Executive Director)	ClimateWorks Australia
Tim Flannery (Chief Climate Commissioner)	Climate Commission
John Connor (Chief Executive Officer)	The Climate Institute
Tony Maher (National President)	Construction, Forestry, Mining and Energy Union
Peter Tighe (National Secretary)	Electrical Trades Union
Linda Selvey (Chief Executive Officer)	Greenpeace Australia Pacific
John Thwaites (Professorial Fellow)	Monash Sustainability Institute
Ann Harding (Founder and Inaugural Director)	National Centre for Social and Economic Modelling
Joe Morrison (President)	North Australian Indigenous Land and Sea Management Alliance
Tim Costello (Chief Executive Officer)	World Vision
Dermot O'Gorman (Chief Executive)	World Wide Fund for Nature

Household Assistance Working Group

List as included in the HH Assist WG 2 May 2011 Media Release:

St Vincent De Paul

Carers Australia

National Seniors

UnitingCare Australia

Australian Council of Social Services

National Congress of Australia's First Peoples

Australian Federation of Disability Organisations

National Shelter

Australian Council of Trade Unions

National Welfare Rights Network

Brotherhood of St Laurence

Council on the Ageing Australia

Land Sector Working Group:

Mr David Farley (Managing Director)	AA Co
Mr Graham Tupper (National Liaison Manager)	Australian Conservation Foundation
Mr Allan Hansard (Transitional Chief Executive Officer)	Australian Forest Products Association (<i>NAFI and A3P merged</i>)
Mr Tom Maguire (Chair -AMIC Climate Change Committee)	Australian Meat Industry Council
Mr Enzo Allara (Chair)	Australian Pork Limited
Ms Caryn Kakas (Executive Director)	Australian Property Council
Mr Mark Day (Chairman)	Australian Sugar Milling Council
Mr Richard Mulcahy (Chief Executive Officer)	AusVeg
Mr Peter Balsarini (Chief Executive Officer)	Carbon Conscious
Mr Neil Wandel (Chairman)	CBH
Mr Andrew Grant (Chief Executive Officer)	CO2 Group
Mr Doug Eddy (Federal President)	Dairy Industry Association of Australia (Australian Dairy Industry Council)
Mr Malcolm Jackman (Chief Executive Officer)	Elders
Mr Terry Edwards (Chief Executive Officer)	Forest Industries Association of Tasmania
Mr David Ginns (Corporate Affairs Manager)	GrainCorp
Mr Peter Melville (Manager)	Natural Resources and Climate, Horticulture Australia Limited

Mr John Berry (Director)	JBS Swift
Prof Snow Barlow (Member of Australian Landcare Council)	Landcare
Mr Robert Poole (General Manager Industry and Government Affairs)	Murray-Goulburn Co-operative
Mr Joe Morrison (Chief Executive Officer)	North Australian Indigenous Land and Sea Management Alliance
Mr Jock Laurie (President)	National Farmers Federation
Dr Sarah Ryan (NRM groups chair of regional chairs)	National NRM Regions' Working Group
Mr Richard Haire (Chief Executive Officer)	QLD Cotton Corp
Mr Darren Thomas (Chief Executive Officer)	T&R Pastoral
Mr John Connor (Chief Executive Officer)	The Climate Institute
Mr Gary Hughes (Executive Manager – Malt Division)	Viterra
Mr Jonathan Green (Manager of Natural Resources)	Winemakers Federation
Mr Greg Wellar (Executive Director)	Wool Producers Australia
Dr Andreas Dubs (Executive Director)	Australian Chicken Meat Federation Australia

COAL COMPANIES *(who attended the meeting with Ministers Combet and Ferguson 19 April 2011)*

David Peever	Rio Tinto
Hubie van Dalsen	BHP Billiton
Lyll Howard	BHP Billiton
Peter Freyberg	Xstrata Coal
Seamus French	Anglo American
Robert Cameron	Centennial Coal
Julian Thornton	Peabody Energy

VICTORIAN GOVERNMENT PRINCIPLES ON A NATIONAL CARBON PRICE

The Victorian Government considers that the following principles should frame the development of a carbon price:

- a) the impact on the affordability of power prices for both families and businesses is phased, manageable and equitable;
- b) security of supply is maintained;
- c) appropriate assistance is provided to vulnerable regions, businesses and communities to adjust to a carbon price, particularly the Latrobe Valley;
- d) investment certainty is achieved; and
- e) environmental effectiveness is achieved at least cost.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	25
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Emissions Projections		
Hansard Page EC:	EC 24		

Senator Macdonald asked:

Senator MACDONALD: What is the document you are referring to?

