Monday, 15th August 2011

**FOI DOCUMENTS SHOW COMBET MISLED AUSTRALIANS ON CARBON TAX**

‘Greg Combet, the Minister for Climate Change has misled Australians about China’s price on carbon according to documents released to the Institute of Public Affairs under Freedom of Information’, said Director of Climate Change Policy, Tim Wilson, today.

Mr Wilson’s comments follow the release of FOI documents made available to the Institute of Public Affairs into a Climate Change Department-funded report by Vivid Economics.

‘The Minister has claimed China’s price on carbon is $8.08 per tonne compared to Australia’s $2.34’, Mr Wilson said.

‘Documents released under Freedom of Information reveal that the Minister’s own Department advised that China’s price on carbon was really only $1.78 – less than Australia’s $2.34.

‘The FOI documents show that despite Climate Change Minister Combet arguing China’s carbon tax rate is nearly three times higher than Australia's his Department knew it was less.

‘After the release of the Vivid Economics report Climate Change Minister Combet claimed ‘the myth that Australia is acting ahead of the world is just that – a myth’.

‘These FOI documents show the only myths are those promoted by the Minister and he now needs to come clean about why his Department knew he was misleading the public but kept doing so.

‘Since breaking its ‘no carbon tax’ pledge the government has continually promoted misinformation to justify the introduction of its economically harmful tax. It’s time the government came clean.

‘The government’s ‘no carbon tax’ promise was misleading, its Treasury modelling’s based on misleading assumptions and now government-funded reports have been found to be misleading.

‘If the government was prepared to have an honest debate about the introduction of its tax they’d quickly know its carbon tax and direct action renewable energy fund would massively increase electricity prices, impose a higher tax than any other country and damage the Australian economy.

‘It’s time Minister Combet told the Australian people when he knew China’s carbon tax numbers were not comparable and why he kept misleading the public’, Mr Wilson said.

*The Freedom of Information documents are attached on the following pages.*

Media Comment:  Tim Wilson  Director of Climate Change Policy  0417 356 165
Primozić, Lauren

From: 
Sent: Wednesday, 6 October 2010 2:30 PM
To: 'Erwin Jackson'
Subject: FW: 101006 Vivid report - late amendments to the Renewable Energy Target section [SEC=UNCLASSIFIED]
Attachments: 101006 Question re Vivid results for Chinese LSS policy AM.docx; 101008 Vivid report - late amendments to the Renewable Energy Target section.doc

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Erwin

I have attached the changes suggested for the report regarding the RET wording. It is not a do or die issue but if there is a possibility of changing it before the report is published it would be good.

Oh, and I just noticed a typo on page 22, I think it should be 524 GW of coal capacity, not 524 MW.

I have also attached a quick run-down of the issue I had this morning with the Chinese LSS policy and how it is costed. Let me know if I am barking up the wrong tree but as I mentioned earlier it only occurred to me this morning just before the meeting.

Apologies for the late feedback, I've been chasing people up around here for weeks regarding this report but now it's too late to change things they want input!

Thanks

From: 
Sent: Wednesday, 6 October 2010 12:46 PM
To: 
Subject: 101006 Vivid report - late amendments to the Renewable Energy Target section [SEC=UNCLASSIFIED]

---the edits I'm getting Rob to clear...

Cheers
Question regarding Vivid results for Chinese LSS policy

- The assumed implicit carbon price for the Chinese LSS policy is $7.58.

- This is calculated by weighting the internal carbon price ($340.71), which is the cost per tonne of abatement, by the percentage of electricity covered by the policy (2.23%).

- I would like to query if this is the correct approach. Should the internal carbon price actually be weighted against the percentage of emissions covered by the policy?
  - i.e. the emissions reductions due to this policy are 10.4 million tonnes, or 0.375% of total electricity sector emissions.
  - Applying this weight in place of the 2.23% used in the report leads to a result of $1.28 per tonne of CO2 from the electricity sector, significantly lower than the $7.58 result reported.

- As a sanity check, the cost of the policy is $3.54 billion US, which when applied to the total emissions from the electricity sector (2.77 billion) also works out at $1.28 per tonne of CO2.

- This second methodology is consistent with that used to calculated measures such as the NSW GGAS scheme in the Australian chapter.
Hi Erwin

Conrad has been reading through the Vivid report and has picked up a few typos and other editorial issues.

Sorry for not picking these up earlier

Hi

As discussed, attached are a few very minor editorial suggestions for your Vivid’s consideration.

Cheers,

Strategic Market Linkages Branch
Climate Strategy and Markets Division
Department of Climate Change and Energy Efficiency
Ph: (03) 8159

FYI All

I have just received from the Climate Institute the final Vivid Economics report into implicit and explicit carbon prices applying to the electricity sector in key economies. The headline figures are:

- Australia: $2.34
- China: $8.08
- Japan: $4.22
- South Korea: $0.50
• UK: $28.46
• US: $5.05
• US RGGI states only: $9.52

(All prices are at actual exchange rates, PPP results are also reported)

Please note that the report and the results are embargoed until the 19th of October

Regards

Analysis and Projections Branch
Climate Strategy and Markets Division
Department of Climate Change & Energy Efficiency
02 6159
@climatechange.gov.au

From: Erwin Jackson [mailto:ejackson@climateinstitute.org.au]
Sent: Tuesday, 5 October 2010 4:00 PM
To:
Subject: Fw: Report for release

----- Original Message -----
From: Simon Baptist <simon.baptist@vivideconomics.com>
To: Erwin Jackson; Will McGoldrick
Cc: cameron.bephara@vivideconomics.com; <cameron.bephurn@vivideconomics.com>; 'John Ward'
       <john.ward@vivideconomics.com>
Sent: Tue Oct 05 01:52:00 2010
Subject: Report for release

Dear all,

Attached is the report, in PDF and Word form, ready for release. The spreadsheet to re-create the chart is also attached.

Simon

Dr Simon Baptist
Engagement Manager

T:+44 (0)844 8000 254
M: +44 (0)7905 476502
E: simon.baptist@vivideconomics.com <mailto:firstname.lastname@vivideconomics.com>
Tax Invoice

A.B.N. 26 118 713 592

Bill To: Department of Climate Change & Energy Efficiency
Attr: Analytical and Projections Branch

Ship To: Department of Climate Change & Energy Efficiency
Attr: Analytical and Projections Branch

Description: Grant for Effective Price of Carbon in Major Economies research project

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Payment terms 7 days

EFT:
Bank: St George
Name of Account: The Climate Institute
BSB: 113-038
Account No: 12706595

Account Enquiries: 02 8336 6299

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Received 4/6/10 by