

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

29 May – 31 May 2012

**Question: BET 86**

**Topic: Bipartisan Emissions Target – Incoming Brief for Opposition**

**Hansard Page: Wednesday 30 May 2012, page 27**

**Senator WATERS asked:**

Senator WATERS: ... Do you stand by the statement in the incoming government brief for the 2010 returning government that, and I quote:

... the mitigation task to achieve your commitment to reduce national emissions to 5 per cent below 2000 levels by 2020 is significant. It cannot be achieved without a carbon price if damaging economic and budget impacts are to be avoided. Direct action initiatives alone will not do the job.

Do you still stand by that statement?

Dr Gruen: Is that a quote from the incoming government brief?

Senator WATERS: Yes.

Dr Gruen: Then we stand by it.

Senator WATERS: Good to hear.

Dr Gruen: That I can answer.

Senator CORMANN: You have not changed your mind?

Dr Gruen: No.

Senator WATERS: It seems not. In preparing the incoming brief for the opposition, did Treasury do any modelling of the cost of reaching the bipartisan emissions target of five per cent using a form of competitive tendering—so-called direct action? If so, what were the conclusions?

Dr Gruen: I would have to take that on notice.

**Answer:**

Treasury did not model the cost of reaching the bipartisan emissions target of five per cent below 2000 levels by 2020 using a form of competitive tendering for the incoming Government brief.