



Minister for Climate Change and Energy Efficiency

Mr Andrew Cappie-Wood  
Director-General  
Chief Minister and Cabinet  
GPO Box 158  
CANBERRA ACT 2601

Dear Mr Cappie-Wood

I would like to thank you for the contribution you have made thus far in relation to the development of a carbon pricing mechanism.

The Government will make a major climate change policy announcement on Sunday 10 July 2011.

I would like to invite you, as a valued contributor to the Government's consideration of a carbon pricing mechanism, to attend a stakeholder lock-up as part of this announcement from 9.00am – 12.00pm on Sunday 10 July 2011 at Australian Parliament House, Canberra.

At this time you will receive copies of the Carbon Price Package documents and have the opportunity to discuss the details of the announcement with members of the Government and my Department.

Please register your attendance via email to [stakeholderlockup@climatechange.gov.au](mailto:stakeholderlockup@climatechange.gov.au) by close of business **Wednesday 6 July 2011**. Further instructions surrounding the lock-up arrangements will be issued after you register to attend.

If you are unable to attend you may nominate a single proxy to attend on your behalf. Given capacity restrictions, invited organisations may only send one representative.

I look forward to your continued engagement in relation to the legislation and implementation of the Government's climate change policy framework.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Greg Combet'.

GREG COMBET



**Pepperell, Michael**

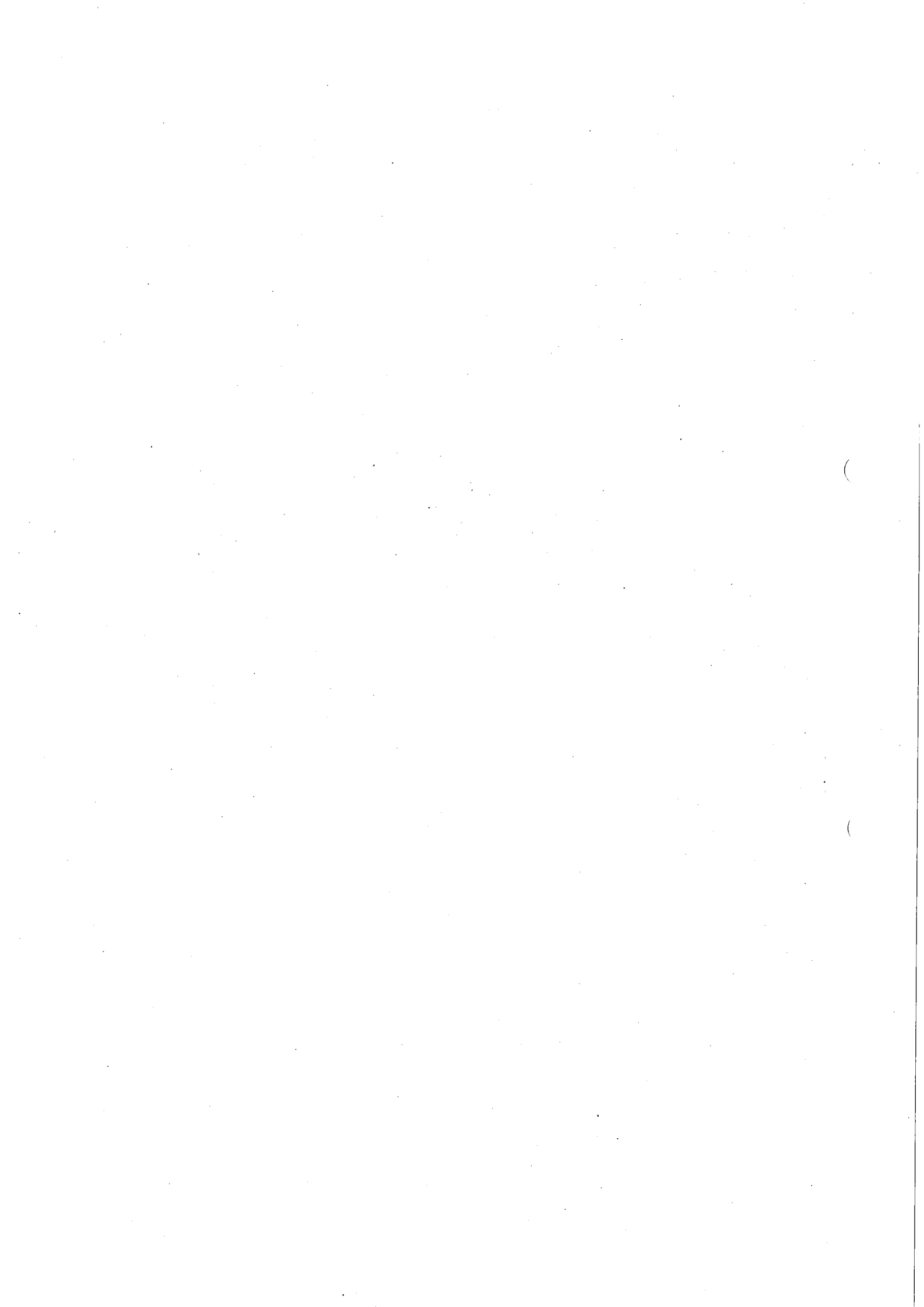
---

**From:** Smithies, Megan  
**Sent:** Sunday, 10 July 2011 3:06 PM  
**To:** Broughton, Roger; Ahmed, Khalid; Salisbury, Kim; Wilesmith, Brett  
**Cc:** Thompson, Kirsten; Kilkelly, Emma  
**Subject:** FW: Speaking and background dot points  
**Attachments:** 110712The Government welcomes this package.doc  
  
**Importance:** High

Sent version, thanks

-----Original Message-----

**From:** Smithies, Megan  
**Sent:** Sunday, 10 July 2011 2:58 PM  
**To:** Gallagher, Katy; 'mg@work.netspeed.com.au'; Cirson, Adina; Lopa, Liz; Philbrick, Bernard; BARR  
**Cc:** Papps, David; Cappie-Wood, Andrew  
**Subject:** Speaking and background dot points  
**Importance:** High



- The Government welcomes this package. It provides a very important foundation from which the ACT Government can develop our own Action Plan.
- The ACT community is very aware of the need to reduce carbon emissions. This is the message the Government has been receiving for quite some time.
- The package announced by the Federal Government today puts in place the framework that supports sustained effort on carbon emissions reduction.
- The key element of the framework is giving households – and this includes not just medium to high income households, but even medium to low income households – the opportunity to make choices
- Households can make choices about reducing their carbon footprint. The package announced by the Federal Government supports those on low incomes by more than what it expected to cost through putting a price on carbon
- Over time, we would expect that households exercise choice in consuming less carbon intensive products and services
- The Federal package also includes measures and initiatives to support the high emissions industries to become more efficient or to transform. The ACT does not have such industries, and as such, we would expect less impact on industry here.
- The carbon price is expected to increase the average national weekly household cost by \$9.90. On average, households will receive assistance of \$10.10 per week nationally.
- The assistance package is targeted at low to middle incomes. The associated tax reform package also provides gains for many households in the high income range.
- Compared to other jurisdiction, the ACT has proportionally lesser low income households. But to the extent that they are there, they will have additional money in their pockets.
  - For example, a couple with two dependent children with income of \$100,000 is expected to face an average cost increase of \$638. The assistance package is expected to provide \$661 annually.
  - A single parent household with one dependant is expected to have additional costs of \$437 which is mote than offset with \$464 of assistance.
- There will be a net cost for households on higher incomes. The ACT has the highest disposable average incomes in the country. We are also per capita the highest emitters due to this high income. It is expected that they will exercise

choice in reducing energy consumption (through efficiency measures or otherwise), or choose low carbon products and services.

- The national average price effects are likely to be similar in the ACT.
- Over the 3 years to 2014-15, the scheme makes a call on the Federal Budget of around \$3.9 billion. The Federal Government will have to find savings or raise revenue to offset set this shortfall if it is to meet its overall fiscal strategy.
  - For the ACT, we will of course expect that the impact of these does not fall disproportionately on the Territory;
  - There may also be some upside in Commonwealth Public Sector employment in the ACT due to the additional programs and authorities.
- There will be additional cost to the ACT Budget, reflecting the general price effects and energy needs in the provision of health and other services and street lighting. Cost of the Government's capital work program will increase.
  - There will be further analysis done on these aspects of the budget.

### **The Scheme**

- On 10 July 2011, the Prime Minister formally announced a national carbon tax starting at \$23 per tonne of CO<sub>2</sub> and proposed to commence on 1 July 2012.
- The carbon price is to operate by way of a carbon tax for three years increasing by 2.5 per cent in real terms per year to \$25.40 by 2014-15.
- The carbon price will transition to a cap and trade system from 2015-16, with an expected world price of \$29 per tonne of CO<sub>2</sub>.
- Initially the scheme will apply to less than 500 polluters covering around 60 per cent of emissions (electricity production, heavy industry and manufacturing).
- The scheme will achieve emission reductions of 5 per cent of 2000 level emissions by 2020 (or 159 Mt of CO<sub>2</sub> compared with projected levels).
- The Commonwealth has announced the Clean Energy Finance cooperation that will independently manage a range of existing energy programs.

### **Assistance**

- Australian households will receive assistance through increases in pensions, allowances and family payments and personal income tax cuts.
- This includes Clean Energy Supplement equivalent to a 1.7 per cent increase in pensions, allowances and family payments. These payments will take effect prior

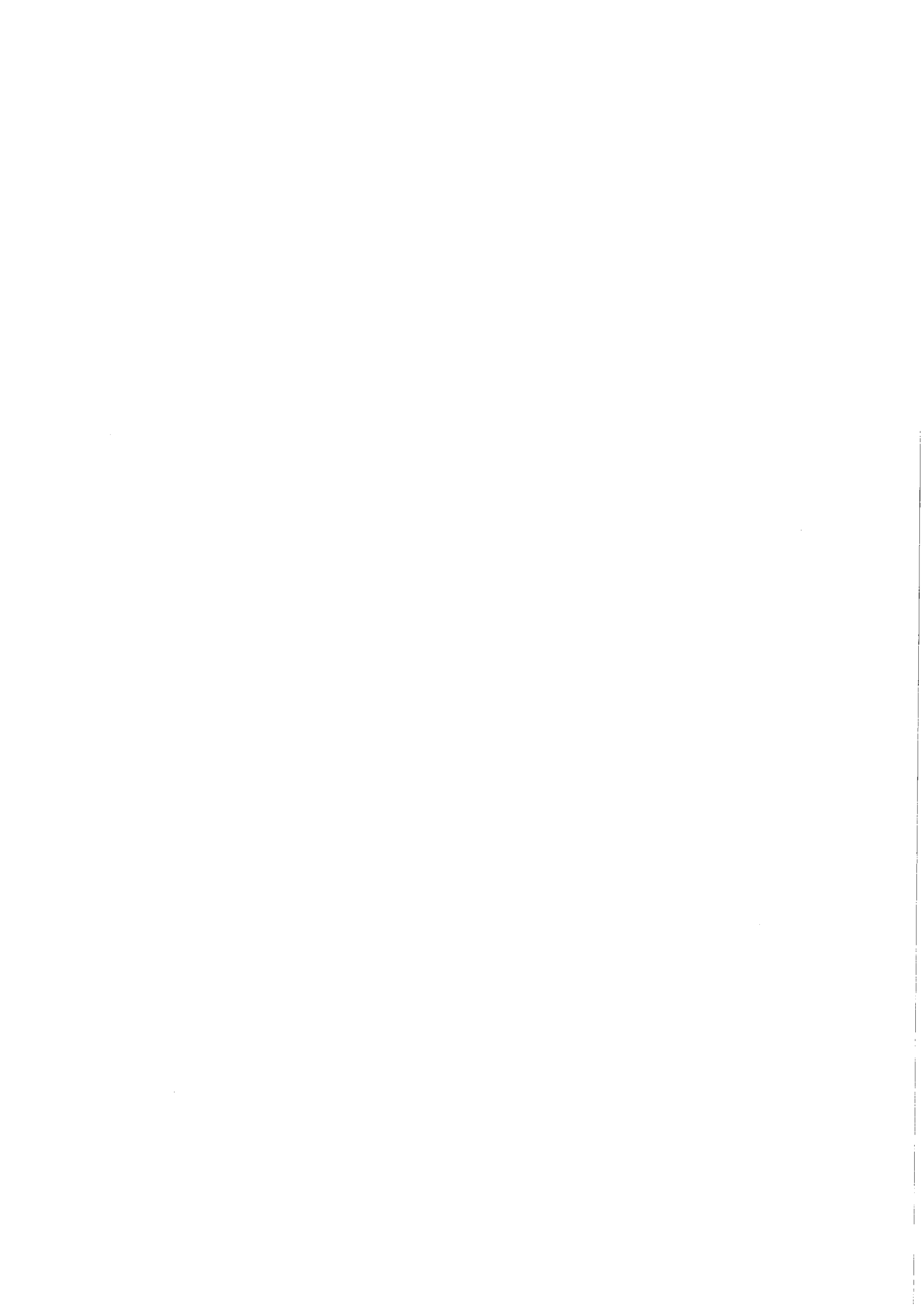
to the introduction of the carbon price. Single pensioner and self funded retirees will receive increases of \$388 per year. Pensioner couples will receive up to \$510 combined. A single income support recipient will receive up to \$309 per year. \$110 per child for families receiving Family Tax Benefit Part A

- The tax free threshold will increase from \$6,000 to \$18,200 from 1 July 2012 and 19,400 from 1 July 2015. Tax rates for the lower and middle income brackets will rise to ensure the benefits are skewed to low and middle income earners. The Commonwealth claim all tax payers with an income below \$80,000 will receive a tax cut. A person on an annual income of between \$30,000 to \$65,000 will get a tax cut of around \$300 from 1 July 2012 increasing to around \$380 from 1 July 2015.
- The Commonwealth is providing assistance to businesses affected by a carbon price. \$9.2 billion of assistance over three years to businesses which face international competition by way of free permits. A \$500 million tailored program to assist metal and food manufacturers. \$1.3 billion package for the coal industry.
- Small business benefits with an extension of the small business instant asset write-off to \$6500
- Fuel is exempted from the scheme but from 2012-13 fuel tax credits will be reduced for business – so that they face an effective carbon price on their transport fuel costs.

### **Impact**

- Commonwealth Treasury modelling indicates that nationally the scheme will have a marginal economic impact.
- It is expected to slow Australia's average income growth per person by around 0.1 of a percentage point per year with a medium-term impact on GDP of 0.3 per cent against a without carbon price scenario.
- CPI is to increase by 0.7 per cent in 2012-13 against a 'without carbon price' scenario.
- The prices for most household purchases will barely be affected by the carbon price – for almost everything other than electricity and gas, the estimated impact is likely to be less than 1 per cent.
- Electricity prices are expected to increase by 10 per cent in the first year of the scheme.
- Gas prices are expected to increase by 9 per cent.

- Food is expected to increase by less than 0.5 per cent.
- No overall impact on employment growth.





**Pepperell, Michael**

---

**From:** Wilesmith, Brett  
**Sent:** Sunday, 10 July 2011 4:48 PM  
**To:** Smithies, Megan  
**Cc:** Salisbury, Kim; Broughton, Roger; Konovalov, Alexander; Swanepoel, Abrie; Li, Dan  
**Subject:** Carbon Tax  
**Attachments:** Modelling Overview.pdf; 110710a - Brief - Carbon Tax.doc

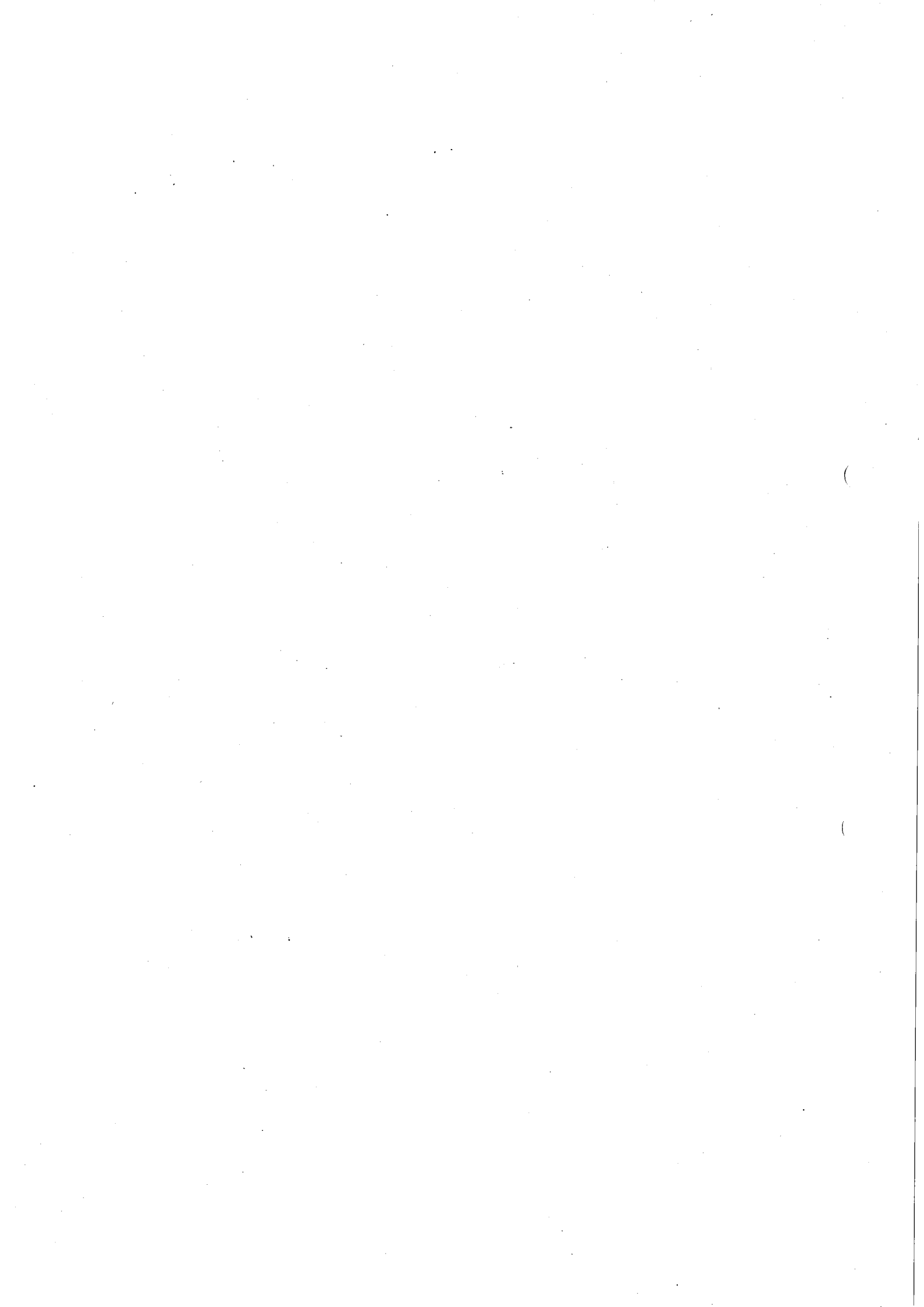
Hi Megan

Electronic copy of brief as requested.

