

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 641 - 647

Topic: Clean Energy Future Plan #2

Hansard Page: Written

Senator Birmingham asked:

641. What will Australia's estimated domestic emissions be under the government's clean energy future plan in each year to 2020 (inclusive)?
642. What volume of internationally sourced abatement will be purchased under the government's clean energy future plan in each year to 2020 (inclusive)?
 - a) What is the value of this abatement?
643. What is the estimated real carbon price in 2010 dollars under the government's clean energy future plan in each year to 2020 (inclusive)?
 - a) What is the estimate price in nominal terms in each year?
644. What will Australia's estimated domestic emissions be under the government's clean energy future plan in each year to 2050 (inclusive)?
645. What volume of internationally sourced abatement will be purchased under the government's clean energy future plan in each year to 2050 (inclusive)?
 - a) What is the value of this abatement?
646. What is the estimated real carbon price in 2010 dollars under the government's clean energy future plan in each year to 2050 (inclusive)?
 - a) What is the estimate price in nominal terms in each year?
647. Why are domestic emissions and emissions intensity of GDP lower under the SGLP and Government policy models in 2050 than under the Clean energy future model?
 - a) What changes to policy make the difference in each of these scenarios?

Answer:

641. Domestic emissions are reported in Chart 5.2 of the *Strong growth, low pollution: modelling a carbon price* report, which can be found by following the link

www.treasury.gov.au/carbonpricemodelling/content/chart_table_data/chapter5.asp

642. Internationally sourced abatement is reported in Chart 5.2 of the *Strong growth, low pollution: modelling a carbon price* report, which can be found by following the link

www.treasury.gov.au/carbonpricemodelling/content/chart_table_data/chapter5.asp

The value of international abatement is the product of the volume of internationally sourced abatement and the real carbon price (see answer to question 643).

643. The real carbon price in 2010 dollars is reported in Chart 5.1 of the *Strong growth, low pollution: modelling a carbon price* report, which can be found by following the link

www.treasury.gov.au/carbonpricemodelling/content/chart_table_data/chapter5.asp

The nominal carbon price will be \$23.00 / t CO₂-e in 2012-13, \$24.15 / t CO₂-e in 2013-14 and \$25.40 / t CO₂-e in 2014-15. During the flexible price period, the nominal carbon price will depend upon the real carbon price and inflation outcomes.

644. See answer to question 641.

645. See answer to question 642.

646. See answer to question 643.

647. The assumed permanent exclusion of heavy on-road transport from carbon pricing in the Clean Energy Future scenario results in less domestic abatement than the other two policy scenarios (where carbon pricing is applied to heavy on-road transport from 2014-15), with more abatement sourced overseas.