Mr Comley: This is Australia's emissions projections, which are put out by the department on an annual basis. That was in 2010. We are happy to get you a copy of that.

Answer:

The document referred to is '*Australia's emissions projections 2010*', and has been tabled with the Committee. The document is also available on the Department's website at:

www.climatechange.gov.au/en/publications/projections/australias-emissions-projections.aspx.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	26
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Treasury modelling		
Hansard Page EC:	EC 24-25		

Senator Macdonald asked:

Mr Comley: We have not done a formal update of estimates from doing a scenario of what would happen regarding nuclear. It is possible that the Treasury modelling exercise has looked at that in the context in which they are currently doing it: what are the scenarios on nuclear? But I am not familiar with that and you would have to ask Treasury about that...

Senator IAN MACDONALD: Could you, on notice, alert me to the website where I might get that information from Treasury?

Mr Comley: Sure.

Answer:

Details of the climate change modelling undertaken by the Treasury are available at:
www.treasury.gov.au/carbonpricemodelling/.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	27
Program:	1.3		
Division/Agency:	ASCD		
Topic:	Emissions from Icelandic volcano		
Hansard Page EC:	EC 25		

Senator Macdonald asked:

Senator IAN MACDONALD: If Ms Thompson does have the detail, perhaps you can tell me in raw tonnes what this latest volcano is expected to emit?

Ms Thompson: We would have to take that on notice and do some investigations, Senator.

Answer:

The Department does not have any responsibility for monitoring greenhouse gas emissions from Icelandic volcanoes. Published estimates of global carbon dioxide emissions from both land and under sea volcanoes range from 0.13 to 0.44 gigatonnes (billion metric tonnes) per year, with a best estimate of 0.26 gigatonnes per year. For 2010, carbon dioxide emissions from human activities are projected to be 35 gigatonnes or 135 times greater than the emissions from all volcanoes.

A specific figure for the eruption of Grimsvötn volcano on 21 May 2011 is not available. However, single volcanic eruptions typically do not cause significant positive deviations from the best estimate of 0.26 gigatonnes per year. For example, Mount St Helens in 1980 is estimated to have released only about 0.01 gigatonnes of carbon dioxide and Mount Pinatubo, one of the three largest eruptions of the twentieth century, released approximately 0.05 gigatonnes.

Furthermore, due to the release of small particles (known as aerosols) that reflect incoming sunlight, large volcanic eruptions actually result in a detectable global cooling of the lower atmosphere. For example, the eruption of Mount Pinatubo in 1991 is estimated to have cooled the Earth's surface for up to three years.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	28
Program:	1.1		
Division/Agency:	CSMD		
Topic:	McKinsey cost curve		
Hansard Page EC:	EC 43		

Senator Xenophon asked:

Mr Comley: ... What we have observed, both in history and going forward, is that the proportion of abatement that is actually taken up from the McKinsey cost curve is actually quite small.

Senator XENOPHON: Can you provide some further details on that on notice?

Mr Comley: Sure

Answer:

Uptake of the low cost abatement opportunities on the McKinsey cost curve is often lower than expected because many of these opportunities face non-price barriers to adoption. ClimateWorks Australia identified three categories of non-price barriers that explain why price may not be a sufficient incentive to achieve the lowest-cost emissions reductions:

- Market structure and supply barriers (including high transactions costs, split incentives and some contract structures).
- Information gaps and complex decision processes.
- Capital constraints and investment priorities (including barriers associated with long payback periods).

The ClimateWorks Australia report *Low Carbon Growth Plan for Australia* provides further details of these non-price barriers on pages 23 to 31. The report is available at:

www.climateworksaustralia.org/Low%20Carbon%20Growth%20Plan.pdf.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	190
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Fuel offsets		
Hansard Page EC:	EC18		

Senator Birmingham asked: Under the CPRS, how did the fuel offset break up between householders and industry?