Regards  
Brett

Brett Wilesmith | Senior Manager  
Regulation Policy Unit | Treasury Directorate | **ACT Government**  
Phone: 620 73949 | Fax: 620 70267 | [brett.wilesmith@act.gov.au](mailto:brett.wilesmith@act.gov.au)  
Level 1 Canberra Nara Centre | GPO Box 158 Canberra ACT 2601 | [www.act.gov.au](http://www.act.gov.au)

*Please consider the environment before printing this email. If printing is necessary, please print double-sided.*

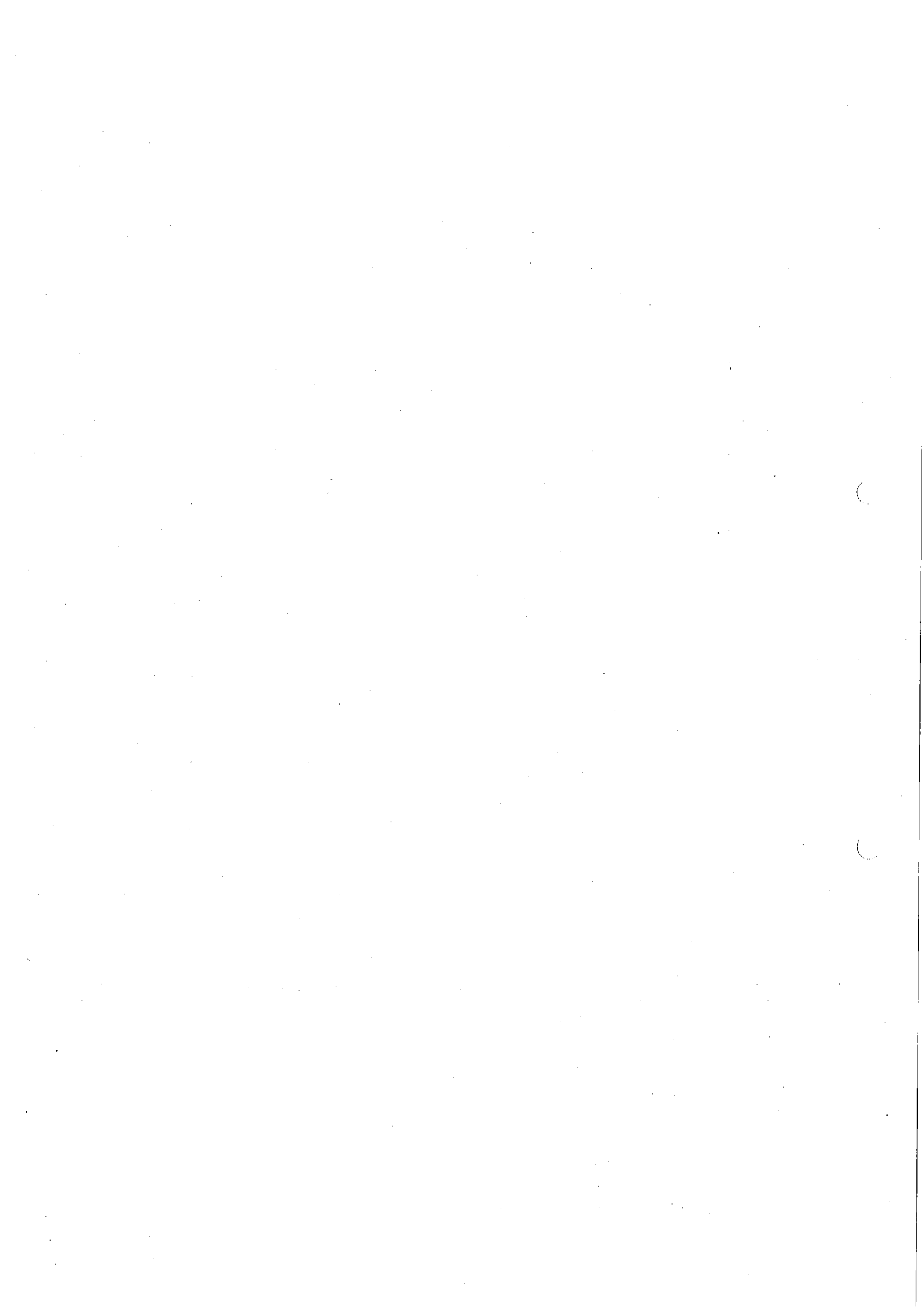




Australian Government  
The Treasury

**STRONG GROWTH, LOW POLLUTION**  
MODELLING A CARBON PRICE

**OVERVIEW**

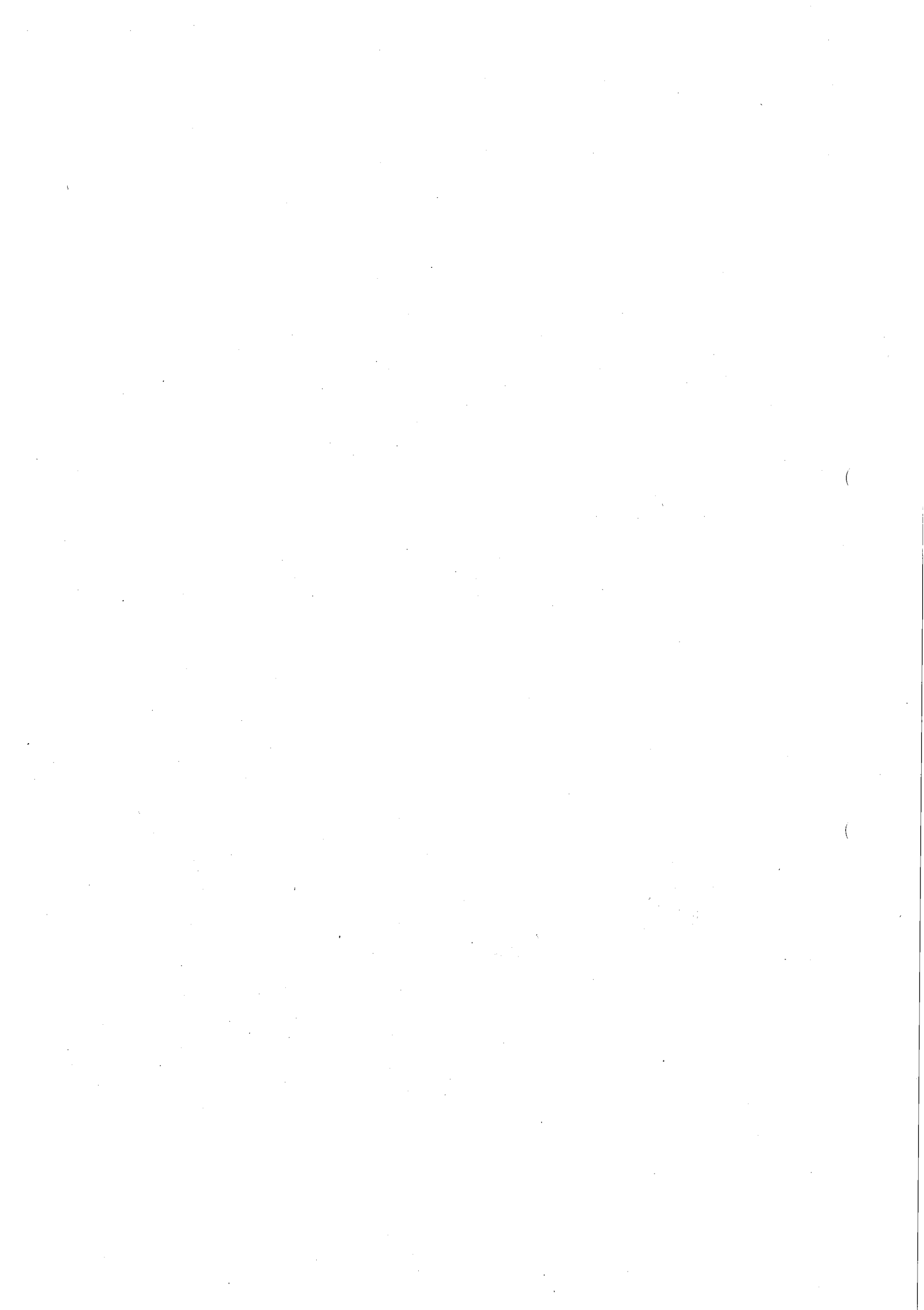






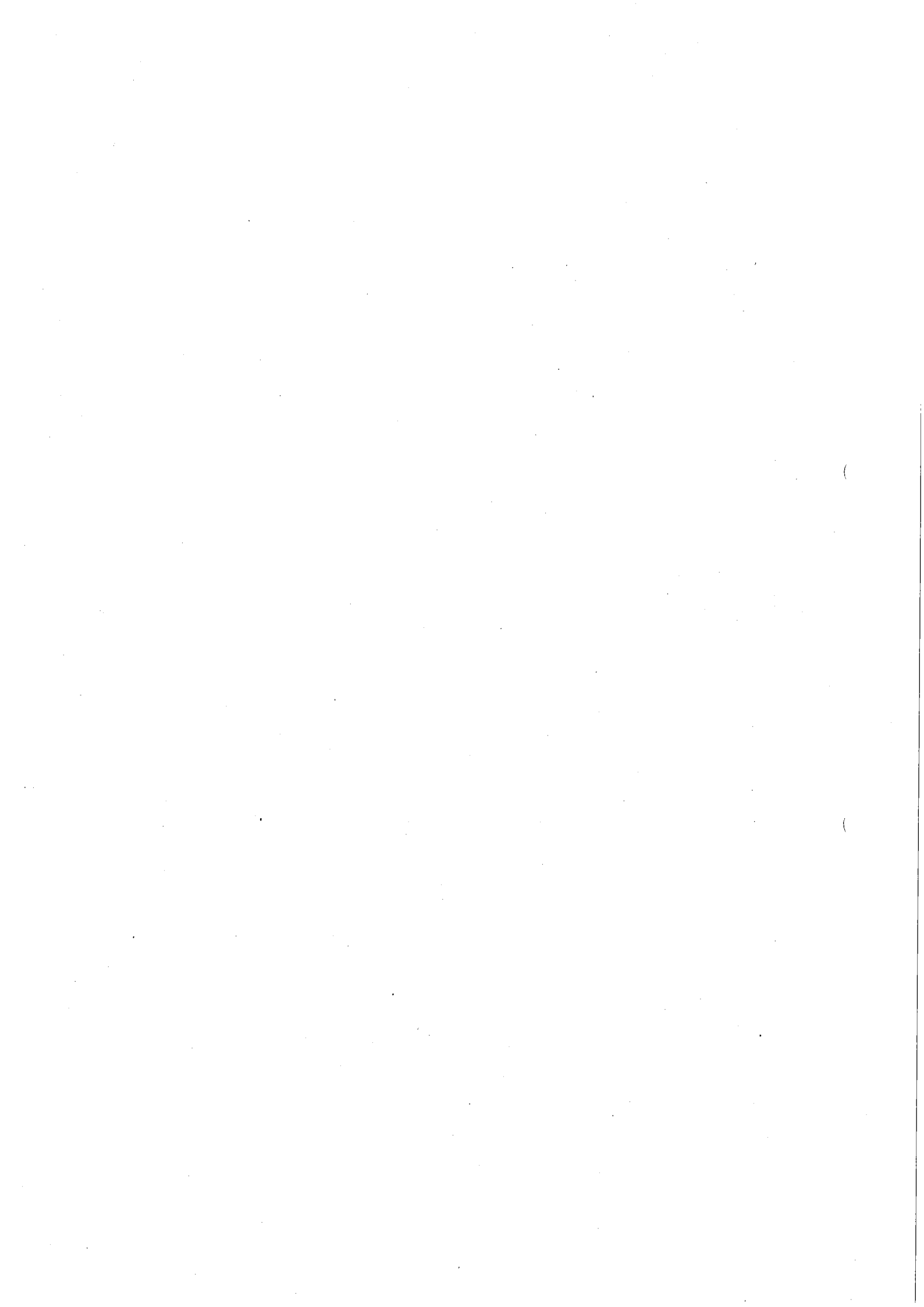
	Expenditure Level 2015-16, no CP impact (\$)	Expenditure Level 2015-16, CP impact (\$)	Increase in \$ required to deliver same level of services	% change
ACT Education and Training	668,018,272	670,458,649	2,440,377	0.37%
Chief Minister's Department	74,023,156	74,447,603	424,447	0.57%
Auditor General	6,523,709	6,542,866	19,157	0.29%
ACT Health	1,190,342,360	1,196,328,274	5,985,914	0.50%
Department of Territory and Municipal Services	957,055,985	963,771,548	6,715,563	0.70%
Department of Justice and Community Safety	281,530,284	282,504,316	974,032	0.35%
Department of Treasury	45,107,436	45,322,011	214,575	0.48%
Canberra Institute of Technology	158,009,769	158,874,652	864,883	0.55%
Department of Disability, Housing and Community Services	231,433,288	232,658,190	1,224,902	0.53%
Gaming and Racing Commission	69,229,116	69,824,086	594,970	0.86%
ACT Planning and Land Authority	65,927,128	66,232,802	305,674	0.46%
Exhibition Park Corporation	5,437,083	5,503,018	65,936	1.21%
Department of Land & Property Services	85,367,121	86,689,422	1,322,301	1.55%
	3,838,004,708	3,859,157,438	21,152,731	0.55%

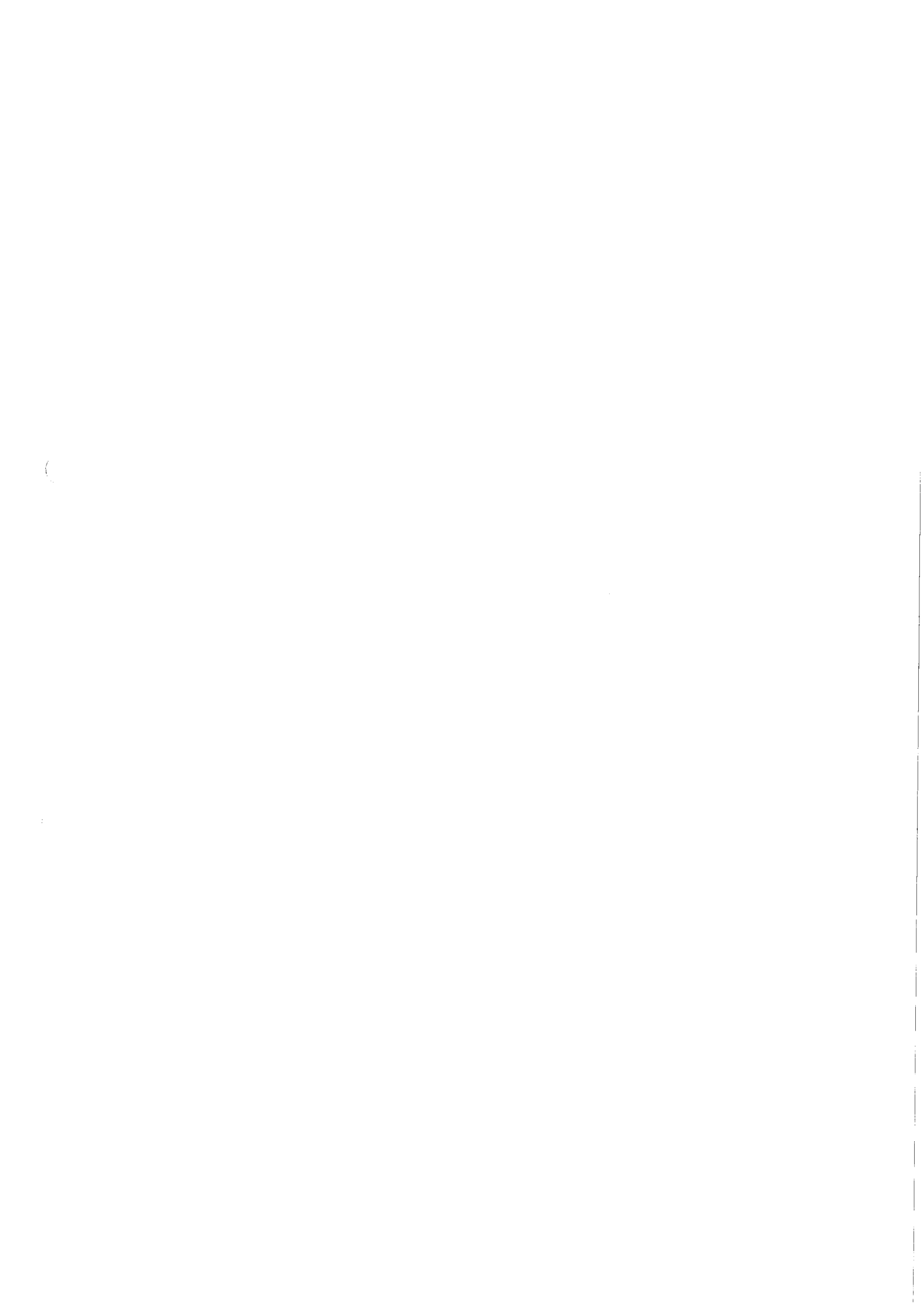
<b>Key</b>
CPI
Period
WPI

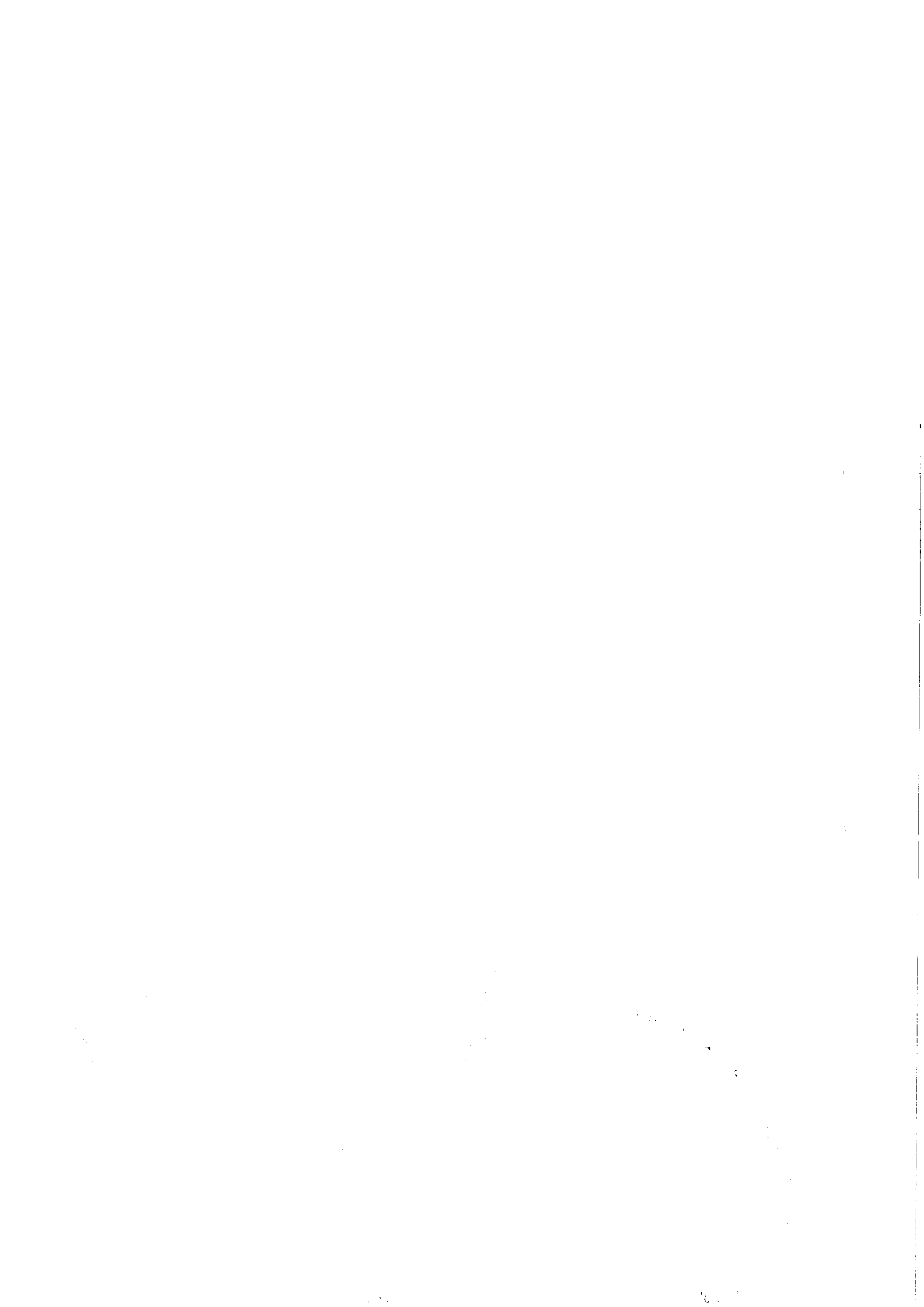


	Expenditure Level 2012-13, no CP impact (\$)	Expenditure Level 2012-13, CP impact (\$)	Increase in \$ required to deliver same level of services	% change
ACT Education and Training	605,455,564	607,300,769	1,845,206	0.30%
Chief Minister's Department	67,832,307	68,140,568	308,261	0.45%
Auditor General	5,913,077	5,927,099	14,022	0.24%
ACT Health	1,085,602,229	1,090,022,730	4,420,501	0.41%
Department of Territory and Municipal Services	879,079,345	884,071,399	4,992,055	0.57%
Department of Justice and Community Safety	255,265,774	255,993,850	728,077	0.29%
Department of Treasury	41,153,722	41,310,599	156,878	0.38%
Canberra Institute of Technology	143,618,578	144,278,625	660,047	0.46%
Department of Disability, Housing and Community Services	211,808,451	212,478,795	670,344	0.32%
Gaming and Racing Commission	64,178,027	64,608,023	429,996	0.67%
ACT Planning and Land Authority	60,124,884	60,348,505	223,621	0.37%
Exhibition Park Corporation	5,010,315	5,061,667	51,352	1.02%
Department of Land & Property Services	78,989,279	80,028,606	1,039,327	1.32%
	3,504,031,549	3,519,571,236	15,539,687	0.44%

