

**Senate Finance and Public Administration Legislation Committee**  
**ANSWER TO QUESTION ON NOTICE**  
**Prime Minister and Cabinet Portfolio**  
**Department of Climate Change**  
**Budget Estimates Hearing–May 2009**

**Written question reference:** CC33

**Outcome/Output:** Outcome 1, Output Group 1.1 – Response to climate change

**Topic:** Carbon Pollution Reduction Scheme and Fuel Credit Payment

**Hansard Page:** Not relevant for written QoN

**Question:** (Senator Boswell)

I refer to the Government's propaganda document titled "The Carbon Pollution Reduction Scheme and You". On page 20 of the document you state that "Agriculture and fisheries industries will also benefit from the new Carbon Pollution Reduction Scheme Fuel Credit Payment for the first three years of the scheme. The amount of the Fuel Credit Payment will be equal to the fuel tax cuts provided to motorists." Why has forestry been excluded from the Fuel Credit Payment given this industry, like agriculture and fishing, also support jobs in regional economies?

**Answer:**

The forestry industry will benefit from the introduction of the Carbon Pollution Reduction Scheme (CPRS).

Some plantations will be able to voluntarily opt-in to the CPRS and receive free permits.

Forest products will benefit from relative price changes as a result of the CPRS, becoming more cost competitive. For example, wood based building products are less emissions intensive than steel and cement; and emissions from combustion of biomass for energy are 'zero rated' whereas combustion of fossil fuels is emissions intensive.

Forest industry businesses that operate heavy on-road vehicles will benefit from the CPRS fuel credit scheme for one year.