

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: ABARE 01

Division/Agency: ABARE

Topic: Australian Industry Greenhouse Network

Hansard page: 91

Senator Webber asked:

Would you receive any funding from any of the member companies?

Answer:

Yes, the Australian Bureau of Agricultural and Resource Economics has had project and other funding from Woodside Energy Limited, Rio Tinto, Exxon Mobil and the Minerals Council of Australia since 1 June 2004.

Question no: ABARE 02

Division/Agency: ABARE

Topic: Global Greenhouse Emissions

Hansard page: 91

Senator Webber asked:

Did Dr Fisher or anyone else advise the climate pact meeting that reducing global greenhouse emissions by 23 per cent by 2050 was substantially short of what is necessary to avoid dangerous climate change?

Answer:

Dr Fisher advised the meeting that total global greenhouse gas emissions continue to rise even in a scenario where possible Partnership actions reduce global greenhouse gas emissions by 23 per cent relative to the reference case at 2050. Dr Fisher made no reference to any level 'necessary to avoid dangerous climate change' because there is no consensus on what that level is.

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Question no: ABARE 03

Division/Agency: ABARE

Topic: Greenhouse Abatement

Hansard page: 91

Senator Webber asked:

In your projections for greenhouse abatement, did ABARE include the impact of renewable energy in China under the Chinese law that stipulates the deployment of renewables?

Answer:

When developing the assumptions that underlie the Australian Bureau of Agricultural and Resource Economics' (ABARE) projections a range of sources are utilised, including the International Energy Agency and official government sources. Information regarding China's energy laws are often associated with much uncertainty as a result of historical data inaccuracies, translation issues and a lack of specific targets. New information is generally incorporated into ABARE's projections as it is released.

In ABARE's reference case projections for China, nonhydro renewables in electricity generation are projected to rise more rapidly than any other fuel source, growing at an average annual rate of about 20 per cent over the period 2001-20. This can be compared with the average annual growth rate of total electricity output of about 5.3 per cent over the same period. The share of hydro and nonhydro renewables in total electricity consumption in China is approximately 18 and 0.2 per cent respectively in 2001. The projected shares in 2020 are 17 and 2 per cent respectively.

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Question no: ABARE 04

Division/Agency: ABARE

Topic: Greenhouse Abatement

Hansard page: 92

Senator Webber asked:

So we have not written off that it will not be developed without price signals?

Answer:

The Asia Pacific Partnership on Clean Development and Climate has not released any statements on the use of price signals to encourage technological development and transfer among Partnership countries. From the Partnership Work Plan it is anticipated that Partnership actions may include technology based research, pilot, demonstration and deployment projects, skills enhancement and exchange, commercial and information exchanges (for example industry-oriented workshops, high level policy dialogue) and measures to disseminate best practice.

Question no: ABARE 05

Division/Agency: ABARE

Topic: Emissions trading

Hansard page: 93

Senator Webber asked:

It has been reported in the past that Dr Fisher has said that emissions trading is not practical. Does ABARE still hold that view, given the success of the Kyoto carbon financing market?

Answer:

Emissions trading schemes allow a given environmental goal to be achieved at least cost assuming low transaction costs and an effective compliance system. The Australian Bureau of Agricultural and Resource Economics (ABARE) does not discount the use of emissions trading in promoting economic efficiency. However, ABARE has stated in several publications that the current Kyoto framework is environmentally ineffective and inconsistent with provision of economically efficient or equitable outcomes.