Key
CPI
Period
WPI







**Pepperell, Michael**

---

**From:** Wilesmith, Brett  
**Sent:** Monday, 11 July 2011 8:39 AM  
**To:** Konovalov, Alexander; Pepperell, Michael; Creelman, David  
**Subject:** FW: 110710a - Brief - Carbon Tax (3).doc  
**Attachments:** 110710a - Brief - Carbon Tax (3).doc

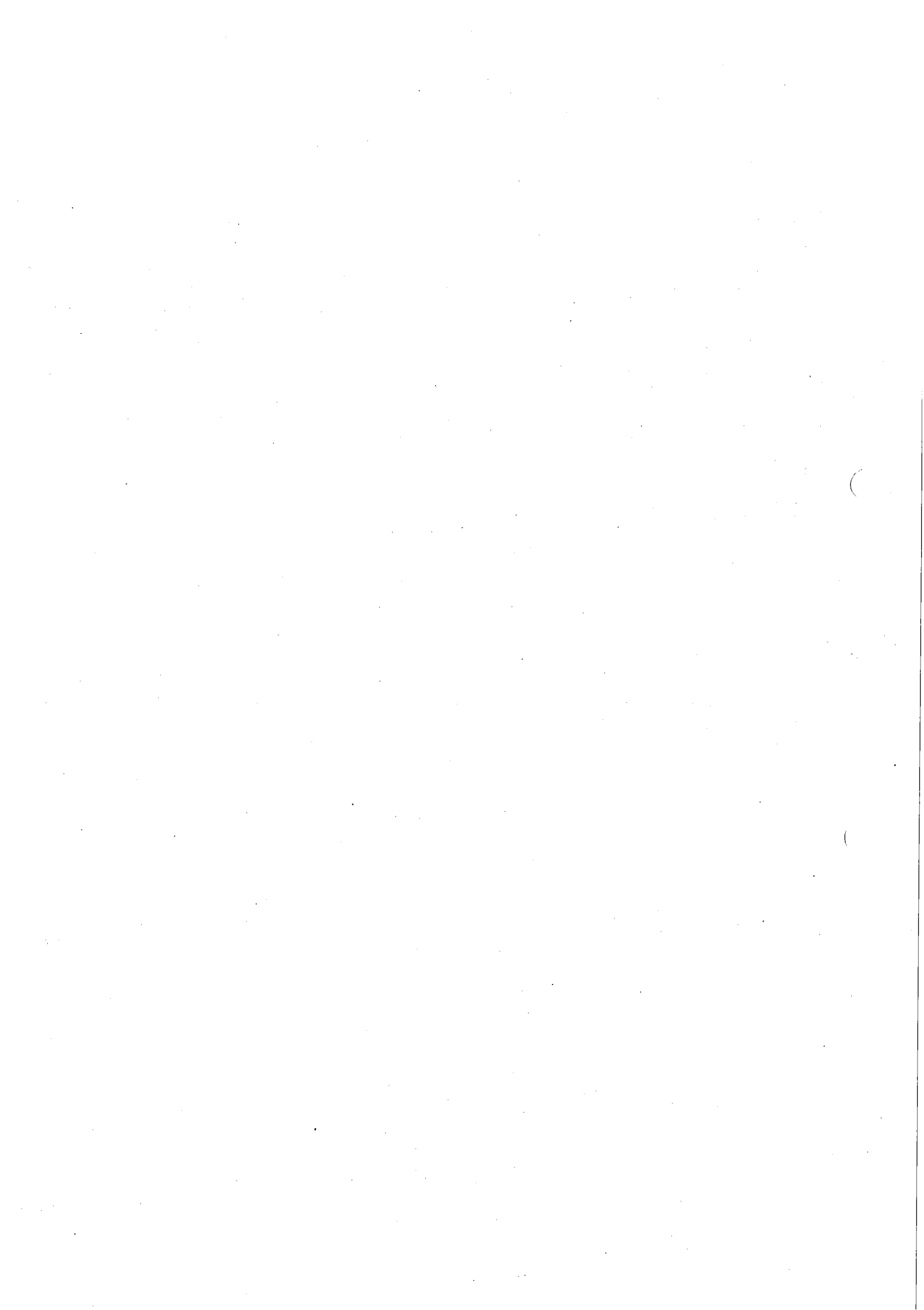
Brett Wilesmith | Senior Manager  
Regulation Policy Unit | Treasury Directorate | ACT Government  
Phone: 620 73949 | Fax: 620 70267 | [brett.wilesmith@act.gov.au](mailto:brett.wilesmith@act.gov.au) Level 1 Canberra Nara  
Centre | GPO Box 158 Canberra ACT 2601 | [www.act.gov.au](http://www.act.gov.au)

Please consider the environment before printing this email. If printing is necessary,  
please print double-sided.

-----Original Message-----

**From:** Smithies, Megan  
**Sent:** Sunday, 10 July 2011 4:58 PM  
**To:** Broughton, Roger; Wilesmith, Brett; Salisbury, Kim  
**Subject:** 110710a - Brief - Carbon Tax (3).doc

Sorry, I did just change the para on the dividend.





## MINUTE

**SUBJECT:** National Carbon Tax

**To:** Treasurer

**Critical Date for consideration:** As soon as possible

**Purpose:** To inform you of the implications for the ACT of a national carbon tax

---

### Key Points

- On 10 July 2011, the Prime Minister formally announced a national carbon tax starting at \$23 per tonne of CO<sub>2</sub> and proposed to commence on 1 July 2012.
  - The carbon price is to operate by way of a carbon tax for three years increasing by 2.5 per cent in real terms per year to \$25.40 by 2014-15.
  - The carbon price will transition to a cap and trade system from 2015-16, with an expected world price of \$29 per tonne of CO<sub>2</sub>.
- Initially the scheme will apply to less than 500 polluters covering around 60 per cent of emissions (electricity production, heavy industry and manufacturing).
  - The scheme will achieve emission reductions of 5 per cent of 2000 level emissions by 2020 (or 159 Mt of CO<sub>2</sub>).
- Australian households will receive assistance through increase in pensions, allowances and family payments and personal income tax cuts.
- The total fiscal impact of measures announced over the forward estimates is -\$3,961 million.
  - As there does not seem to be a lot of pressure on the Commonwealth Budget due to the carbon price, this does not represent an additional risk to the ACT economy.
- Further briefing is provided as follows:
  - Attachment A – Talking points
  - Attachment B – How the scheme works and detailed features
  - Attachment C – ACT impacts
  - Attachment D – Broader impacts
  - Attachment E – Implications for the ACT's climate change initiatives
  - Attachment F – Commonwealth modelling overview

**Contact:** [REDACTED] **Position:** Regulation Policy Unit **Extension:** [REDACTED] **File No.:** [REDACTED]

## Recommendations

- It is recommended that you:
  - support the Carbon Tax on the basis of it providing pricing that will prompt emission reduction behaviour from producers and consumers; and
  - note this is consistent with the ACT achieving its own emission targets.



Kim Salisbury  
Director, Economics Branch  
10 July 2011

Noted / Approved / Not approved / Please discuss  
Andrew Barr / /2011

TALKING POINTS

- The Government welcomes this package. It provides a very important foundation from which the ACT Government can develop our own Action Plan.
- The ACT community is very aware of the need to reduce carbon emissions. This is the message the Government has been receiving for quite some time.
- The package announced by the Federal Government today puts in place the framework that supports sustained effort on carbon emissions reduction.
- The key element of the framework is giving households – and this includes not just medium to high income households, but even medium to low income households – the opportunity to make choices
- Households can make choices about reducing their carbon footprint. The package announced by the Federal Government supports those on low incomes by more than what it is expected to cost through putting a price on carbon.
- Over time, we would expect that households exercise choice in consuming less carbon intensive products and services.
- The Federal package also includes measures and initiatives to support the high emissions industries to become more efficient or to transform. The ACT does not have such industries, and as such, we would expect less impact on industry here.
- The carbon price is expected to increase the average national weekly household cost by \$9.90. On average, households will receive assistance of \$10.10 per week nationally.
- The assistance package is targeted at low to middle incomes. The associated tax reform package also provides gains for many households in the high income range.
- Compared to other jurisdiction, the ACT has proportionally lesser low income households. But to the extent that they are there, they will have additional money in their pockets.
  - For example, a couple with two dependent children with income of \$100,000 is expected to face an average cost increase of \$638. The assistance package is expected to provide \$661 annually.
  - A single parent household with one dependant is expected to have additional costs of \$437 which is more than offset with \$464 of assistance.
  - The Commonwealth has put in place an initiative which will provide additional assistance to any low-income household which can demonstrate that they are worse off due to the carbon tax.

- There will be a net cost for households on higher incomes. The ACT has the highest disposable average incomes in the country. We are also per capita the highest emitters due to this high income. It is expected that they will exercise choice in reducing energy consumption (through efficiency measures or otherwise), or choose low carbon products and services.
- The national average price effects are likely to be similar in the ACT.
- Over the 3 years to 2014-15, the scheme makes a call on the Federal Budget of around \$3.9 billion. The Federal Government will have to find savings or raise revenue to offset set this shortfall if it is to meet its overall fiscal strategy.
  - For the ACT, we will of course expect that the impact of these does not fall disproportionately on the Territory.
  - There may also be some upside in Commonwealth Public Sector employment in the ACT due to the additional programs and authorities.
- There will be additional cost to the ACT Budget, reflecting the general price effects and energy needs in the provision of health and other services and street lighting. Cost of the Government's capital work program will increase.
  - There will be further analysis done on these aspects of the Budget.

### **Possible questions**

*What will the impact of the carbon price be on government service delivery in the ACT? How will the government cover these costs? Does this mean an increase in taxes, fees and charges for ACT ratepayers?*

- The cost to the ACT budget is likely to be around 0.5 per cent (\$20 million) largely reflecting the general price increases and increases in energy costs.
- The Government is currently developing a framework for ACT Government Carbon Neutrality.
- Moving to the Government Office Block (GOB) will assist in defraying these costs given the GOB's high energy efficiency rating.
- Where costs can not be offset, the ACT Government will consider how the cost will be met in the context developing the 2012/13 Budget.

*Will the government index fees and charges based on a CPI figure that is inflated by the carbon price?*

- The impact on the CPI from the carbon price is expected to be minimal – 0.7 per cent in 2012-13 and a further 0.2 per cent in 2014-15.
- The Government will consider this issue in developing the 2012-13 Budget.

*How does the carbon price announcement fit in with initiatives being pursued under Action Plan 2 to reduce emission in the ACT?*

- A national carbon price will contribute to the ACT meeting its GHG reduction targets. It will be complementary to initiatives being developed in the ACT under Action Plan 2 that will be announced later this year.
- The ACT Government is currently preparing Climate Change Action Plan 2 to establish a pathway to meet our legislated greenhouse gas reduction targets.
- While a national price on carbon will make an important contribution, the level of ambition the Territory has set itself demands that we go further, particularly in the areas of renewable energy and energy efficiency. The principal impacts of a national carbon price on the Territory will be to increase incentives for energy efficiency and reduce the emissions intensity of electricity.
- The Environment and Sustainable Development Directory has undertaken modelling on the costs and benefits of on a range of mitigation strategies including a carbon pricing scenario comparable to that announced by the Commonwealth (including a \$23/t starting price). Public consultation will be conducted this year to determine a final package of measures.

*What will happens to electricity and gas bills in the ACT as a result of the carbon tax?*

- The average electricity bill is expected to increase by 10 per cent, in line with the national average.
- The average gas bill is expected to increase by 9 per cent, in line with the national average.
- The average electricity bill in the ACT will still continue to be significantly lower than that in NSW (by up to \$1,000 per year).

*Is the Commonwealth compensation package sufficient? What else will the ACT Government be doing to do assist low and middle income earners?*

- The ACT government believes that the compensation package provided by the Commonwealth will ensure that those least able afford cost of living increases as a consequence of the carbon price will be assisted.
- From 1 July 2011, the ACT increased our utilities concession by \$131 a year to \$346 per year. The concession is increased by the consumer price index each year. We will continue to undertake work to identify those in genuine hardship from cost of living pressures and consider options to assist them. In this context we will be reviewing the current concessions regime.

*How will the carbon tax affect businesses in the ACT?*

- It will at last provide certainty around a price on carbon and allow business to pursue their plans and explore opportunities.
- To the extent that a business uses inputs that will increase in price as a consequence of putting a price on carbon, the business will have to make a decision whether to absorb the costs or pass them on to customers. This decision will be influenced by competition and market conditions.
- Given the increase in costs are likely to be minimal the business may elect to absorb them.

## HOW THE SCHEME WORKS AND DETAILED FEATURES

- A fixed carbon tax will be levied from 2012-15 on around 500 of the polluters covered under the reporting framework (after excluding fuel from the tax). All of the revenue generated and more will be returned to households and industry, invested into renewable energy, used to secure electricity supply and spent on land and biodiversity measures.
  - The carbon price will apply to fuels used in domestic aviation, marine and rail transport and mining. The tax will not apply to transport fuels used by households, light commercial vehicles and the agriculture, forestry and fishing industries. Heavy vehicles will only be included from 2014-15.
  - Fuel is exempted from the scheme but from 2012-13 fuel tax credits will be reduced for business – so that they face an effective carbon price on their transport fuel costs.
- From 2015-16 the carbon tax is proposed to transition to an ETS. The Government will set an allowed level of carbon pollution, then create and auction permits for the allowed pollution. Polluters will be required to purchase permits for their emissions, with the ability to store excess permits for future years and trade permits on the market.
  - The allowed level of pollution will be based on the Commonwealth's commitment to reduce emissions by 5 to 15 per cent on 2000 levels by 2020.
  - Australia's carbon price will be linked to carbon markets across the world, allowing reductions in carbon pollution to be pursued globally at the lowest cost.
- Governance arrangements for the carbon tax involve:
  - a Clean Energy Regulator is to administer the scheme;
  - a Climate Change Authority is to provide advice on the carbon tax; and
  - the Productivity Commission is to review the impact of the tax on industry and industry assistance.

### Household and industry assistance

- Australian households will receive assistance through increases in pensions, allowances and family payments and personal income tax cuts.
  - This includes Clean Energy Supplement equivalent to a 1.7 per cent increase in pensions allowance and family payments. These payments will take effect prior to the introduction of the carbon price.
    - : For example, single pensioner and self funded retirees will receive increases of \$388 per year. Pensioner couples will receive up to \$510

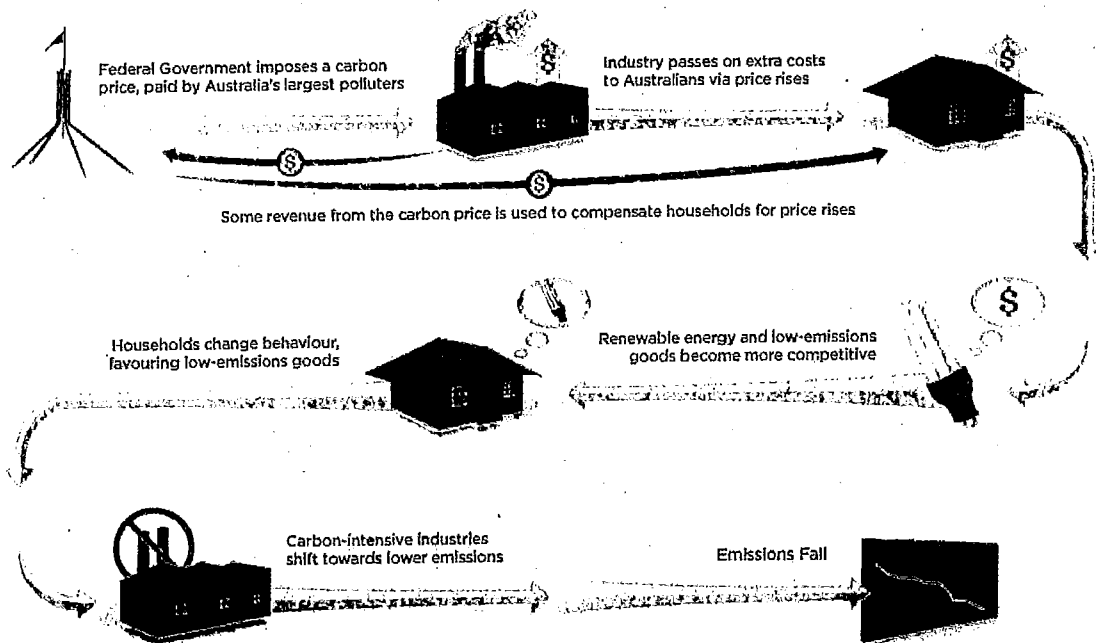
combined. A single income support recipient will receive up to \$309 per year.

- The tax free threshold will be increase from \$6,000 to \$18,200 from 1 July 2012 and 19,400 from 1 July 2015. Tax rates for the lower and middle income brackets will rise to ensure the benefits are skewed to low and middle income earners. The Commonwealth claim all tax payers with an income blow \$80,000 will receive a tax cut. Someone with an annual income of between \$30,000 to \$65,000 will get a tax cut of around \$300 from 1 July 2012 increasing to around \$380 from 1 July 2015.
- The Commonwealth is providing assistance to businesses affected by a carbon price.
  - \$9.2 billion of assistance will be provided over three years to businesses which face international competition by way of free permits. A \$500 million program for tailored program to assist metal and food manufacturers. A \$1.3 billion package of assistance is available for the coal industry.
  - Small business benefits with an extension of the small business instant asset write-off to \$6,500.

#### **Renewable energy and energy efficiency**

- Support will be provided to renewable energy and efficiency to support emissions reductions under the carbon tax.
  - A new authority, the Clean Energy Finance Corporation, will administer \$10 billion in investment for renewable energy and low pollution and efficiency technologies.
  - The Commonwealth will consolidate a range of initiatives into a new \$3.2 billion Australian Renewable Energy Agency (ARENA) dedicated to research and development of renewable energy technologies.
  - The Commonwealth Renewable Energy Target (RET) of more than 20 per cent renewable energy by 2020 will remain and drive significant future investment.
- Support will be provided to energy efficiency through the development of a national energy saving scheme obligating energy retailers to help households to save energy as well as a range of efficiency initiatives from tax breaks to grants.
- A Carbon Farming Initiative will create carbon permits for farmers and landholders who store carbon through land management.

## Operation of a Carbon Tax



Source: ABC website

- The carbon tax is underpinned by an already operational Commonwealth framework requiring greenhouse gas (GhG) reporting from Australia's largest polluting businesses.
  - Detailed reporting is required from businesses which annually produce more than 25 kilotonnes of CO<sub>2</sub>.
  - 2009-10 reporting indicates that: 14 out of the top 25 polluters are energy companies owning coal generators; four are major mining companies; and a further four are steel/aluminium/alloy companies. The remaining top polluters are an oil and gas company (12th), Qantas Airways (22nd) and a construction company (25th).

## KEY IMPACTS FOR THE ACT

### Impact on economic indicators

- Commonwealth modelling shows that the Australian economy will continue to grow strongly.

### Other potential impacts

- Additional spending is anticipated on the Commonwealth public service in Canberra (including new regulatory bodies). This will have a positive impact on the ACT economy.

### ACT households and businesses

- 90 per cent of households nationally will receive some compensation with over 60 per cent of households being fully compensated. In the ACT, around 78 per cent of households will receive assistance with 40 per cent receiving full compensation. This reflects the Territory's higher incomes.
- The ACT has around 25,000 small businesses and they will not be required to pay a carbon price. To increase the capacity of small businesses to invest in new assets, including those that improve energy efficiency, the instant asset write-off threshold will be increased to \$6,500.

### Impact on cost of living in the ACT

- The ACT's CPI is expected to be 0.7 per cent in 2012-13.
- Energy (average energy bill increase) – 10 per cent, in line with the national average.
- A further impact of 0.2 per cent is expected in 2015-16.

### Impact on ACT Budget

- Initial estimates suggest that the cost to the ACT Budget will be around \$20 million per year (or 0.5 per cent). The largest impacts will be on the provision of services such as health and street lighting due to increased energy costs.



