

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

Question No: 78

Hearing: Supplementary Budget Estimates

Outcome: Outcome 7

Programme: Land Division

Topic: DIRECT ACTION 2010

Hansard Page: N/A

Question Date: 27 November 2013

Question Type: Written

Senator Urquhart asked:

Does the Department stand by these comments from its earlier analysis of direct action in 2010?

- a) "Soil carbon purchasing would inherently involve higher administrative overheads than other abatement due to the multiplicity of small scale grants."
- b) "an average cost of carbon of \$50 per tonne in 2020 to be the minimum realistic average cost for such a program."
- c) "the GGAS scheme rewards a good deal of activity that would have occurred in any event – ie it was non-additional."
- d) "sustained price discrimination is unlikely to be practical."
- e) "Experience indicates that grant programs are only able to access a fraction of the estimated technical abatement potential."
- f) "Penalising abatement above a baseline is legislatively complex."
- g) "the permanence of any gains in soil carbon is highly uncertain."

If they Department's view has changed, when and on what basis was this done?

Answer:

The comments reflect analysis by the then Department of Climate Change for the previous Government on the Direct Action Plan as it was presented in 2010. The Government has now released a Green Paper setting out potential directions for the design and implementation of the Emissions Reduction Fund, a key component of the Direct Action Plan.