

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 65

Hearing: Supplementary Budget Estimates

Outcome: Outcome 7

Programme: Emissions Reduction Fund Taskforce

Topic: Obama Climate Change Plan

Hansard Page: N/A

Question Date: 27 November 2013

Question Type: Written

Senator Urquhart asked:

What are the differences between the Obama climate change plan and the Government's direct action plan?

Answer:

The Australian Government's Direct Action Plan, set out in 2010, will provide a stable and enduring policy framework that will enable Australia to achieve its environmental goals whilst delivering benefits to landholders and businesses and strengthening the economy.

The Emissions Reduction Fund (ERF) is central to the Government's Direct Action Plan to cut emissions. The Government is consulting on the ERF but has indicated in the Green Paper that three principles will guide decisions on its design:

- Lowest cost emissions reductions. The ERF will identify and purchase emissions reductions for the lowest cost;
- Genuine emissions reductions. The ERF will purchase emissions reductions that make a real and additional contribution to reducing Australia's greenhouse gas emissions; and
- Streamlined administration. The ERF will make it easy for business to participate.

The Direct Action Plan also includes practical policies that together will reduce Australia's emissions at low cost and without adding to household and business energy costs.

Australia's emissions growth is already being offset by policy actions to reduce emissions, such as the Renewable Energy Target and energy efficiency standards on appliances, equipment and buildings.

Instead of implementing a carbon tax or an emissions trading scheme, the Obama Climate Action Plan focuses on a number of direct actions style measures, including emissions limits for electricity generators; the expansion of efficiency standards for vehicles, buildings and appliances; and investment in clean energy technologies. This includes actions that will:

- Reduce greenhouse gas emissions from electricity generation and transportation.
- Include mandatory renewable energy standards.
- Support adaptation initiatives for coastal areas, infrastructure, agriculture and natural resources.