

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

23 – 24 February 2011

Question: AET 175

Topic: Carbon Prices in other Countries

Hansard Page: E 111

Senator Cameron asked:

Senator CAMERON—You did say that it was underlying carbon prices in other countries?

Ms Quinn—I was referring to the Vivid Economics and Climate Institute report *Climate Change* that was looking at the shadow price of carbon, the implicit price of carbon in the electricity generation sector in other countries.

Senator CAMERON—Do you have the figures there?

Ms Quinn—I do.

Senator CAMERON—Are they on the record?

Ms Quinn—Yes, the report is published. I read out some of them earlier but I can certainly provide the information on notice.

Senator CAMERON—Yes, I would like that, thank you.

Answer:

The figures for shadow carbon prices from the Vivid Economics and The Climate Change Institute report "[The implicit price of carbon in the electricity sector of six major economies](#)" are provided below. The shadow carbon prices include the costs of a current set of policies and are therefore not forecasts.

Implicit Carbon Price in Electricity Generation (\$US)

| | Purchasing power parity | Market exchange rate |
|-------------|-------------------------|----------------------|
| Australia | 1.68 | 2.34 |
| China | 14.22 | 8.08 |
| Japan | 3.11 | 4.22 |
| South Korea | 0.72 | 0.5 |
| UK | 29.31 | 28.46 |
| US | 5.05 | 5.05 |

Further details can be found in the publication at:

<http://www.vivideconomics.com/docs/Vivid%20Econ%20Implicit%20Carbon%20Prices.pdf>.