[REDACTED]

## NATIONAL ECONOMIC IMPACTS OF THE CARBON PRICE

### Economic

- Commonwealth Treasury modelling indicates that nationally the scheme will have a marginal economic impact.
- It is expected to slow Australia's average income growth per person by around 0.1 of a percentage point per year with a medium-term impact on GDP of 0.3 per cent against a without carbon price scenario.
- Overall consumer price levels (CPI) are expected to increase by 0.7 per cent in 2012-13 and by a further 0.2 per cent in 2015-16, for a total of 0.9 per cent in 2015-16. Beyond 2015-16 there will be minimal implications for ongoing inflation.
- This is no overall negative impact on employment growth.
- In the longer term the economy will return to slightly below its business as usual trajectory as the economy adjusts to the carbon price. The effects are likely to be similar in the ACT.
  - Initial Treasury analysis suggests that the national effects are likely to be reflected in the ACT. The CPI impact may be marginally higher in the ACT due to our higher energy weighting (reflecting our climate and higher incomes).

### Households

- Commonwealth modelling indicates that the carbon price will add modestly to the cost of living.
  - The average Australian household will see cost increases of around \$9.90 per week (amounting to \$514.80 per year), while the average assistance will be around \$10.10 per week.
  - CPI is to increase by 0.7 per cent in 2012-13 against a 'without carbon price' scenario. (Note that this impact is much smaller than the 2.5 per cent increase from the GST and related tax changes.)
  - The prices of most household purchases will barely be affected by the carbon price – for almost everything other than electricity and gas, the estimated impact is likely to be less than 1 per cent.
- Nine out of ten households nationally will receive some compensation with two out of three households being fully compensated.
  - This is in addition to the ACT government's most recent increase in the utility concession of \$131 per year.

### Price impacts

- Electricity prices are expected to increase by 10 per cent and gas prices by 9 per cent in the first year of the scheme.
  - The increase in the average household energy bills in the ACT will reflect our larger average consumption due to extreme climate and high incomes.
- Food price increases are expected to be less than 0.5 per cent.

### **Commonwealth Fiscal**

- The scheme raises around \$8 billion annually from the sale of permits and \$0.6 billion from a reduction in the fuel tax credits scheme.
- Annual outlays are:
  - around \$4 billion for household assistance measures;
  - around \$3 billion for structural adjustment;
  - \$1 billion for energy industry assistance; and
  - around \$0.5 billion for land and biodiversity measures.
- Over the 3 years to 2014-15, the scheme makes a call on the Federal Budget of \$3.9 billion.
  - The Federal Government will have to find savings or raise revenue to offset set this shortfall if it is to meet its overall fiscal strategy.
  - The shortfall arises as compensation for households and business commences before the scheme begins (see Table below).

	Fiscal Impact (\$m)				Forward estimates
	2011-12	2012-13	2013-14	2014-15	
Revenue from sale of permits	0	7,740	8,140	8,590	24,470
Revenue from application of carbon price via other measures	0	290	320	320	930
Fuel tax credit announcements	0	570	620	670	1,860
Household assistance measures	-1,533	-4,196	-4,802	-4,825	-15,356
Support for jobs	-26	-3,017	-3,475	-3,773	-10,291
Clean Energy Finance Corporation	-2	-21	-467	-455	-944
Energy security and transformation	-1009	-1	-1,003	-1,042	-3,054
Land and biodiversity measures	-69	-131	-506	-489	-1,194
Governance	-78	-90	-106	-107	-382
<b>Total Impact</b>	<b>-2,716</b>	<b>1,144</b>	<b>-1,279</b>	<b>-1,110</b>	<b>-3,961</b>

## THE TERRITORY'S GREENHOUSE GAS REDUCTION STRATEGY

- The ACT Government is currently preparing *Weathering the Change Action Plan 2* to establish a pathway to meet our legislated greenhouse gas reduction targets.
- While a national price on carbon will make an important contribution, the level of ambition the Territory has set itself demands that we go further, particular in the areas of renewable energy and energy efficiency. The principal impacts of a national carbon price on the Territory will be increased incentives for energy efficiency and reduce the emissions intensity of electricity.
- The Environment and Sustainable Development Directorate has undertaken modelling on the costs and benefits of on a range of mitigation strategies including a carbon pricing scenario comparable to that announced by the Commonwealth (including a \$23/t starting price). Public consultation will be conducted this year to determine a final package of measures.

### Voluntary action and GreenPower

- Voluntary action by individuals through purchasing carbon permits or Greenpower will be recognised by the Commonwealth in setting pollution caps. This issue will be important for the ACT's climate change strategy.
  - Allowing the voluntary cancellation of emissions permits and a new pledge fund to allow individuals to participate in the emissions trading market to offset their household or business emissions; and
  - Ensuring GreenPower purchases reduce emissions in addition to national caps and targets.
    - : The Territory is the highest per capita user of GreenPower. These 'additionality' provisions will further enhance the environmental effectiveness of the GreenPower scheme and increase the capacity for the Territory to reduce national emissions while meeting our own renewable energy targets.

### Energy Efficiency

- The Commonwealth has today responded to the Prime Minister's Task Group on Energy Efficiency report and agreed to the Report's recommendation to develop anew national energy savings initiatives as a potential complementary measure to a price on carbon.
- The Commonwealth has committed to 'expediting' the development of a national energy efficiency scheme however its implementation is subject to cost-benefit

analysis, consultation with state and territory's and agreement of COAG to a national approach.

- The ACT is progressing with its own scheme to commence in 2012 and will work with the Commonwealth to help shape a national approach.
- The Commonwealth has made no new commitments to enhance the energy efficiency of its own operations.

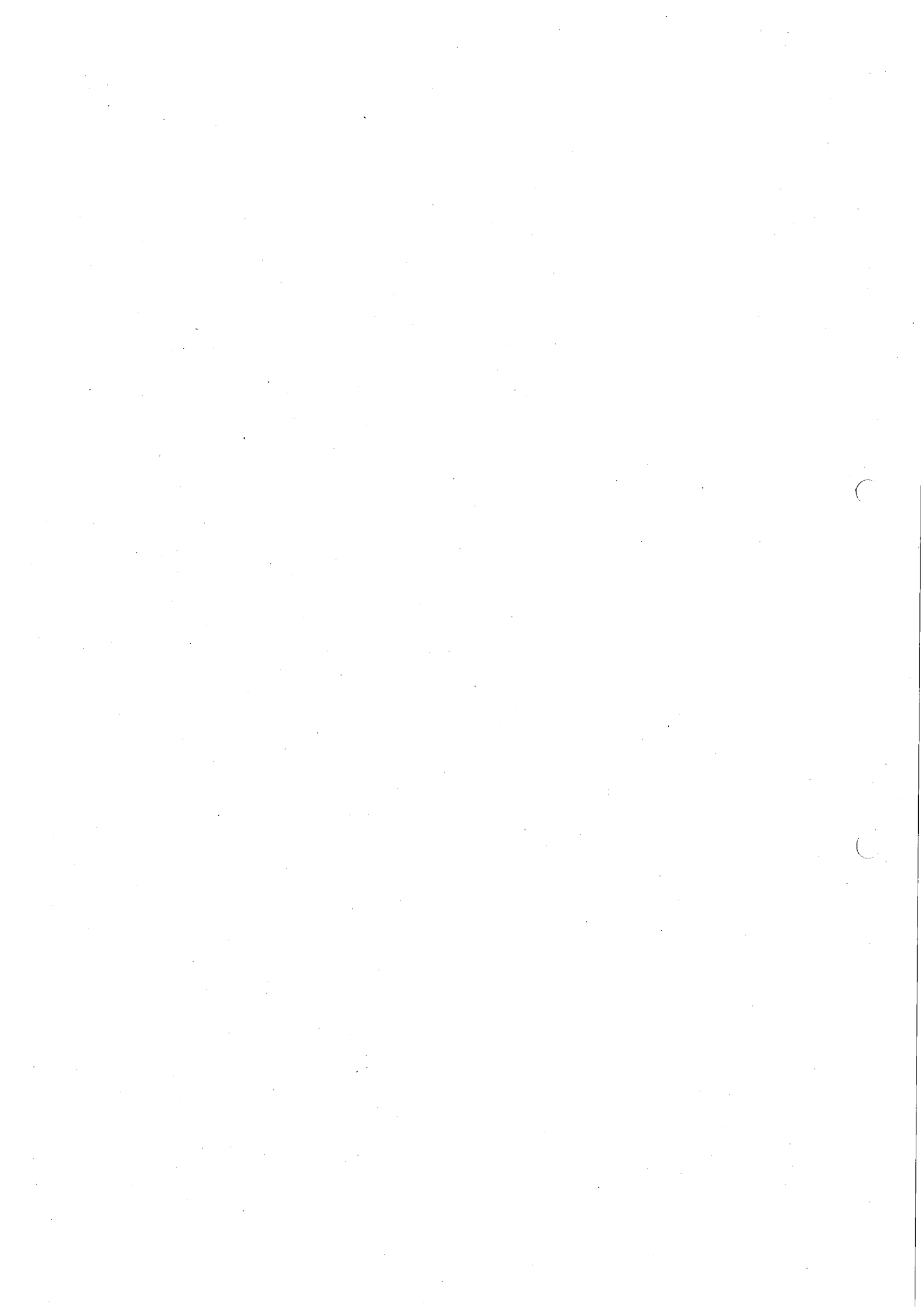
**COMMONWEALTH MODELLING OVERVIEW**

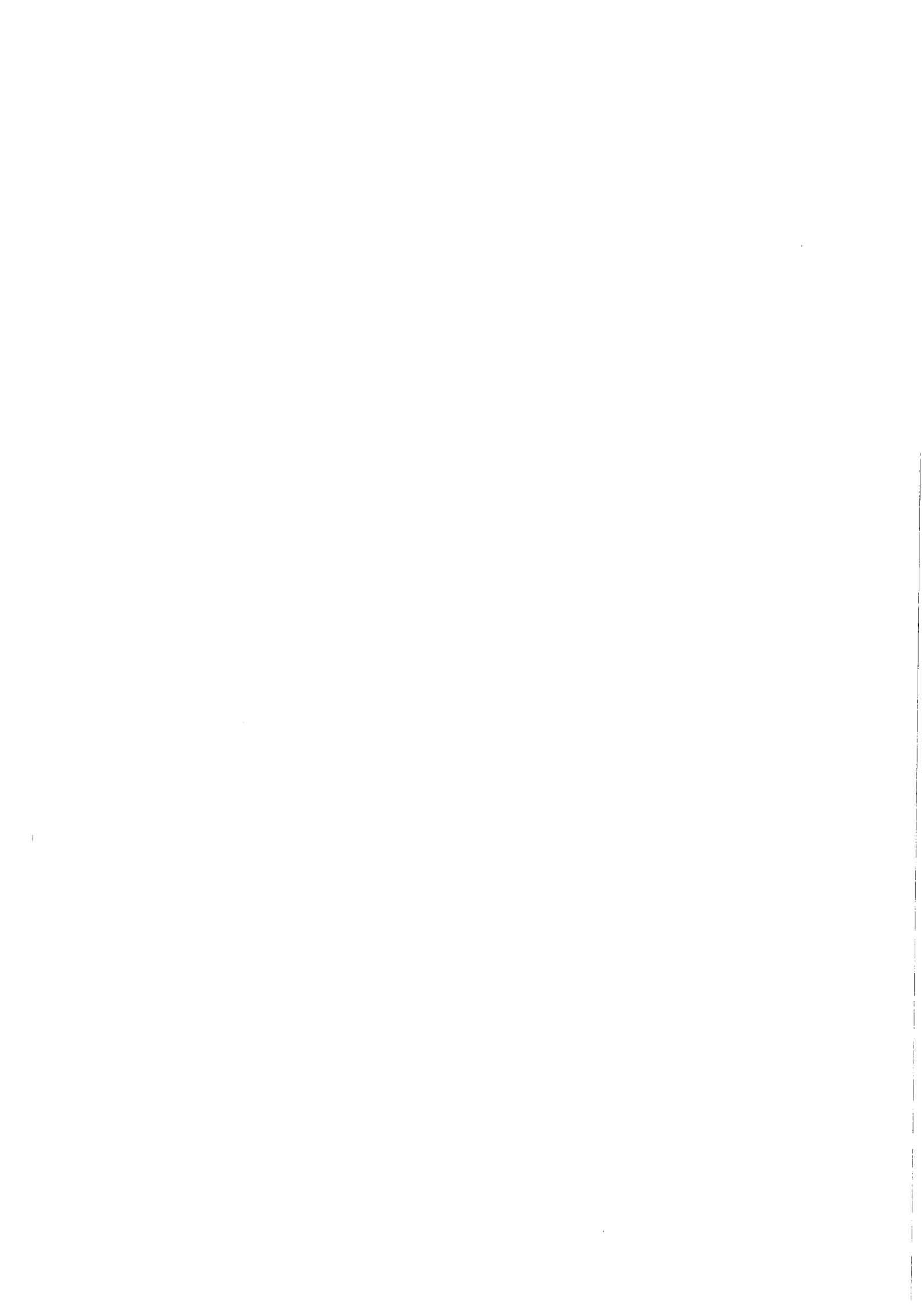


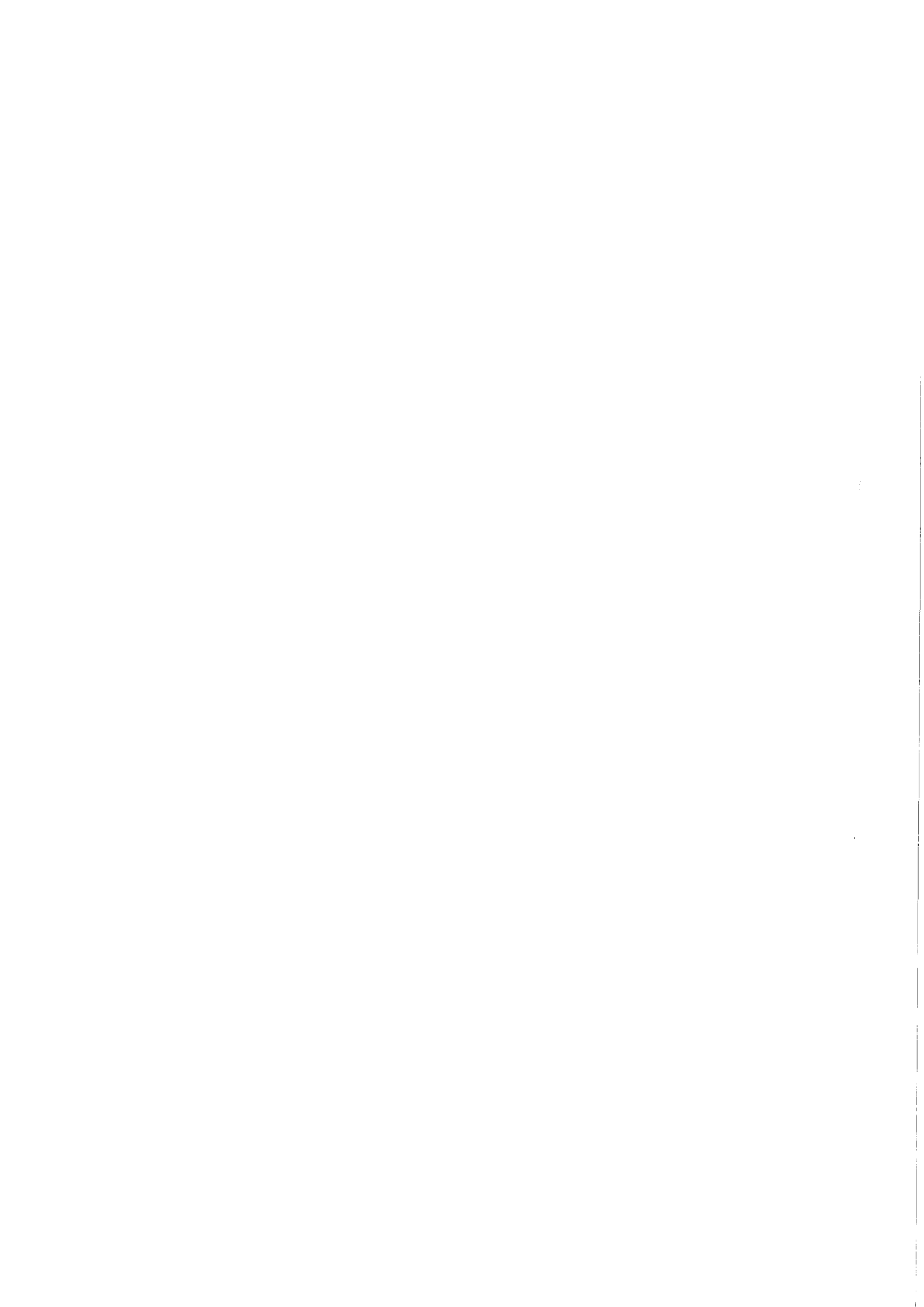
Australian Government  
The Treasury

**STRONG GROWTH, LOW POLLUTION**  
MODELLING A CARBON PRICE

**OVERVIEW**







**Pepperell, Michael**

---

**From:** Wilesmith, Brett  
**Sent:** Monday, 11 July 2011 10:37 AM  
**To:** Swanepoel, Abrie  
**Subject:** FW: HIA Media Release - Carbon Tax Pain for New Housing, Jobs and Consumers  
**Attachments:** Media Release - Carbon Tax Pain for New Housing Jobs and State Revenues.pdf

Hi Abrie

As discussed, is there anything that we can add before I forward to PCD?

Cheers  
Brett

Brett Wilesmith | Senior Manager  
Regulation Policy Unit | Treasury Directorate | **ACT Government**  
Phone: 620 73949 | Fax: 620 70267 | [brett.wilesmith@act.gov.au](mailto:brett.wilesmith@act.gov.au)  
Level 1 Canberra Nara Centre | GPO Box 158 Canberra ACT 2601 | [www.act.gov.au](http://www.act.gov.au)

*Please consider the environment before printing this email. If printing is necessary, please print double-sided.*

---

**From:** Ellis, Greg  
**Sent:** Monday, 11 July 2011 10:33 AM  
**To:** Wilesmith, Brett  
**Subject:** FW: HIA Media Release - Carbon Tax Pain for New Housing, Jobs and Consumers

Brett – as discussed. We’ll be very interested in any analysis of the impacts of the tax generally, when you have it available.

Cheers  
Greg

Greg Ellis  
Director, Policy  
Economic Development Directorate  
ACT Government, Canberra  
Phone: 02 6207-5744  
Fax: 02 6205-4835  
Mobile: 0434-650-871

---

**From:** Pirani, Yuka  
**Sent:** Monday, 11 July 2011 9:53 AM  
**To:** Ellis, Greg  
**Subject:** FW: HIA Media Release - Carbon Tax Pain for New Housing, Jobs and Consumers

Greg

Do you know who is analysing the impact of Carbon Tax to the ACT?

Yuka

Yuka Pirani | Executive Officer to David Dawes  
Phone 02 6205 3143 | Fax 02 6207 0123  
Economic Development Directorate | **ACT Government**  
Level 2 Telstra House, 490 Northbourne Ave, Dickson | GPO Box 158 Canberra ACT 2601 | [www.laps.act.gov.au](http://www.laps.act.gov.au)

**From:** HIA Media Release [[mailto:HIA\\_Media\\_Release@hia.com.au](mailto:HIA_Media_Release@hia.com.au)]

**Sent:** Sunday, 10 July 2011 1:08 PM

**Subject:** HIA Media Release - Carbon Tax Pain for New Housing, Jobs and Consumers

Dear Reader

Please find attached the media release **Carbon Tax Pain for New Housing, Jobs and Consumers**

Your name has been included on the Housing Industry Association's Media Release Distribution list.

If you would like to add further names or have your name removed, or are experiencing difficulties in reading the attached, please send a message to [economics@hia.com.au](mailto:economics@hia.com.au)

Kind regards



Housing Industry Association Ltd  
79 Constitution Ave  
Campbell ACT 2612  
p 02 6245 1393  
f 02 6257 5658  
[hia.com.au](http://hia.com.au)

**MEDIA RELEASE** 

[Unsubscribe](#)

10 July, 2011

## Carbon Tax Pain for New Housing, Jobs and Consumers

The Federal Government's decision to ignore the residential building industry in today's carbon tax announcements will have painful and widespread repercussions, according to the Housing Industry Association, the voice of Australia's residential building industry.

