

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Budget Estimates Hearing 2007-08
28 May 2007

AGENCY/DEPARTMENT: INDUSTRY, TOURISM AND RESOURCES

TOPIC: Analysis of the impact of climate change responses (relates to A1-102)

REFERENCE: Written Question

QUESTION No. B1-84

Senator Evans asked:

Following on the answer to AI-102 from the February 2007 hearings:

- a) Provide the dates on which the Department commissioned work on the impact of various climate change responses?
- b) How many such studies have been commissioned?
- c) Have some of these been done by outside organisations? If so please indicate which organisations have been used in commissioning this work.
- d) In relation to the work commissioned on sensitivity analysis in relation to various generation technologies of various climate change responses, when was this work completed?
- e) What were the various climate change responses examined in this study? i.e. MRET, carbon tax, carbon emission trading?

ANSWER

- a) During the period 2003-06 the Department commissioned a number of studies by the Australian Bureau of Agricultural and Resource Economics (ABARE) on the role of technology under various climate change responses.
- b) ABARE has provided five technology reports commissioned by the Department. These are:
 1. *Excluding Technologies From the Mandatory Renewable Energy Target* (ABARE e-Report 03.12)
 2. *Near Zero Emission Technologies* (ABARE e-report 05.01)
 3. *Technological Development and Economic Growth* (ABARE e-Report 06.01)
 4. *Technology: Its Role in Economic Development in Climate Change* (ABARE e-Report 06.06)
 5. *Economic Impacts of Climate Change Policy: Role of Technology and Economic Instruments* (ABARE e-Report 06.7)
- c) All of the Commissioned work referred previously has been undertaken by ABARE. The Department understands that the CSIRO was also involved in the fifth report listed above.

- d) This work was completed with the publication of the reports. Report Number 1 was published in June 2003, Report Number 2 was published in January 2005 and Report Number 3 was published in January 2006, Reports Number 4 and 5 were published in July 2006.
- e) The various climate change responses represented a range of policy frameworks which included a mix of technology specific programs such as technology targets (policy "pull" measures), increased technology R&D (policy "push" measures) or market based instruments. In most instances this involved using a carbon price signal (tax or emissions trading) in the model to directly or de-facto simulate or drive policy outcomes.

All of the reports listed above are available on the ABARE website.