

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

10 – 11 February 2010

Question: aet 101

Topic: ETS – Modelling Process – Post-Copenhagen

Hansard Page: E52 (11/02/2010)

Senator BOSWELL asked:

Senator BOSWELL—In modelling, Treasury assumed that the US would have an emissions trading scheme operating by 2010. Is that likely to happen?

Mr Ewing—It is not my place to make an assessment of that.

Senator BOSWELL—What does the Treasury modelling say about the number of jobs will be lost in the current reality where Australia goes it alone without a global coordinated approach? Has that modelling been done?

Mr Ewing—As I have said, we have not modelled a scenario where Australia goes it alone.

Senator BOSWELL—But you have done other modelling?

Mr Ewing—We have done a range of modelling in the process of producing the final modelling that was published in that report, yes.

Senator BOSWELL—But after Copenhagen have you done other modelling?

Mr Ewing—I would have to take on notice exactly what everybody in the unit is doing, but if I could just give a broad answer to that one, with the specifics on detail, I do not believe so, no.

Senator BOSWELL—That stands on the record as no. Do you want to correct that?

CHAIR—Mr Ewing said that he would take that on notice. He was trying to assist you by giving you a general answer.

Senator BOSWELL—No, he has given the answer is no.

CHAIR—No, Senator Boswell.

Mr Ewing—I will take the question on notice.

Senator BOSWELL—I think that is a safer way to go.

Answer:

Treasury has not undertaken any updated economic modelling that considers outcomes relating to the United Nations Framework Convention on Climate Change conference in Copenhagen from 7 to 19 December 2009.

The Government has undertaken the largest and most detailed modelling project in Australia in order to assess the economic implications of the Carbon Pollution Reduction Scheme (CPRS). The Government's *Australia's Low Pollution Future: The Economics of Climate Change Mitigation* (ALPF) report focuses on the global and Australian costs of climate change mitigation.

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In the ALPF report, the CPRS scenarios assume a multi-stage approach. Australia's level of mitigation effort is taken as the starting point. Developed economies take comparable action, and developing economies join the scheme over the period 2015 to 2025.

The proposals eventuating from the United Nations Framework Convention on Climate Change conference in Copenhagen last year are broadly consistent with the ALPF's multi-stage approach outlined above.