"Housing affordability is already at a distressing level, new housing supply is well below underlying demand and housing activity is declining to mid-1990's levels," said Graham Wolfe. "Families buying a new home will now face additional building costs and higher mortgage repayments."

"New housing is already designed and built to meet stringent energy regulations that make them substantially more energy efficient than existing homes. Lifting the cost of new homes further through a new tax, without any benefit at all to the individual home buyer makes no sense," said Mr Wolfe.

"Unfortunately, jobs in Australia's residential building sector and building product manufacturing sector will be lost under this carbon tax," Mr Wolfe added.

"Competing against imports from non-CO<sub>2</sub>-e taxing countries, Australian building product manufacturers face a cost collage as the carbon tax is passed on down the line into the inputs for each production and fabrication phase," Mr Wolfe said. "Building materials and products, such as kitchen cabinets and benchtops, windows and doors, and wall linings and finishes, will increase in price, or be sourced from overseas – or both."


"If production goes offshore, so too will Australian jobs, and more than likely without any net global CO<sub>2</sub>-e benefit," he stressed. "Tens of thousands of trade exposed manufacturers have been forgotten or ignored in today's announcements."

"What we need are policies to place new energy efficient housing within reach of the average home buyer and to provide incentives for current home owners to make their homes more energy efficient," added Mr Wolfe.

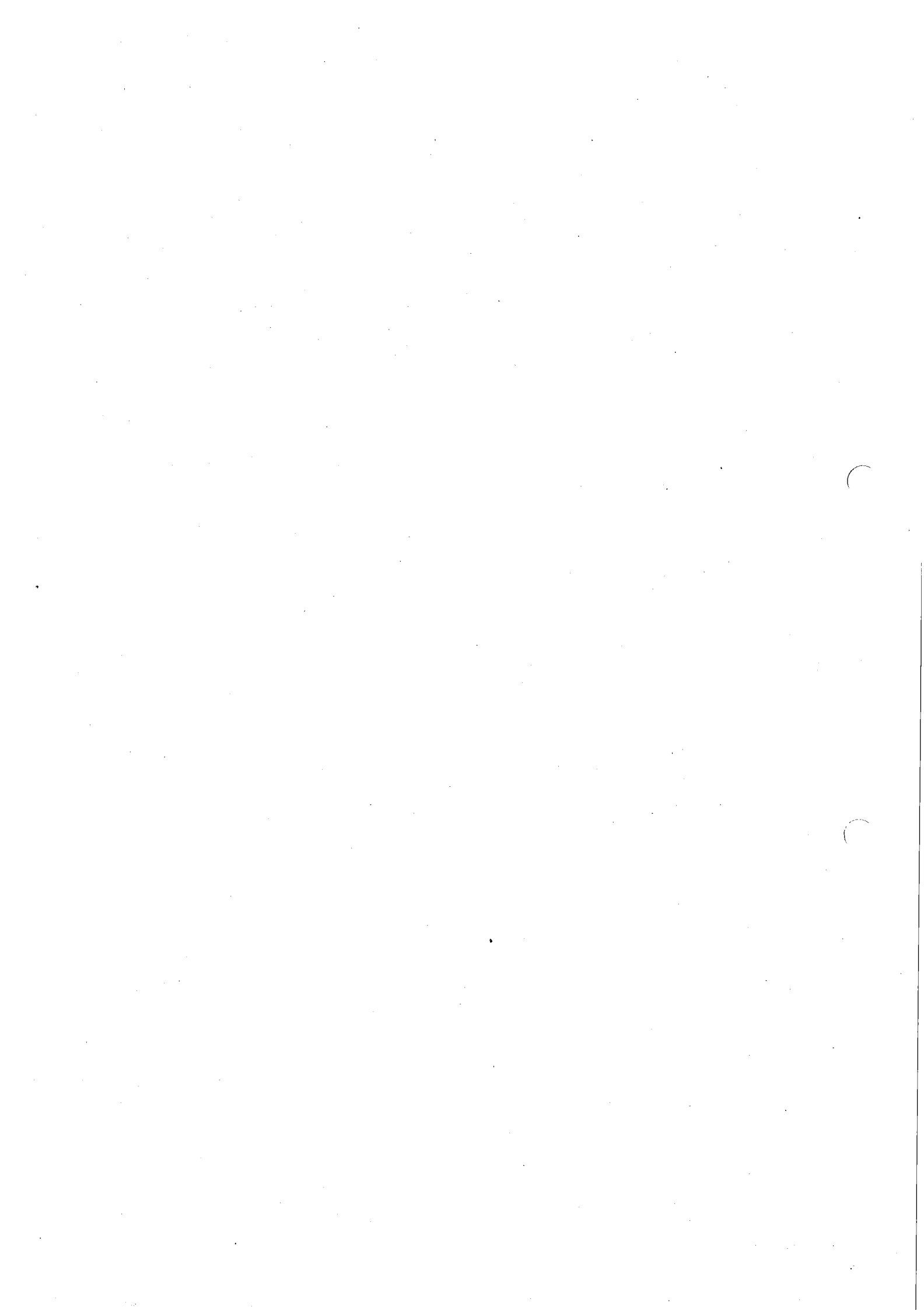
**For further information:**

Graham Wolfe, HIA Chief Executive - Association, 0419 751 188  
Harley Dale Chief Economist, 0414 994 186

Authorised by Shane Goodwin, Managing Director, HIA 0418 568 990



**MEDIA RELEASE**







**Pepperell, Michael**

---

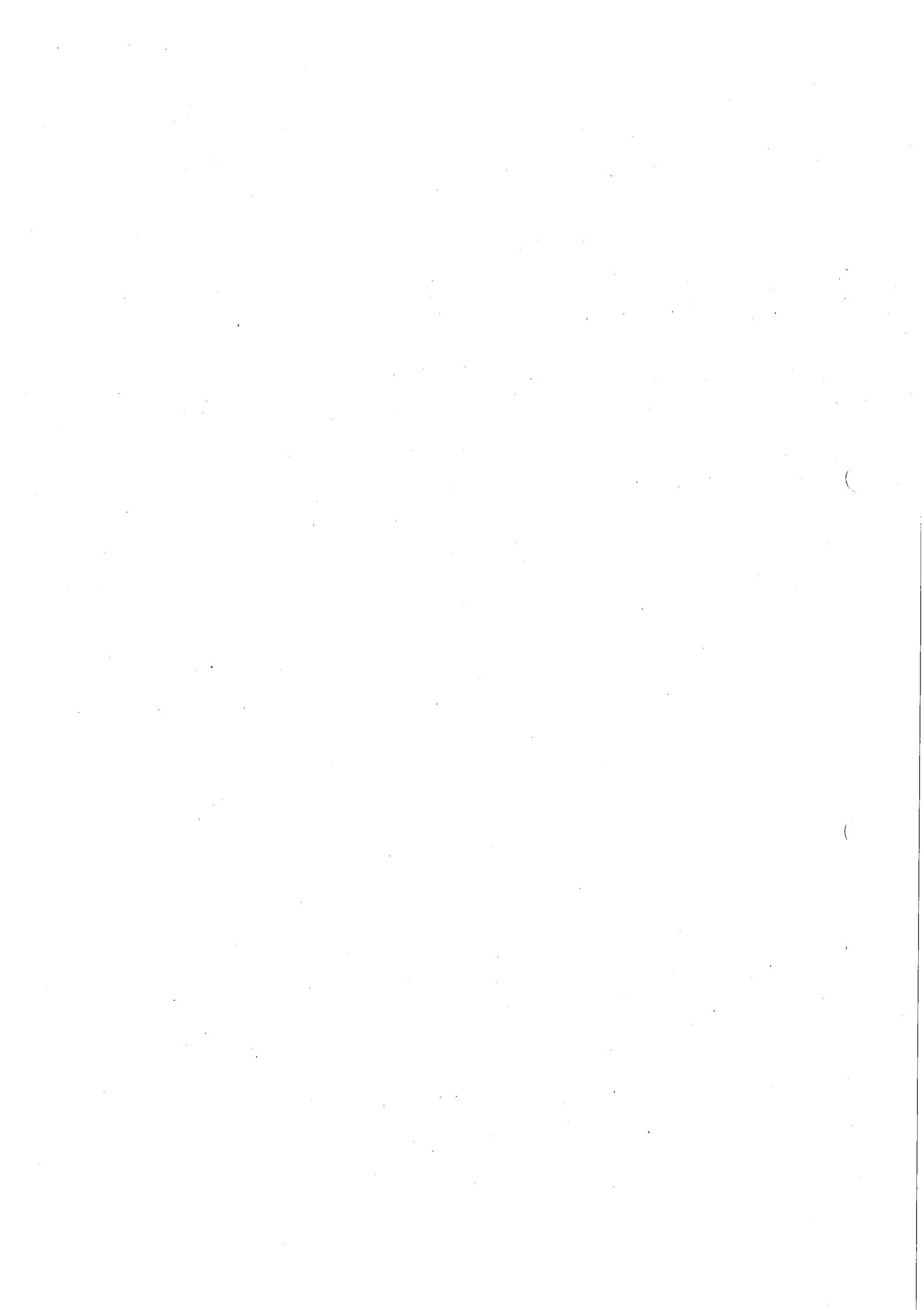
**From:** Wilesmith, Brett  
**Sent:** Monday, 11 July 2011 11:36 AM  
**To:** Ahmed, Khalid; Friend, Stuart; Guthrie, Marsha; Holmes, Lisa; Ryan, Shaun; Read, David  
**Cc:** Broughton, Roger  
**Subject:** Carbon Tax  
**Attachments:** 110710a - Brief - Carbon Tax (3).doc

For information. Please find attached a copy of a brief prepared yesterday on the Carbon Tax.

Regards  
Brett

Brett Wilesmith | Senior Manager  
Regulation Policy Unit | Treasury Directorate | ACT Government  
Phone: 620 73949 | Fax: 620 70267 | [brett.wilesmith@act.gov.au](mailto:brett.wilesmith@act.gov.au) Level 1 Canberra Nara  
Centre | GPO Box 158 Canberra ACT 2601 | [www.act.gov.au](http://www.act.gov.au)

Please consider the environment before printing this email. If printing is necessary, please print double-sided.







**Pepperell, Michael**

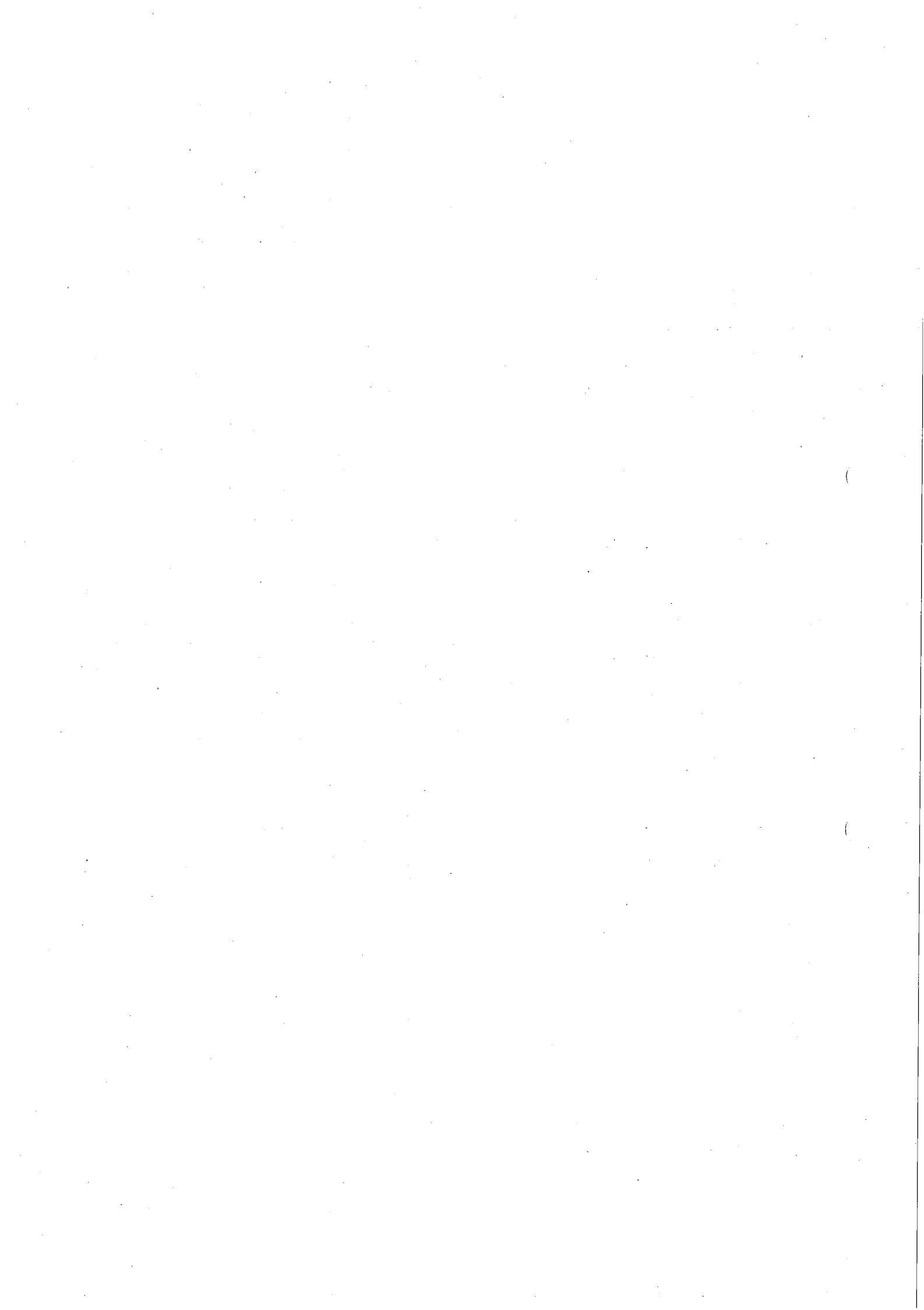
---

**From:** Swanepoel, Abrie  
**Sent:** Monday, 11 July 2011 12:28 PM  
**To:** Li, Dan; Kumar, Dinesh; Zammit, Kirk; Wilesmith, Brett; Konovalov, Alexander; Creelman, David; Pepperell, Michael; Horsburgh, Helen; McKenzie, Kelly; Smith, MatthewC; Morris, Ben; Salisbury, Kim; Broughton, Roger; Deering, Adam  
**Subject:** Impact of the carbon price

Follow the link below and click the start button to see what the impact of the carbon price will be on you.

Regards  
Abrie

<https://www.cleanenergyfuture.gov.au/helping-households/household-assistance-estimator/>









Household electricity cost p.a. (\$)	1550.03	Calculated as (CPI weight of electricity/CPI weight of domestic fuel and power)*(expenditure on domestic fuel and power from the household expenditure survey)*(52 "weeks"); adjusted for inflation for the period 2003-04 to 2010-11
Household fuel cost p.a. (\$)	3863.98	Calculated as (CPI weight of fuel/CPI weight of transport)*(expenditure on transport from the household expenditure survey)*(52 "weeks"); adjusted for inflation for the period 2003-04 to 2010-11
Household transport cost p.a. (\$)	9160.28	Calculated as expenditure on transport from the household expenditure survey*52 adjusted for the period 2003-04 to 2010-11
Average Household size (persons)	2.53	LT average (ABS Social Trends Housing Dec quarter 2010 publication)
Number of households	143049	Latest population estimate (361914 for Dec 2010) divided by LT average of average HH size (2.53)
Civillian population	290200	Actual result
Population	361914	Dec 2010 actual outcome
Employment	204600	Actual result
SFD (\$ million)	45723	2011-12 Budget forecast
GSP (\$ million)	26700	2011-12 Budget forecast
HFCE (\$ million)	13848	2011-12 Budget forecast
Current petrol price (cents per litre)	136.2	Week ending 3 July 2011. Source: Australiam Institute of Petroleum
Litres petrol per household	2836.99	
Price of a new house (\$)	510000	Assumed to be the same as the latest REIA median house price (March quarter 2011)







Contribution to Total CPI ; Canberra ;	Contribution to Total CPI ; Dairy and related products ; Canberra ;	Contribution to Total CPI ; Milk ; Canberra ;	Contribution to Total CPI ; Cheese ; Canberra ;	Contribution to Total CPI ; Ice cream and other dairy products ; Canberra ;	Contribution to Total CPI ; Bread and cereal products ; Canberra ;	Contribution to Total CPI ; Bread ; Canberra ;	Contribution to Total CPI ; Cakes and biscuits ; Canberra ;	Contribution to Total CPI ; Breakfast cereals ; Canberra ;	Contribution to Total CPI ; Other cereal products ; Canberra ;	Contribution to Total CPI ; Meat and seafoods ; Canberra ;
15.36	1.14	0.48	0.37	0.29	1.61	0.63	0.65	0.18	0.16	2.01
Weights Australia (below)										
16.25	1.25	0.57	0.36	0.32	1.85	0.72	0.75	0.19	0.19	2.39

Contribution to Total CPI ; Beef and veal ; Canberra ;	Contribution to Total CPI ; Lamb and mutton ; Canberra ;	Contribution to Total CPI ; Pork ; Canberra ;	Contribution to Total CPI ; Poultry ; Canberra ;	Contribution to Total CPI ; Bacon and ham ; Canberra ;	Contribution to Total CPI ; Other fresh and processed meat ; Canberra ;	Contribution to Total CPI ; Fish and seafood ; Canberra ;	Contribution to Total CPI ; Fruit and vegetables ; Canberra ;	Contribution to Total CPI ; Fruit ; Canberra ;	Contribution to Total CPI ; Vegetables ; Canberra ;	Contribution to Total CPI ; Non-alcoholic drinks and snack food ; Canberra ;	Contribution to Total CPI ; Soft drinks, waters and juices ; Canberra ;
0.38	0.23	0.11	0.41	0.19	0.31	0.37	2.28	1.09	1.19	1.87	0.86
0.47	0.27	0.16	0.44	0.22	0.39	0.43	2.48	1.19	1.29	2.05	0.96

Contribution to Total CPI ; Snacks and confectionery ; Canberra ;	Contribution to Total CPI ; Meals out and take away foods ; Canberra ;	Contribution to Total CPI ; Restaurant meals ; and fast foods ; Canberra ;	Contribution to Total CPI ; Take away meals ; and fast foods ; Canberra ;	Contribution to Total CPI ; Other food ; Canberra ;	Contribution to Total CPI ; Eggs ; Canberra ;	Contribution to Total CPI ; Jams, honey and sandwich spreads ; Canberra ;	Contribution to Total CPI ; Tea, coffee and food drinks ; Canberra ;	Contribution to Total CPI ; Food additives and condiments ; Canberra ;	Contribution to Total CPI ; Fats and oils ; Canberra ;	Contribution to Total CPI ; Alcohol and tobacco ; Canberra ;
1.01	4.96	2.36	2.60	1.48	0.10	0.15	0.24	0.25	0.19	6.13
1.08	4.70	2.04	2.66	1.55	0.11	0.15	0.25	0.28	0.21	7.05

Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;	Contribution to Total CPI ;
Alcoholic drinks ;	Beer ;	Wine ;	Spirits ;	Tobacco ;	clothing and footwear ;	Men's clothing ;	Men's outerwear ;	Men's underwear, socks and	Women's clothing ;	Women's outerwear ;	Women's underwear, hosiery ;		
4.18	1.86	1.56	0.75	1.95	4.04	0.73	0.59	0.14	1.38	1.15	0.23		
4.44	2.04	1.46	0.95	2.60	3.50	0.66	0.56	0.10	1.22	0.96	0.26		

Contribution to Total CPI ; Children's and infants' clothing ; Canberra ;	Contribution to Total CPI ; Footwear ; Canberra ;	Contribution to Total CPI ; Men's footwear ; Canberra ;	Contribution to Total CPI ; Women's footwear ; Canberra ;	Contribution to Total CPI ; Children's footwear ; Canberra ;	Contribution to Total CPI ; Accessories and clothing services ; Canberra ;	Contribution to Total CPI ; Clothing services and shoe repair ; Canberra ;	Contribution to Total CPI ; Housing ; Canberra ;	Contribution to Total CPI ; Rents ; Canberra ;	Contribution to Total CPI ; Utilities ; Canberra ;	Contribution to Total CPI ; Electricity ; Canberra ;
0.35	0.77	0.24	0.38	0.15	0.81	0.52	21.70	6.06	4.16	1.98
0.35	0.57	0.16	0.30	0.11	0.69	0.53	20.50	5.57	3.56	1.86