Mr Comley: Before I answer that question, just in case there is any risk of misinterpretation of what I am saying: you have asked a range of questions about what was the CPRS breakdown, and I think it is perfectly appropriate to talk about what that was. Questions that go to how a government may choose to meet the 50 per cent commitment is the question of policy that is currently under consideration, which is not something that I would be speculating on. In terms of the breakdown in that table which was the fuel offset for the CPRS, I can take on notice any information we have on the more precise number; but roughly two-thirds of fuel offsets is something that benefits households. You get that number by looking at the fuel use by household and business type.

Answer:

The fuel offset under the Carbon Pollution Reduction Scheme (CPRS) comprised three components:

- cent-for-cent reduction of fuel excise for the first three years of the CPRS;
- a fuel tax credit for businesses in the agriculture, forestry and fishing industries for the first three years of the CPRS; and
- a fuel tax credit for heavy on-road transport for the first year of the CPRS.

Approximately 70 per cent of the cent-for-cent fuel tax offset expense under the CPRS was estimated to flow as direct benefits to households, with the remainder to have flowed to business uses. It is also the case that a proportion of the assistance provided to industry would have flowed through to households through reduced transportation costs (passed through the production of various goods and services).

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	193
Program:	1.1		
Division/Agency:	LD		
Topic:	Forest burns		
Hansard Page EC:	Written		

Senator Brown asked:

Referring to the answer to question 118 from the February estimates climate change session, what is the total greenhouse gas emissions from all forestry activities in Tasmania and what is the total from all forest “regeneration” burns in Tasmania per annum?

Answer:

The emissions and removals due to forestry activities within the United Nations Framework Convention on Climate Change category, “Forest land remaining forest land”, including emissions from regeneration burns, are estimated by the Department at the national scale. Emissions estimates are not currently disaggregated by jurisdiction.

Australia’s National Inventory Improvement Plan includes developing a strategy to enhance the modelling capacity for forest management activities. This will support enhanced disaggregation in the future.

The net emissions from harvested native forests in Australia can be found in the Australian Greenhouse Emissions Information System at:
<http://ageis.climatechange.gov.au/UNFCCC.aspx>.

The emissions from prescribed burning, regeneration burning and wildfire in forests are reported separately and can be found at:
http://ageis.climatechange.gov.au/Reports/2011_2009_ActivityTable_LULUCF.pdf.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	194
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Carbon tax modelling		
Hansard Page EC:	Written		

Senator Birmingham asked:

Can the Government provide figures on the extent of trade exposed industry that is not energy intensive and that will therefore suffer under arrangements that potentially over-compensate households?

Answer:

On 10 July 2011, the Australian Government announced the assistance arrangements that will be available as a part of the proposed carbon price mechanism.

Emissions-intensive businesses that are trade-exposed will be able to access assistance under the Jobs and Competitiveness Program (JCP). The JCP will deliver assistance worth \$9.2 billion over the first three years of the carbon price.

The Coal Sector Jobs Package and the Coal Mining Abatement Technology Support Package will provide \$1.3 billion assistance over 6 years to assist this sector, particularly the most emissions-intensive coal mines.

The Government has announced the following measures to assist industries that are not emissions-intensive:

- \$1.2 billion Clean Technology Program (that includes the Clean Technology Investment Program, Food and Foundries Investment Program and Clean Technology Innovation Program targeted at manufacturing industries);
- \$32 million Clean Energy Skills;
- \$40 million energy efficiency information grants;
- increases in the small business instant asset write-off worth around \$100 million per annum; and
- \$5 million clean technology focus for supply chains.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	195
Program:	1.1		
Division/Agency:	CSMD		
Topic:	Carbon tax modelling		
Hansard Page EC:	Written		

Senator Birmingham asked:

How will the Government ensure equity between emissions-intensive trade-exposed (EITE) industry that use the revenue methodology and value add and what studies has Government done to ensure those industries are not disadvantaged by the proxy method adopted?

Answer:

The calibration of value added thresholds, to be consistent with those for revenue, reflected data from the Australian Bureau of Statistics (ABS) *2004-05 National Accounts Input-Output Tables* (as described in the *Carbon Pollution Reduction Scheme White Paper*, 2008, pp.12-35).

This data shows that, on average, revenue is around three times higher than value added for the most emissions intensive industries in the economy, and that this ratio has remained relatively stable over time. Across the whole economy, revenue is a little higher than three times the value added, reflecting the higher level of intermediate inputs used in non-emissions intensive sectors such as retail and wholesale trade, and accordingly the three to one ratio is at the generous end of the range determined from the ABS tables.