

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Budget Estimates

29 May 2012

Question: BR22

Topic: Carbon Abatement Costs in the Tourism Sector - Hotels and Aviation

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Senator Waters asked:

Senator WATERS: What research has RET undertaken or contributed to regarding carbon abatement costs in the tourism sector, particularly for hotels or aviation?

Mr Clarke: This is in terms of what is the least-cost way of abating a tonne if you are a tourism operator?

Senator WATERS: Yes. That is one iteration or scenario.

Mr Clarke: Work has been done under the sustainability theme of work in the tourism sector that looked at how tourism businesses could be, and be seen to be, responding to climate change. There is data in that area and I am happy to take that on notice and provide it to you.

Senator WATERS: That would be great, particularly on those abatement costs.

Mr Clarke: The abatement opportunities, when you are an end user of energy, essentially go to energy efficiency. There are few other options that go through. I recall that the primary theme focused on energy efficiency opportunities, but let me come back to you with the details.

Answer:

Modelling the impacts of carbon pricing is undertaken by Treasury. Specific to the hotel and aviation sectors, Treasury modelling suggests that the impact of carbon pricing on the tourism industry will be modest.

- The accommodation and hotels sector is expected to continue to grow under a carbon pricing regime by an estimated 21 per cent by 2020 and 151 per cent by 2050.
- The aviation sector is also expected to continue to grow under a carbon pricing regime by an estimated nine per cent by 2020 and 373 per cent by 2050.

In terms of RET research, under the National Long-Term Tourism Strategy's Industry Resilience Working Group, CSIRO has been engaged to develop an online tool to provide operators with user-friendly information on projected climate changes and risk mitigation actions to build business resilience. This project is due for completion by November 2012. In 2009, RET published the "Climate Change Guide – Mitigation and Adaptation Measures for Australian Tourism Operators" and in 2011 the Frontier Economics report on climate change impacts; both available on the RET website www.ret.gov.au. These pieces of work discuss sustainability but do not specifically address carbon abatement costs.