81.47

Contribution to Total CPI ; Gas and other household fuels ; Canberra ;	Contribution to Total CPI ; Water and sewerage ; Canberra ;	Contribution to Total CPI ; Total housing ; Canberra ;	Contribution to Total CPI ; House purchase ; Canberra ;	Contribution to Total CPI ; House Property rates and charges ; Canberra ;	Contribution to Total CPI ; House repairs and maintenance ; Canberra ;	Contribution to Total CPI ; Household contents and services ; Canberra ;	Contribution to Total CPI ; Furniture and furnishings ; Canberra ;	Contribution to Total CPI ; Furniture ; Canberra ;	Contribution to Total CPI ; Floor and window coverings ; Canberra ;	Contribution to Total CPI ; Towels and linen ; Canberra ;	Contribution to Total CPI ; Household appliances, utensils and tools ; Canberra ;
1.19	0.99	11.48	8.62	1.18	1.67	9.13	3.05	1.77	0.90	0.38	1.41
0.77	0.93	11.36	7.94	1.27	2.15	8.98	2.88	1.81	0.75	0.32	1.57

Contribution to Total CPI ; Major household appliances ; Canberra ;	Contribution to Total CPI ; Small electric household appliances ; Canberra ;	Contribution to Total CPI ; Glassware, tableware and household utensils ; Canberra ;	Contribution to Total CPI ; Household cleaning agents ; Canberra ;	Contribution to Total CPI ; Toiletries and personal care products ; Canberra ;	Contribution to Total CPI ; Household supplies ; Canberra ;	Contribution to Total CPI ; Household cleaning agents ; Canberra ;	Contribution to Total CPI ; Other household supplies ; Canberra ;	Contribution to Total CPI ; Household services ; Canberra ;	Contribution to Total CPI ; Child care ; Canberra ;	Contribution to Total CPI ; Hairdressing and personal care services ; Canberra ;	Contribution to Total CPI ; Other household services ; Canberra ;
0.53	0.20	0.52	0.17	2.63	0.26	1.02	1.35	2.04	0.59	0.86	0.59
0.59	0.24	0.42	0.33	2.77	0.31	1.09	1.37	1.76	0.37	0.76	0.63

Contribution to Total CPI ; Health ; Canberra ;	Contribution to Total CPI ; Health services ; Canberra ;	Contribution to Total CPI ; Hospital and medical services ; Canberra ;	Contribution to Total CPI ; Optical services ; Canberra ;	Contribution to Total CPI ; Dental services ; Canberra ;	Contribution to Total CPI ; Pharmaceutical ; Canberra ;	Contribution to Total CPI ; Total ; Canberra ;	Contribution to Total CPI ; Private motoring ; Canberra ;	Contribution to Total CPI ; Motor vehicles ; Canberra ;	Contribution to Total CPI ; Automotive fuel ; Canberra ;	Contribution to Total CPI ; Motor vehicle repair and servicing ; Canberra ;	Contribution to Total CPI ; Motor vehicle parts and accessories ; Canberra ;
5.15	4.06	3.05	0.10	0.91	1.09	12.42	12.03	4.11	4.46	1.53	0.76
4.85	3.79	2.97	0.11	0.71	1.06	12.98	12.23	4.37	4.11	1.97	0.71

Contribution to Total CPI ; Other motoring charges ; Canberra ;	Contribution to Total CPI ; Urban transport fares ; Canberra ;	Contribution to Total CPI ; Communication ; Canberra ;	Contribution to Total CPI ; Postal ; Canberra ;	Contribution to Total CPI ; Telecommunication ; Canberra ;	Contribution to Total CPI ; Recreation ; Canberra ;	Contribution to Total CPI ; Audio, visual and computing equipment ; Canberra ;	Contribution to Total CPI ; Audio, visual and computing media and services ; Canberra ;	Contribution to Total CPI ; Books, newspapers and magazines ; Canberra ;	Contribution to Total CPI ; Newspapers and magazines ; Canberra ;		
1.17	0.38	3.09	0.13	2.95	11.93	2.31	1.08	1.22	1.04	0.63	0.41
1.07	0.75	3.02	0.11	2.91	10.89	2.22	0.97	1.25	0.82	0.42	0.40

Contribution to Total CPI ; Sport and other recreation ; Canberra ;	Contribution to Total CPI ; Sports and recreational equipment ; Canberra ;	Contribution to Total CPI ; Toys, games and hobbies ; Canberra ;	Contribution to Total CPI ; Sports participation ; Canberra ;	Contribution to Total CPI ; Pets, pet foods and supplies ; Canberra ;	Contribution to Total CPI ; Pet services including veterinary ; Canberra ;	Contribution to Total CPI ; Other recreational activities ; Canberra ;	Contribution to Total CPI ; Holiday travel and accommodation ; Canberra ;	Contribution to Total CPI ; Domestic holiday travel and accommodation ; Canberra ;	Contribution to Total CPI ; Overseas holiday travel and accommodation ; Canberra ;	Contribution to Total CPI ; Education ; Canberra ;	Contribution to Total CPI ; Preschool and primary education ; Canberra ;
3.87	0.38	0.61	1.03	0.38	0.47	1.00	4.71	2.90	1.81	2.66	0.34
3.75	0.49	0.45	0.75	0.45	0.46	1.16	4.11	2.31	1.80	2.88	0.56

	Contribution to Total CPI ; Secondary education ; Canberra ;	Contribution to Total CPI ; Tertiary education ; Canberra ;	Contribution to Total CPI ; Financial and insurance services ; Canberra ;	Contribution to Total CPI ; Financial services ; Canberra ;	Contribution to Total CPI ; Deposit and loan facilities ; Canberra ;	Contribution to Total CPI ; Other financial services ; Canberra ;	Contribution to Total CPI ; Insurance services ; Canberra ;	Contribution to Total CPI ; All groups ; Canberra ;
1.06	1.26	9.10	7.51	4.22	3.29	1.59	100.00	
1.20	1.11	8.41	7.00	3.63	3.37	1.41	100	



**HHCD Household Composition by State/Territory (STE) and HIND Household Income (gross weekly)**  
**Counting: Dwellings Place of Enumeration**

State/Territory (STE)	Australian Capital Territory																	Partial	All	Not	Total		
HIND Household Income (gross weekly)	Negative	Nil	\$1-\$149	\$150-\$249	\$250-\$349	\$350-\$499	\$500-\$649	\$650-\$799	\$800-\$999	\$1,000-\$1,199	\$1,200-\$1,399	\$1,400-\$1,699	\$1,700-\$1,999	\$2,000-\$2,499	\$2,500-\$2,999	\$3,000-\$3,499	\$3,500-\$3,999	\$4,000 or more					
Total	141	564	1020	3784	4753	2268	7129	5576	6996	11920	6996	5231	10817	9882	11611	12048	5088	4102	3576	10044	1731	13309	131590

Data Source: 2006 Census of Population and Housing

Cells in this table have been randomly adjusted to avoid the release of confidential data.

No reliance should be placed on small cells.

For details on a classification and associated data quality information click on the blue i-links in the table.

HIND - Due to the methodology used in calculating HIND it is not possible for lone person households to report a greater than \$2000 household income.

Table generated using ABS TableBuilder  
 © Commonwealth of Australia, 2009

		HIND Household Income (gross weekly)	Total	
		Negative income	141	
		Nil income	564	
52	7748	\$1-\$149	1020	1.3%
7800	12948	\$150-\$249	3784	4.2%
13000	18148	\$250-\$349	4753	7.8%
18200	25948	\$350-\$499	2268	9.5%
26000	33748	\$500-\$649	7129	14.9%
33800	41548	\$650-\$799	5576	19.2%
41600	51948	\$800-\$999	6996	24.5%
52000	62348	\$1,000-\$1,199	11920	33.6%
62400	72748	\$1,200-\$1,399	5231	37.5%
72800	88348	\$1,400-\$1,699	10817	45.7%
88400	103948	\$1,700-\$1,999	9882	53.3%
104000	129948	\$2,000-\$2,499	11611	62.1%
130000	155948	\$2,500-\$2,999	12048	71.2%
156000	181948	\$3,000-\$3,499	5088	75.1%
182000	207948	\$3,500-\$3,999	4102	78.2%
above	208000	\$4,000 or more	3576	80.9%
		Partial income stated	10044	
		All incomes not stated	1731	
		Not applicable	13309	
		Total	131590	

Impact of a Carbon Price on the ACT

Inputs Outputs

- (i). **Impact on CPI:**  
(Percentage increase in cost "new vs. old")\*(CPI weight) = percentage point change in CPI (Note weights available from the "CPI weights" sheet)
- (ii). **Impact on economic growth**  
Dollar value of net cost/(SFD or GSP) = percentage point change in economic growth (Note, make sure net cost is expressed in \$ million in line with SFD and GSP)
- (iii). **% of Household Receiving Compensation in the ACT**  
# of household who is eligible for compensation/Total Household in the ACT

	In 2012-13 (\$23/CO2)		By 2015-16 (\$29/CO2)		Estimated initial spending	After carbon price	Impact in 2015-16
	\$ per week	per cent	\$ per week	per cent			
Electricity	3.3	10%	4.2	11%	1716	1762.8	2.7%
Gas	1.5	9%	1.8	11%	867	882	1.8%
Food	0.8	0.50%	1.1	1%	8320	8336	0.2%
Overall effect	9.9	0.70%	13.4	0.90%			

Source: Carobon Price, Treasury modelling report, page 125.

(i). Carbon Tax Impact on:

In 2012-13			
Category	Price % increase/decrease	ACT Weights	Australia Weights
Food	1%	15.4%	16.3%
Electricity	10%	2.0%	1.9%
Gas and other household fuels	9%	1.2%	0.8%
Other	1%	81.5%	81.1%
<b>Total Impact on Canberra CPI</b>		<b>0.79 ppts</b>	
<b>Total Impact on Australia CPI</b>			<b>0.74 ppts</b>

In 2015-16			
Category	Percentage increase in price	ACT Weights	Australia Weights
Food	0.2%	15.4%	16.3%
Electricity	2.7%	2.0%	1.9%
Gas and other household fuel	1.8%	1.2%	0.8%
Other	0.1%	81.5%	81.1%
<b>Total Impact on Canberra CPI</b>		<b>0.21 ppts</b>	
<b>Total Impact on Australia CPI</b>			<b>0.20 ppts</b>



(ii) & (iii). Economic Impact & % of Household Receiving Compensation in the ACT (Reference Table)

HIND Household Income (gross weekly)		# of Households	Coverage of the Compensation	Shares 1	Shares 2	Adjusted HH	Compensation-impact	Dollar value of impact	ACT	ACT
Weekly Income	Equivalent Annual Income								Fully compensated	Partly compensated
\$1-\$149	\$52 - \$7,748	1,020	1.3%	1.0	1.3%	1,379	172	\$237,205	65.6%	87.9%
\$150-\$249	\$7,800 - \$12,948	3,784	4.2%	3.6	2.9%	5,116	158	\$808,357		
\$250-\$349	\$13,000 - \$18,148	4,753	7.8%	4.5	3.6%	6,426	147	\$944,670		
\$350-\$499	\$18,200 - \$25,948	2,268	9.5%	2.1	1.7%	3,066	583	\$1,787,750		
\$500-\$649	\$26,000 - \$33,748	7,129	14.9%	6.7	5.4%	9,639	1166	\$11,238,860		
\$650-\$799	\$33,800 - \$41,548	5,576	19.2%	5.3	4.2%	7,539	1393	\$10,501,926		
\$800-\$999	\$41,600 - \$51,948	6,996	24.5%	6.6	5.3%	9,459	722	\$6,829,393		
\$1,000-\$1,199	\$52,000 - \$62,348	11,920	33.6%	11.3	9.1%	16,117	286	\$4,609,326		
\$1,200-\$1,399	\$62,400 - \$72,748	5,231	37.5%	4.9	4.0%	7,073	125	\$884,076		
\$1,400-\$1,699	\$72,800 - \$88,348	10,817	45.7%	10.2	8.2%	14,625	64	\$936,013		
\$1,700-\$1,999	\$88,400 - \$103,948	9,882	53.3%	9.3	7.5%	13,361	18	\$240,499		
\$2,000-\$2,499	\$104,000 - \$129,948	11,611	62.1%	11.0	8.8%	15,699	-114	-\$1,789,656		
\$2,500-\$2,999	\$130,000 - \$155,948	12,048	71.2%	11.4	9.2%	16,290	-677	-\$11,028,050		
\$3,000-\$3,499	\$156,000 - \$181,948	5,088	75.1%	4.8	3.9%	6,879	-938	-\$6,452,753		
\$3,500-\$3,999	\$182,000 - \$207,948	4,102	78.2%	3.9	3.1%	5,546	-1025	-\$5,684,792		
\$4,000 or more	above \$208,000	3,576	80.9%	3.4	2.7%	4,835	-1025	-\$4,955,831		
Total		131,590								
Total - Not applicable		105,801								

Estimated Number of Households in 2010-11	143,049	Total Loss	\$9,106,993
		% of SFD	\$9.11 million

Note: Detailed impact can be seen in the "econ" sheet

Lone person families

Adjusted HH	Compensation-impact	Dollar value of impact	ACT Fully compensated	ACT Partly compensated	Partly compensated
317	53	\$16,811	29.8%		46.0%
1,177	599	\$704,857			
1,478	654	\$966,648			
705	316	\$222,871			
2,217	52	\$115,280			
1,734	33	\$57,222			
2,176	-1	-\$2,176			
3,707	-43	-\$159,392			
1,627	-277	-\$450,596			
3,364	-482	-\$1,621,350			
3,073	-547	-\$1,680,951			
3,611	-655	-\$2,365,015			
3,747	-764	-\$2,862,406			
1,582	-872	-\$1,379,706			
1,276	-948	-\$1,209,280			
1,112	-948	-\$1,054,214			
32,901	Total Loss	-\$10,701,397			
	% of SFD	\$10.70 million			

Source: 2006 Census Income Distribution Data

Source: <http://www.cleanenergyfuture.gov.au/clean-energy-future/our-plan/comeo-tables/>

Couple without children

Adjusted HH	Compensation-impact	Dollar value of impact	ACT	
			Fully compensated	Partly compensated
400	107	\$42,793	65.6%	87.9%
1,484	-37	-\$54,897		
1,864	61	\$113,682		
889	494	\$439,302		
2,795	1069	\$2,988,129		
2,186	1378	\$3,012,764		
2,743	624	\$1,711,699		
4,674	191	\$892,694		
2,051	112	\$229,718		
4,241	59	\$250,237		
3,875	6	\$23,248		
4,553	-94	-\$427,948		
4,724	-655	-\$3,094,207		
1,995	-907	-\$1,809,454		
1,608	-988	-\$1,589,080		
1,402	-988	-\$1,385,312		

41,484	Total Loss	\$1,343,371	
		\$1.34	million
	% of SFD		

Couple with one child

Adjusted HH	Compensation-impact	Dollar value of impact	ACT	
			Fully compensated	Partly compensated
510	172	\$87,766	65.6%	87.9%
1,893	158	\$299,092		
2,378	147	\$349,528		
1,135	583	\$661,467		
3,566	1166	\$4,158,378		
2,789	1393	\$3,885,713		
3,500	722	\$2,526,875		
5,963	286	\$1,705,450		
2,617	125	\$327,108		
5,411	64	\$346,325		
4,944	18	\$88,984		
5,809	-114	-\$682,173		
6,027	-677	-\$4,080,378		
2,545	-938	-\$2,387,519		
2,052	-1025	-\$2,103,373		
1,789	-1025	-\$1,833,657		

52,928	Total Loss	\$3,369,587	
		\$3.37	million
	% of SFD		

One parent family with one child

Adjusted HH	Compensation-impact	Dollar value of impact	ACT	
			Fully compensated	Partly compensated
152	81	\$12,288	65.6%	87.9%
563	731	\$411,392		
707	607	\$429,086		
337	519	\$175,065		
1,060	85	\$90,123		
829	71	\$58,880		
1,040	51	\$53,065		
1,773	35	\$62,049		
778	-64	-\$49,791		
1,609	-120	-\$193,053		
1,470	-198	-\$291,003		
1,727	-395	-\$682,110		
1,792	-734	-\$1,315,221		
757	-837	-\$633,374		
610	-909	-\$554,558		
532	-909	-\$483,447		

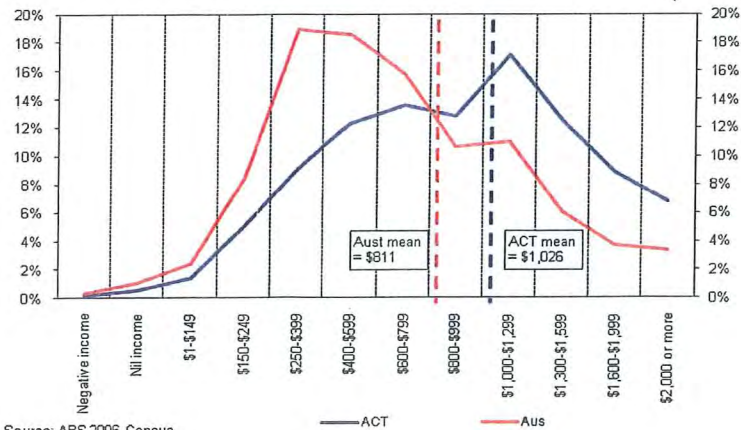
15,735	Total Loss	-\$2,910,611	
		-\$2.91	million
	% of SFD		

Total

	ACT	
	Fully compensated	Partly compensated
\$159,658	54.6%	77.0%
\$1,360,445		
\$1,858,944		
\$1,498,705		
\$7,351,911		
\$7,014,578		
\$4,289,464		
\$2,500,801		
\$56,439		
-\$1,217,841		
-\$1,859,722		
-\$4,137,245		
-\$11,352,213		
-\$8,210,052		
-\$5,456,291		
-\$4,756,631		

-\$8,899,050	
-\$8.90	million

Cost per household  
-\$62.21  
Cost per week  
-\$1.20



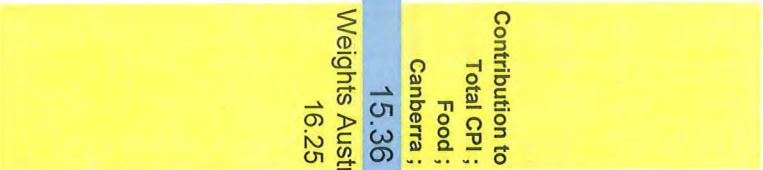
Household electricity cost p.a. (\$)	1550.03	Calculated as (CPI weight of electricity/CPI weight of domestic fuel and power)*(expenditure on domestic fuel and power from the household expenditure survey)*(52 "weeks"); adjusted for inflation for the period 2003-04 to 2010-11
Household fuel cost p.a. (\$)	3863.98	Calculated as (CPI weight of fuel/CPI weight of transport)*(expenditure on transport from the household expenditure survey)*(52 "weeks"); adjusted for inflation for the period 2003-04 to 2010-11
Household transport cost p.a. (\$)	9160.28	Calculated as expenditure on transport from the household expenditure survey*52 adjusted for the period 2003-04 to 2010-11
Average Household size (persons)	2.53	LT average (ABS Social Trends Housing Dec quarter 2010 publication)
Number of households	143049	Latest population estimate (361914 for Dec 2010) divided by LT average of average HH size (2.53)
Civillian population	290200	Actual result
Population	361914	Dec 2010 actual outcome
Employment	204600	Actual result
SFD (\$ million)	45723	2011-12 Budget forecast
GSP (\$ million)	26700	2011-12 Budget forecast
HFCE (\$ million)	13848	2011-12 Budget forecast
Current petrol price (cents per litre)	136.2	Week ending 3 July 2011. Source: Australiam Institute of Petroleum
Litres petrol per household	2836.99	
Price of a new house (\$)	510000	Assumed to be the same as the latest REIA median house price (March quarter 2011)







	Contribution to Total CPI ; Dairy and related products ; Canberra ;	Contribution to Total CPI ; Milk ; Canberra ;	Contribution to Total CPI ; Cheese ; Canberra ;	Contribution to Total CPI ; Ice cream and other dairy products ; Canberra ;	Contribution to Total CPI ; Bread and cereal products ; Canberra ;	Contribution to Total CPI ; Bread ; Canberra ;	Contribution to Total CPI ; Cakes and biscuits ; Canberra ;	Contribution to Total CPI ; Breakfast cereals ; Canberra ;	Contribution to Total CPI ; Other cereal products ; Canberra ;	Contribution to Total CPI ; Meat and seafoods ; Canberra ;
15.36	1.14	0.48	0.37	0.29	1.61	0.63	0.65	0.18	0.16	2.01
Weights Australia (below)	1.25	0.57	0.36	0.32	1.85	0.72	0.75	0.19	0.19	2.39
16.25										



Contribution to Total CPI ; Beef and veal ; Canberra ;	Contribution to Total CPI ; Lamb and mutton ; Canberra ;	Contribution to Total CPI ; Pork ; Canberra ;	Contribution to Total CPI ; Poultry ; Canberra ;	Contribution to Total CPI ; Bacon and ham ; Canberra ;	Contribution to Total CPI ; Other fresh and processed meat ; Canberra ;	Contribution to Total CPI ; Fish and other seafood ; Canberra ;	Contribution to Total CPI ; Fruit and vegetables ; Canberra ;	Contribution to Total CPI ; Fruit ; Canberra ;	Contribution to Total CPI ; Vegetables ; Canberra ;	Contribution to Total CPI ; Non-alcoholic drinks and snack food ; Canberra ;	Contribution to Total CPI ; Soft drinks, waters and juices ; Canberra ;
0.38	0.23	0.11	0.41	0.19	0.31	0.37	2.28	1.09	1.19	1.87	0.86
0.47	0.27	0.16	0.44	0.22	0.39	0.43	2.48	1.19	1.29	2.05	0.96

	Contribution to Total CPI ; Snacks and confectionery ; Canberra ;	Contribution to Total CPI ; Meals out and take away foods ; Canberra ;	Contribution to Total CPI ; Restaurant meals ; and fast foods ; Canberra ;	Contribution to Total CPI ; Take away foods ; Canberra ;	Contribution to Total CPI ; Other food ; Canberra ;	Contribution to Total CPI ; Eggs ; Canberra ;	Contribution to Total CPI ; Jams, honey and sandwich spreads ; Canberra ;	Contribution to Total CPI ; Tea, coffee and food drinks ; Canberra ;	Contribution to Total CPI ; Food additives and condiments ; Fats and oils ; Canberra ;	Contribution to Total CPI ; Food n.e.c. ; Canberra ;	Contribution to Total CPI ; Alcohol and tobacco ; Canberra ;	
	1.01	4.96	2.36	2.60	1.48	0.10	0.15	0.24	0.25	0.19	0.55	6.13
	1.08	4.70	2.04	2.66	1.55	0.11	0.15	0.25	0.28	0.21	0.55	7.05

Contribution to Total CPI ; Alcoholic drinks ; Canberra ;	Contribution to Total CPI ; Beer ; Canberra ;	Contribution to Total CPI ; Wine ; Canberra ;	Contribution to Total CPI ; Spirits ; Canberra ;	Contribution to Total CPI ; Tobacco ; Canberra ;	Contribution to Total CPI ; Clothing and footwear ; Canberra ;	Contribution to Total CPI ; Men's clothing ; Canberra ;	Contribution to Total CPI ; Men's underwear and socks ; Canberra ;	Contribution to Total CPI ; Men's underwear and socks ; Canberra ;	Contribution to Total CPI ; Women's clothing ; Canberra ;	Contribution to Total CPI ; Women's outerwear ; Canberra ;	Contribution to Total CPI ; Women's underwear and hosiery ; Canberra ;
4.18	1.86	1.56	0.75	1.95	4.04	0.73	0.59	0.14	1.38	1.15	0.23
4.44	2.04	1.46	0.95	2.60	3.50	0.66	0.56	0.10	1.22	0.96	0.26

Contribution to Total CPI ; Children's and infants' clothing ; Canberra ;	0.35	Contribution to Total CPI ; Footwear ; Canberra ;	0.57	Contribution to Total CPI ; Men's footwear ; Canberra ;	0.24	Contribution to Total CPI ; Women's footwear ; Canberra ;	0.38	Contribution to Total CPI ; Children's footwear ; Canberra ;	0.15	Contribution to Total CPI ; Accessories and clothing services ; Canberra ;	0.81	Contribution to Total CPI ; Accessories ; Canberra ;	0.52	Contribution to Total CPI ; Clothing services and shoe repair ; Canberra ;	0.29	Contribution to Total CPI ; Housing ; Canberra ;	21.70	Contribution to Total CPI ; Rents ; Canberra ;	6.06	Contribution to Total CPI ; Utilities ; Canberra ;	4.16	Contribution to Total CPI ; Electricity ; Canberra ;	1.98
	0.35		0.57		0.16		0.30		0.11		0.69		0.53		0.16		20.50		5.57		3.56		1.86

Contribution to Total CPI ; Gas and other household fuels ; Canberra ;	Contribution to Total CPI ; Water and sewerage ; Canberra ;	Contribution to Total CPI ; Contribution to Total CPI ; Other housing ; Canberra ;	Contribution to Total CPI ; House purchase ; Canberra ;	Contribution to Total CPI ; Property rates and charges ; Canberra ;	Contribution to Total CPI ; House repairs and maintenance ; Canberra ;	Contribution to Total CPI ; House contents and services ; Canberra ;	Contribution to Total CPI ; Furniture and furnishings ; Canberra ;	Contribution to Total CPI ; Floor and window coverings ; Canberra ;	Contribution to Total CPI ; Towels and linen ; Canberra ;	Contribution to Total CPI ; Household appliances, utensils and tools ; Canberra ;	
1.19	0.99	11.48	8.62	1.18	1.67	9.13	3.05	1.77	0.90	0.38	1.41
0.77	0.93	11.36	7.94	1.27	2.15	8.98	2.88	1.81	0.75	0.32	1.57

Contribution to Total CPI ; Major household appliances ; Canberra ;	Contribution to Total CPI ; Small electric household appliances ; Canberra ;	Contribution to Total CPI ; Glassware, household utensils ; Canberra ;	Contribution to Total CPI ; Tools ; Canberra ;	Contribution to Total CPI ; Household supplies ; Canberra ;	Contribution to Total CPI ; Household cleaning agents ; Canberra ;	Contribution to Total CPI ; Toiletries and personal care products ; Canberra ;	Contribution to Total CPI ; Other household supplies ; Canberra ;	Contribution to Total CPI ; Household services ; Canberra ;	Contribution to Total CPI ; Child care ; Canberra ;	Contribution to Total CPI ; Hairdressing and personal care services ; Canberra ;	Contribution to Total CPI ; Other household services ; Canberra ;
0.53	0.20	0.52	0.17	2.63	0.26	1.02	1.35	2.04	0.59	0.86	0.59
0.59	0.24	0.42	0.33	2.77	0.31	1.09	1.37	1.76	0.37	0.76	0.63

Contribution to Total CPI ; Health ; Canberra ;	Contribution to Total CPI ; Hospital and medical services ; Canberra ;	Contribution to Total CPI ; Optical services ; Canberra ;	Contribution to Total CPI ; Dental services ; Canberra ;	Contribution to Total CPI ; Pharmaceutical services ; Canberra ;	Contribution to Total CPI ; Transportation ; Canberra ;	Contribution to Total CPI ; Private motoring ; Canberra ;	Contribution to Total CPI ; Motor vehicles ; Canberra ;	Contribution to Total CPI ; Automotive fuel ; Canberra ;	Contribution to Total CPI ; Motor vehicle repair and servicing ; Canberra ;	Contribution to Total CPI ; Motor vehicle parts and accessories ; Canberra ;
5.15	4.06	3.05	0.10	0.91	1.09	12.42	4.11	4.46	1.53	0.76
4.85	3.79	2.97	0.11	0.71	1.06	12.98	4.37	4.11	1.97	0.71

Contribution to Total CPI ; Other motoring charges ; Canberra ;	Contribution to Total CPI ; Urban transport fares ; Canberra ;	Contribution to Total CPI ; Communication ; Canberra ;	Contribution to Total CPI ; Postal ; Canberra ;	Contribution to Total CPI ; Telecommunication ; Canberra ;	Contribution to Total CPI ; Recreation ; Canberra ;	Contribution to Total CPI ; Audio, visual computing ; Canberra ;	Contribution to Total CPI ; Audio, visual computing and equipment ; Canberra ;	Contribution to Total CPI ; Audio, visual computing and media and services ; Canberra ;	Contribution to Total CPI ; Books, newspapers and magazines ; Canberra ;	Contribution to Total CPI ; Books ; Canberra ;	Contribution to Total CPI ; Newspapers and magazines ; Canberra ;
1.17	0.38	3.09	0.13	2.95	11.93	2.31	1.08	1.22	1.04	0.63	0.41
1.07	0.75	3.02	0.11	2.91	10.89	2.22	0.97	1.25	0.82	0.42	0.40

Contribution to Total CPI ; Sport and other recreation ; Canberra ;	Contribution to Total CPI ; Sports and recreational equipment ; Canberra ;	Contribution to Total CPI ; Toys, games and hobbies ; Canberra ;	Contribution to Total CPI ; Sports participation ; Canberra ;	Contribution to Total CPI ; Pets, pet foods and supplies ; Canberra ;	Contribution to Total CPI ; Pet services including veterinary ; Canberra ;	Contribution to Total CPI ; Other recreational activities ; Canberra ;	Contribution to Total CPI ; Holiday travel and accommodation ; Canberra ;	Contribution to Total CPI ; Domestic holiday travel and accommodation ; Canberra ;	Contribution to Total CPI ; Overseas holiday travel and accommodation ; Canberra ;	Contribution to Total CPI ; Preschool and primary education ; Canberra ;	
3.87	0.38	0.61	1.03	0.38	0.47	1.00	4.71	2.90	1.81	2.66	0.34
3.75	0.49	0.45	0.75	0.45	0.46	1.16	4.11	2.31	1.80	2.88	0.56

Contribution to Total CPI ; Secondary education ; Canberra ;	Contribution to Total CPI ; Tertiary education ; Canberra ;	Contribution to Total CPI ; Financial and insurance services ; Canberra ;	Contribution to Total CPI ; Financial services ; Canberra ;	Contribution to Total CPI ; Deposit and loan facilities ; Canberra ;	Contribution to Total CPI ; Other financial services ; Canberra ;	Contribution to Total CPI ; Insurance services ; Canberra ;	Contribution to Total CPI ; All groups ; Canberra ;
1.20	1.11	8.41	7.00	3.63	3.37	1.41	100
1.06	1.26	9.10	7.51	4.22	3.29	1.59	100.00



**HHCD Household Composition by State/Territory (STE) and HIND Household Income (gross weekly)**  
**Counting: Dwellings Place of Enumeration**

State/Territory (STE)	Negative	Nil	\$1-\$149	\$150-\$249	\$250-\$349	\$350-\$499	\$500-\$649	\$650-\$799	\$1,000-\$1,199	\$1,200-\$1,399	\$1,400-\$1,699	\$1,700-\$1,999	\$2,000-\$2,499	\$2,500-\$2,999	\$3,000-\$3,499	\$3,500-\$3,999	\$4,000 or more	Partial	All	Not	Total	
Australian Capital Territory	141	564	1020	3784	4753	2268	7129	5576	11920	6996	5231	10817	9882	11611	12048	5088	4102	3576	10044	1731	13309	131590

Data Source: 2006 Census of Population and Housing

Cells in this table have been randomly adjusted to avoid the release of confidential data.  
 No reliance should be placed on small cells.  
 For details on a classification and associated data quality information click on the blue i-links in the table.  
 HIND - Due to the methodology used in calculating HIND it is not possible for lone person households to report a greater than \$2000 household income.

Table generated using ABS TableBuilder  
 © Commonwealth of Australia, 2009

HIND Household Income (gross weekly)		Total	
Negative income		141	
Nil income		564	
52	7748	1020	1.3%
7800	12948	3784	4.2%
13000	18148	4753	7.8%
18200	25948	2268	9.5%
26000	33748	7129	14.9%
33800	41548	5576	19.2%
41600	51948	6996	24.5%
52000	62348	11920	33.6%
62400	72748	5231	37.5%
72800	88348	10817	45.7%
88400	103948	9882	53.3%
104000	129948	11611	62.1%
130000	155948	12048	71.2%
156000	181948	5088	75.1%
182000	207948	4102	78.2%
above	208000	3576	80.9%
Partial income stated		10044	
All incomes not stated		1731	
Not applicable		13309	
Total		131590	

**Pepperell, Michael**

---

**From:** Sibley, Jon  
**Sent:** Tuesday, 12 July 2011 9:55 AM  
**To:** Wilesmith, Brett  
**Cc:** Cassie, Alexandra; French, Simon  
**Subject:** for action Pls ASAP: Will call to discuss  
**Attachments:** Does the ACT Government support the Package.doc

**Importance:** High

Hi Brett, would appreciate it if you guys could look at the highlighted text in the attached and address Question 2 this morning.

Cheers, Jon

---

**From:** Farnsworth, Penny  
**Sent:** Monday, 11 July 2011 5:19 PM  
**To:** Cassie, Alexandra; Tomlinson, Heather; French, Simon  
:: Smith, Mayumi; Rutledge, Geoffrey; Papps, David; Mangeruca, Maria  
**Subject:** RE: ACT Government's response to Federal Clean Energy Plan + Sentor Humphries comments

Cassie et al

Please also liaise with Jon Sibley and Treasury. Jon and Tsy did the brief yesterday.

Some of the questions are clearly political, especially the Gary Humphries one and the one on whether the Gillard Govt has gone far enough.

The issue re compensation and percentage of Canberrans receiving it is a Tsy issue and can be drawn from the brief. It reflects our high incomes.

Penny

---

**From:** Cassie, Alexandra  
**Sent:** Monday, 11 July 2011 5:09 PM  
**To:** Tomlinson, Heather; French, Simon  
**Cc:** Smith, Mayumi; Rutledge, Geoffrey; Papps, David; Farnsworth, Penny; Mangeruca, Maria  
**Subject:** FW: ACT Government's response to Federal Clean Energy Plan + Sentor Humphries comments

**Heather and Simon**

**Could we please source some lines on the questions below. They are due to the Ministers Office by noon tomorrow. So if I could have something by 10am I can get it cleared up the line. Please give me a call if there are any issues with this.**  
**Thanks**  
**Alex**

**Alexandra Cassie**

Communications Unit  
Environment and Sustainable Development Directorate  
ACT Government  
p: 02 6207 2464 | f:02 6207 2244 | m: 0401 766 218

**Does the ACT Government support the Prime Minister's new carbon package in full? If not, what elements are of concern and how will you work to address these with the Federal Government?**

**You (the chief minister) have been quoted on the ABC this morning saying 78% of Canberra households will receive compensation, about 40% of Canberra households will be fully compensated. Is this correct?**

**According to these figures approx 1/5 Canberrans will get no compensation, compared to 1/10 Australians overall. Why should Canberrans do it harder than residents of other states under the new carbon tax?**

**Liberal Senator for the ACT Gary Humphries says 'Canberra has been taken for granted by the Gillard Government' - what is your response to this?**

**The ACT Govt has committed to cutting Canberra's greenhouse gas emissions by 40% by 2020 – but the Federal Government's scheme will cut emissions in this time by just 5%. Have the Gillard Government gone far enough?**

**Will the ACT's emissions cut targets change in light of the Federal Government's new plan?**

**According to State and Territory Greenhouse Gas Inventories 2009 data, the ACT create less than 1 per cent of Australia's total Greenhouse gas emissions. Why does the Territory need to cut its emissions further than the rest of the country?**

**Tegan Osborne | Journalist**

**Canberra weekly**  
MAGAZINE

Suite 11, 285 Canberra Avenue, Fyshwick ACT 2609

M 0406 500 386 | P 02 6175 8800 | D 02 6175 8812 | F 02 6175 8899 | E [tegan.o@canberraweekly.com.au](mailto:tegan.o@canberraweekly.com.au)

Confidentiality: This email is from Canberra Weekly Magazine. The contents are confidential and may be protected by legal professional privilege. The contents are intended only for the named recipient of this email. If the reader of this email is not the intended recipient you are hereby notified that any use, reproduction, disclosure or distribution of the information contained in the email is prohibited. If you have received this email in error, please reply to us immediately and delete the document. Viruses: Any loss/damage incurred by using this material is not the sender's responsibility. Canberra Weekly Magazine's entire liability will be limited to resupplying the material. No warranty is made that this material is free from computer virus or other defect.





**Pepperell, Michael**

---

**From:** Wilesmith, Brett  
**Sent:** Tuesday, 12 July 2011 10:03 AM  
**To:** Swanepoel, Abrie  
**Cc:** Li, Dan  
**Subject:** FW: for action Pls ASAP: Will call to discuss  
**Attachments:** Does the ACT Government support the Package.doc

**Importance:** High

Brett Wilesmith | Senior Manager  
 Regulation Policy Unit | Treasury Directorate | **ACT Government**  
 Phone: 620 73949 | Fax: 620 70267 | [brett.wilesmith@act.gov.au](mailto:brett.wilesmith@act.gov.au)  
 Level 1 Canberra Nara Centre | GPO Box 158 Canberra ACT 2601 | [www.act.gov.au](http://www.act.gov.au)

*ase consider the environment before printing this email. If printing is necessary, please print double-sided.*

---

**From:** Sibley, Jon  
**Sent:** Tuesday, 12 July 2011 9:55 AM  
**To:** Wilesmith, Brett  
**Cc:** Cassie, Alexandra; French, Simon  
**Subject:** for action Pls ASAP: Will call to discuss  
**Importance:** High

Hi Brett, would appreciate it if you guys could look at the highlighted text in the attached and address Question 2 this morning.

Cheers, Jon

---

**From:** Farnsworth, Penny  
**Sent:** Monday, 11 July 2011 5:19 PM  
**To:** Cassie, Alexandra; Tomlinson, Heather; French, Simon  
 : Smith, Mayumi; Rutledge, Geoffrey; Papps, David; Mangeruca, Maria  
**Subject:** RE: ACT Government's response to Federal Clean Energy Plan + Sentor Humphries comments

Cassie et al

Please also liaise with Jon Sibley and Treasury. Jon and Tsy did the brief yesterday.

Some of the questions are clearly political, especially the Gary Humphries one and the one on whether the Gillard Govt has gone far enough.

The issue re compensation and percentage of Canberrans receiving it is a Tsy issue and can be drawn from the brief. It reflects our high incomes.

Penny

---

**From:** Cassie, Alexandra  
**Sent:** Monday, 11 July 2011 5:09 PM

**To:** Tomlinson, Heather; French, Simon

**Cc:** Smith, Mayumi; Rutledge, Geoffrey; Papps, David; Farnsworth, Penny; Mangeruca, Maria

**Subject:** FW: ACT Government's response to Federal Clean Energy Plan + Sentor Humphries comments

**Heather and Simon**

**Could we please source some lines on the questions below. They are due to the Ministers Office by noon tomorrow. So if I could have something by 10am I can get it cleared up the line. Please give me a call if there are any issues with this.**

**Thanks  
Alex**

## **Alexandra Cassie**

Communications Unit

Environment and Sustainable Development Directorate

ACT Government

p: 02 6207 2464 | f:02 6207 2244 | m: 0401 766 218

[www.environment.act.gov.au](http://www.environment.act.gov.au)

**Does the ACT Government support the Prime Minister's new carbon package in full? If not, what elements are of concern and how will you work to address these with the Federal Government?**

**You (the chief minister) have been quoted on the ABC this morning saying 78% of Canberra households will receive compensation, about 40% of Canberra households will be fully compensated. Is this correct?**

**According to these figures approx 1/5 Canberrans will get no compensation, compared to 1/10 Australians overall. Why should Canberrans do it harder than residents of other states under the new carbon tax?**

**Liberal Senator for the ACT Gary Humphries says 'Canberra has been taken for granted by the Gillard Government' - what is your response to this?**

**The ACT Govt has committed to cutting Canberra's greenhouse gas emissions by 40% by 2020 – but the Federal Government's scheme will cut emissions in this time by just 5%. Have the Gillard Government gone far enough?**

**Will the ACT's emissions cut targets change in light of the Federal Government's new plan?**

**According to State and Territory Greenhouse Gas Inventories 2009 data, the ACT create less than 1 per cent of Australia's total Greenhouse gas emissions. Why does the Territory need to cut its emissions further than the rest of the country?**

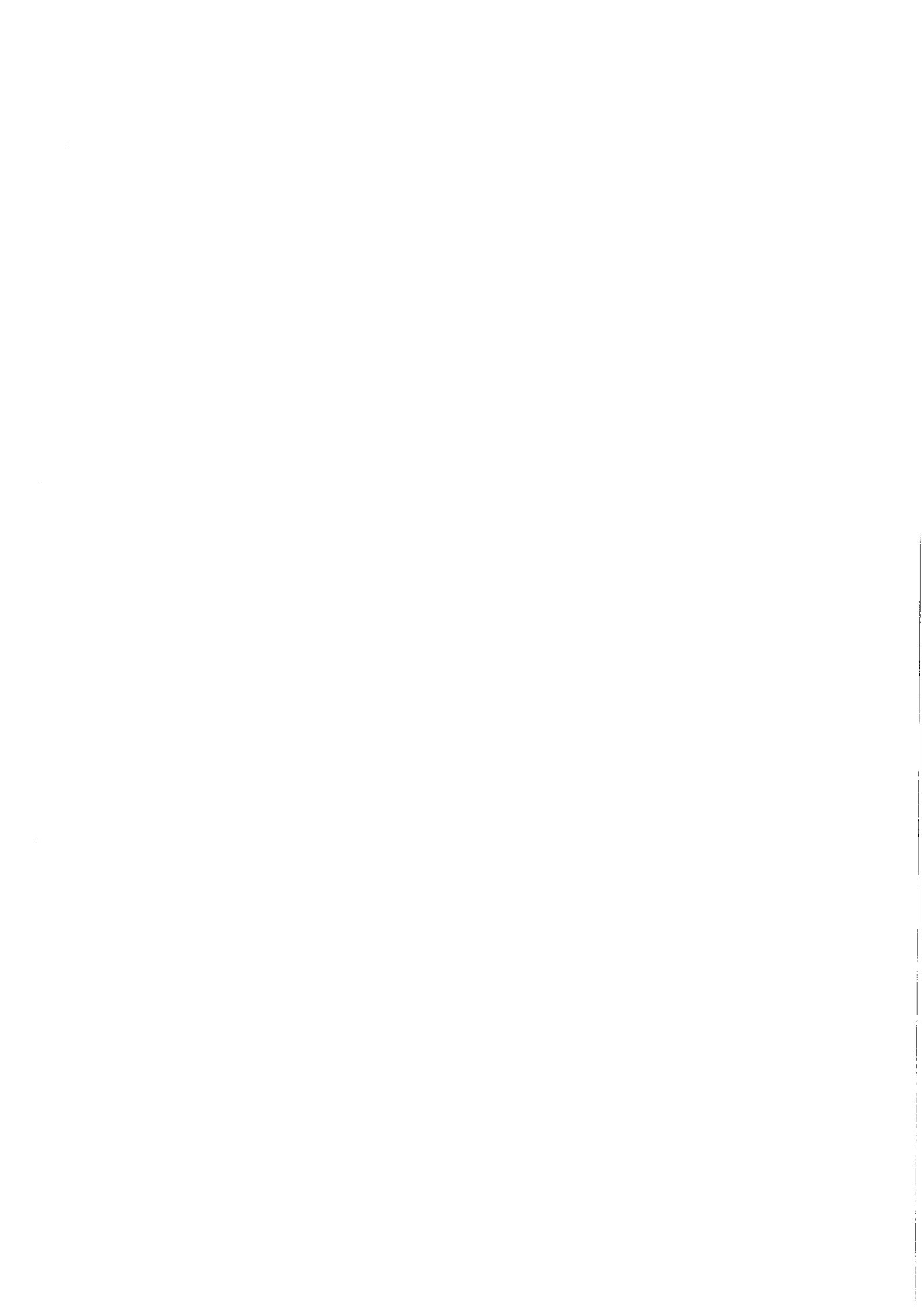
**Tegan Osborne | Journalist**

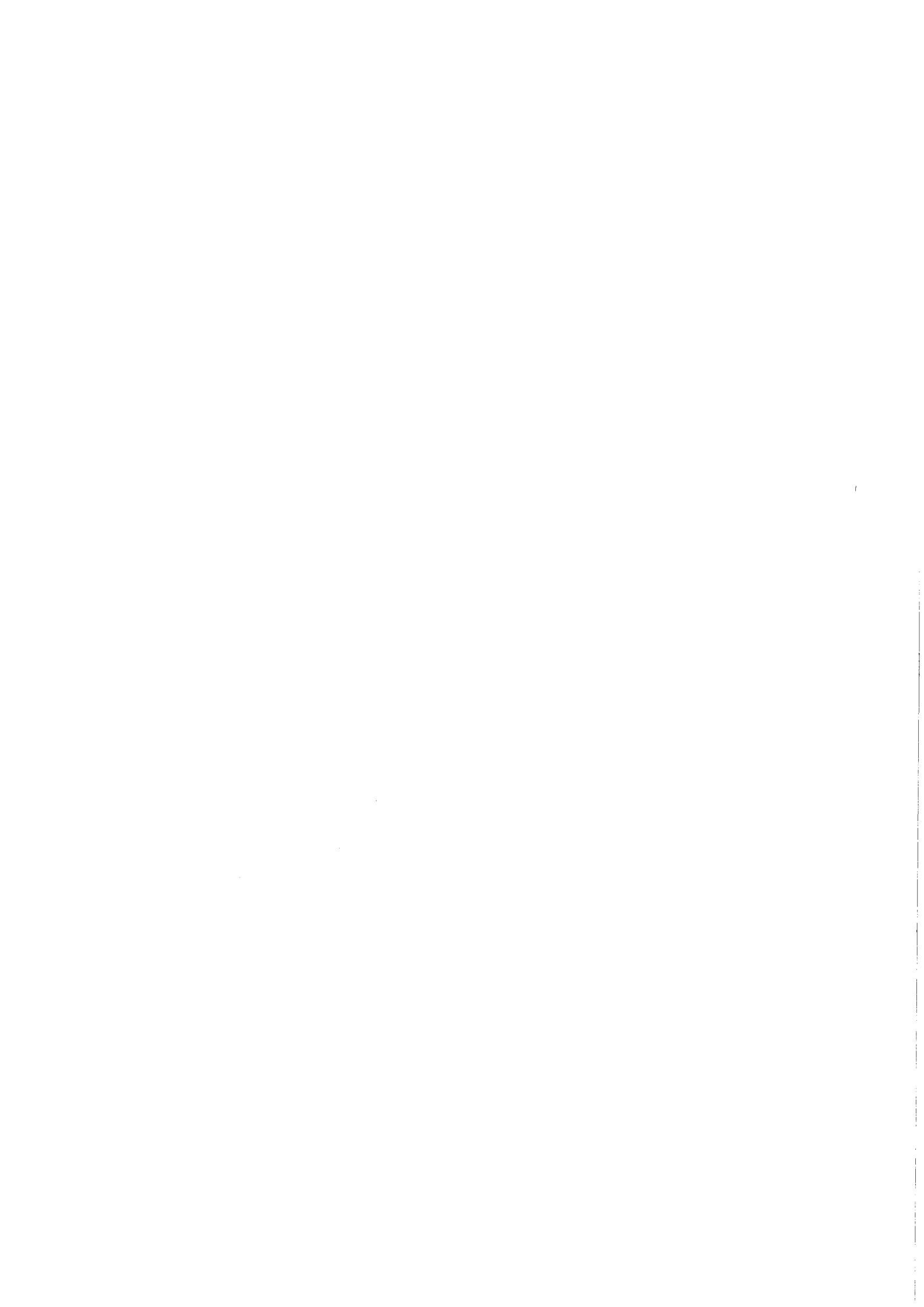
**Canberra weekly**  
MAGAZINE

Suite 11, 285 Canberra Avenue, Fyshwick ACT 2609

M 0406 500 386 | P 02 6175 8800 | D 02 6175 8812 | F 02 6175 8899 | E [tegan.o@canberraweekly.com.au](mailto:tegan.o@canberraweekly.com.au)

Confidentiality: This email is from Canberra Weekly Magazine. The contents are confidential and may be protected by legal professional privilege. The contents are intended only for the named recipient of this email. If the reader of this email is not the intended recipient you are hereby notified that any use, reproduction, disclosure or distribution of the information contained in the email is prohibited. If you have received this email in error, please reply to us immediately and delete the document. Viruses: Any loss/damage incurred by using this material is not the sender's responsibility. Canberra Weekly Magazine's entire liability will be limited to resupplying the material. No warranty is made that this material is free from computer virus or other defect.

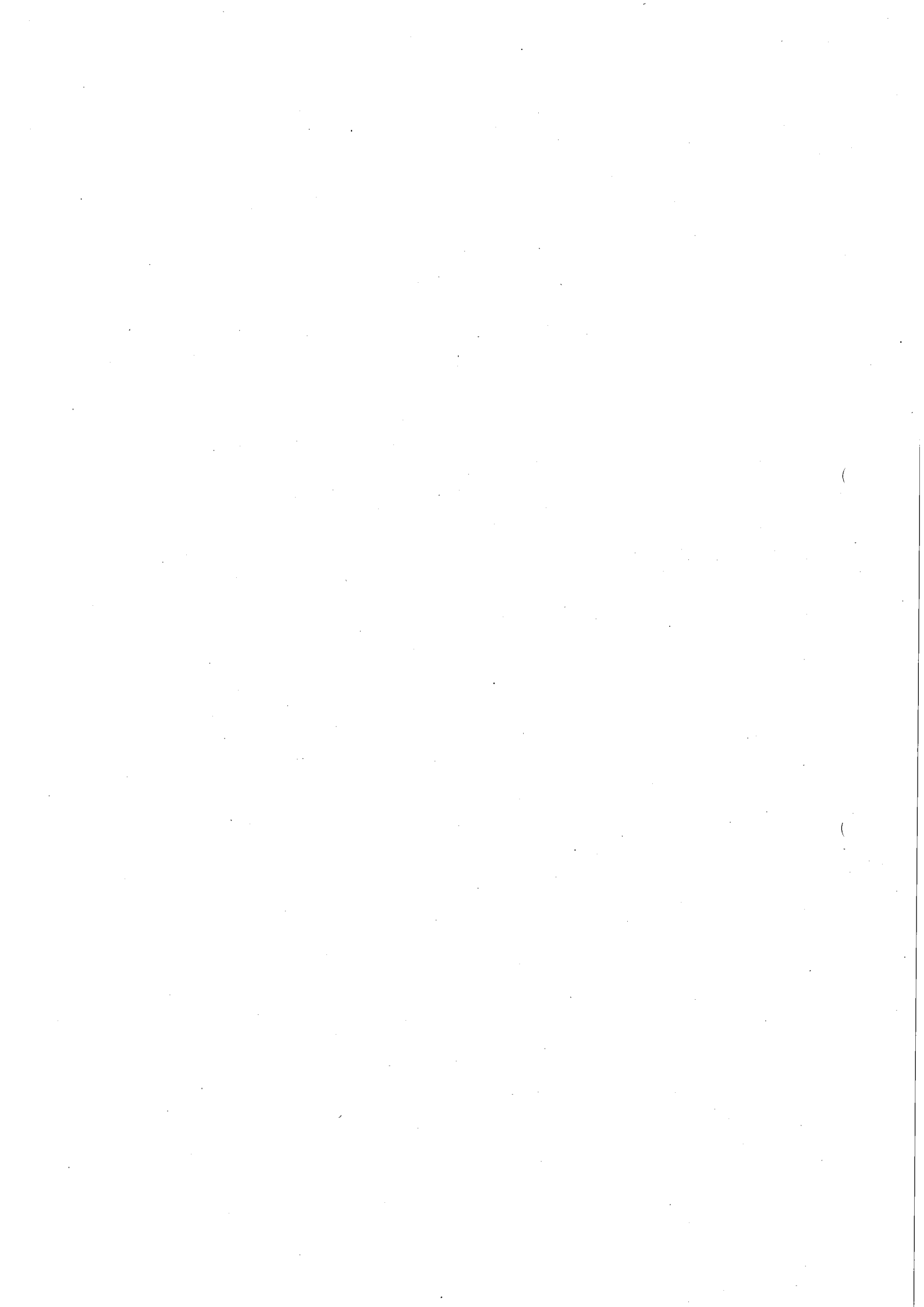




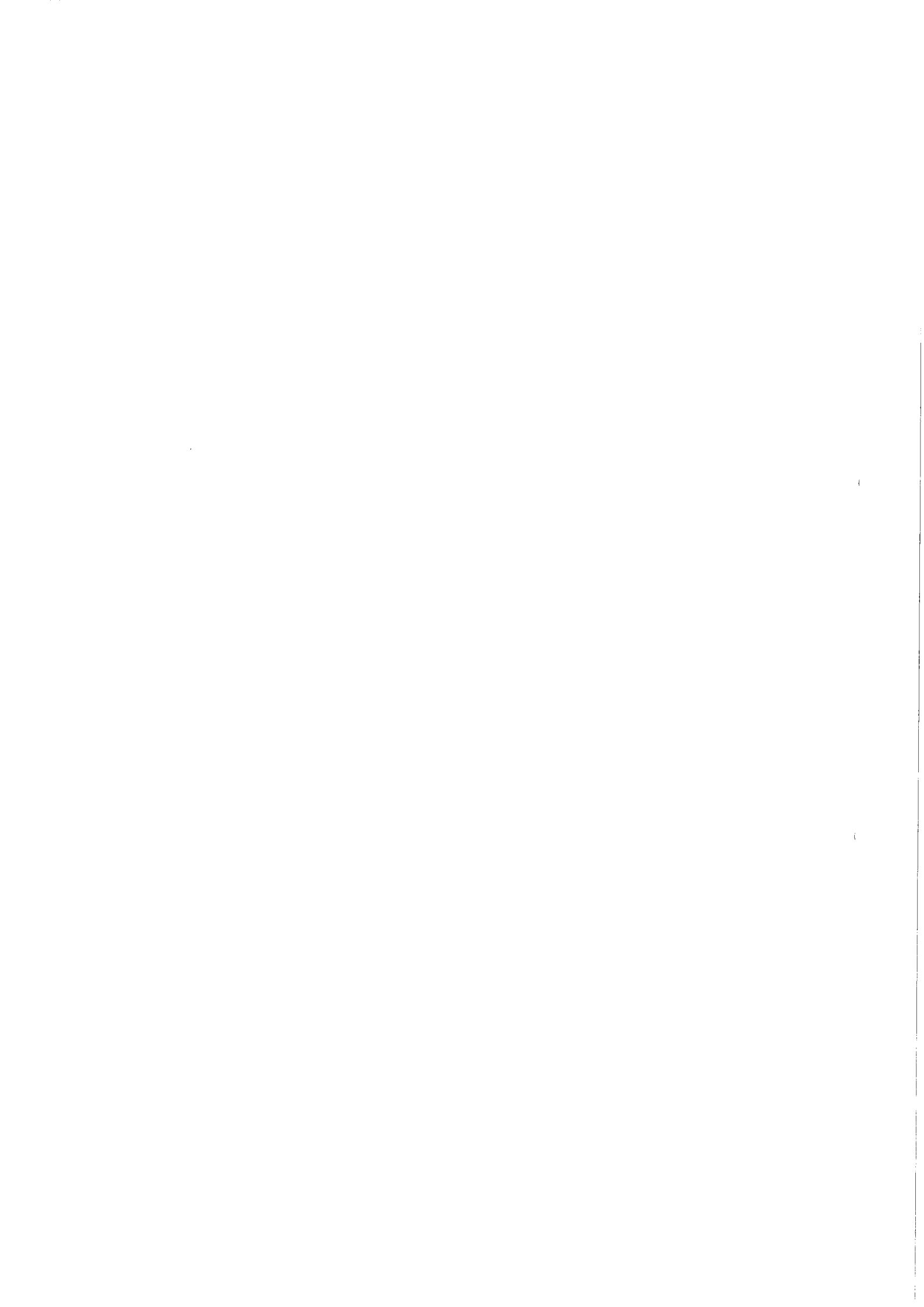
**Pepperell, Michael**

---

**From:** Swanepoel, Abrie  
**Sent:** Tuesday, 12 July 2011 10:47 AM  
**To:** Wilesmith, Brett  
**Cc:** Li, Dan  
**Subject:** 0002 - Input - Response to journalist on carbon price - 12 July 2011.doc  
**Attachments:** 0002 - Input - Response to journalist on carbon price - 12 July 2011.doc  
  
**Importance:** High







**Pepperell, Michael**

---

**From:** Wilesmith, Brett  
**Sent:** Tuesday, 12 July 2011 10:59 AM  
**To:** Smithies, Megan  
**Cc:** Prowse, Fay; Thompson, Kirsten; Broughton, Roger; Salisbury, Kim; Swanepoel, Abrie  
**Subject:** URGENT - Carbon Tax - Input to response to journalist  
**Attachments:** 0002 - Input - Response to journalist on carbon price - 12 July 2011.doc

**Importance:** High

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Megan

For your urgent consideration – a response has been sought by **noon**. Please find attached draft input to a media response relating to estimates of carbon price compensation for ACT families. Treasury input to a response to question 2 is highlighted in green.

tt

Brett Wilesmith | Senior Manager  
 Regulation Policy Unit | Treasury Directorate | **ACT Government**  
 Phone: 620 73949 | Fax: 620 70267 | [brett.wilesmith@act.gov.au](mailto:brett.wilesmith@act.gov.au)  
 Level 1 Canberra Nara Centre | GPO Box 158 Canberra ACT 2601 | [www.act.gov.au](http://www.act.gov.au)

*Please consider the environment before printing this email. If printing is necessary, please print double-sided.*

---

**From:** Sibley, Jon  
**Sent:** Tuesday, 12 July 2011 9:55 AM  
**To:** Wilesmith, Brett  
**Cc:** Cassie, Alexandra; French, Simon  
**Subject:** for action Pls ASAP: Will call to discuss  
**Importance:** High

Hi Brett, would appreciate it if you guys could look at the highlighted text in the attached and address Question 2  
 s morning.

Cheers, Jon

---

**From:** Farnsworth, Penny  
**Sent:** Monday, 11 July 2011 5:19 PM  
**To:** Cassie, Alexandra; Tomlinson, Heather; French, Simon  
**Cc:** Smith, Mayumi; Rutledge, Geoffrey; Papps, David; Mangeruca, Maria  
**Subject:** RE: ACT Government's response to Federal Clean Energy Plan + Sentor Humphries comments

Cassie et al

Please also liaise with Jon Sibley and Treasury. Jon and Tsy did the brief yesterday.

Some of the questions are clearly political, especially the Gary Humphries one and the one on whether the Gillard Govt has gone far enough.

The issue re compensation and percentage of Canberrans receiving it is a Tsy issue and can be drawn from the brief. It reflects our high incomes.

Penny

---

**From:** Cassie, Alexandra  
**Sent:** Monday, 11 July 2011 5:09 PM  
**To:** Tomlinson, Heather; French, Simon  
**Cc:** Smith, Mayumi; Rutledge, Geoffrey; Papps, David; Farnsworth, Penny; Mangeruca, Maria  
**Subject:** FW: ACT Government's response to Federal Clean Energy Plan + Senator Humphries comments

**Heather and Simon**

**Could we please source some lines on the questions below. They are due to the Ministers Office by noon tomorrow. So if I could have something by 10am I can get it cleared up the line. Please give me a call if there are any issues with this.**

**Thanks  
Alex**

## **Alexandra Cassie**

Communications Unit  
Environment and Sustainable Development Directorate  
ACT Government  
p: 02 6207 2464 | f:02 6207 2244 | m: 0401 766 218  
[www.environment.act.gov.au](http://www.environment.act.gov.au)

**Does the ACT Government support the Prime Minister's new carbon package in full? If not, what elements are of concern and how will you work to address these with the Federal Government?**

**You (the chief minister) have been quoted on the ABC this morning saying 78% of Canberra households will receive compensation, about 40% of Canberra households will be fully compensated. Is this correct?**

**According to these figures approx 1/5 Canberrans will get no compensation, compared to 1/10 Australians overall. Why should Canberrans do it harder than residents of other states under the new carbon tax?**

**Liberal Senator for the ACT Gary Humphries says 'Canberra has been taken for granted by the Gillard Government' - what is your response to this?**

**The ACT Govt has committed to cutting Canberra's greenhouse gas emissions by 40% by 2020 – but the Federal Government's scheme will cut emissions in this time by just 5%. Have the Gillard Government gone far enough?**

**Will the ACT's emissions cut targets change in light of the Federal Government's new plan?**

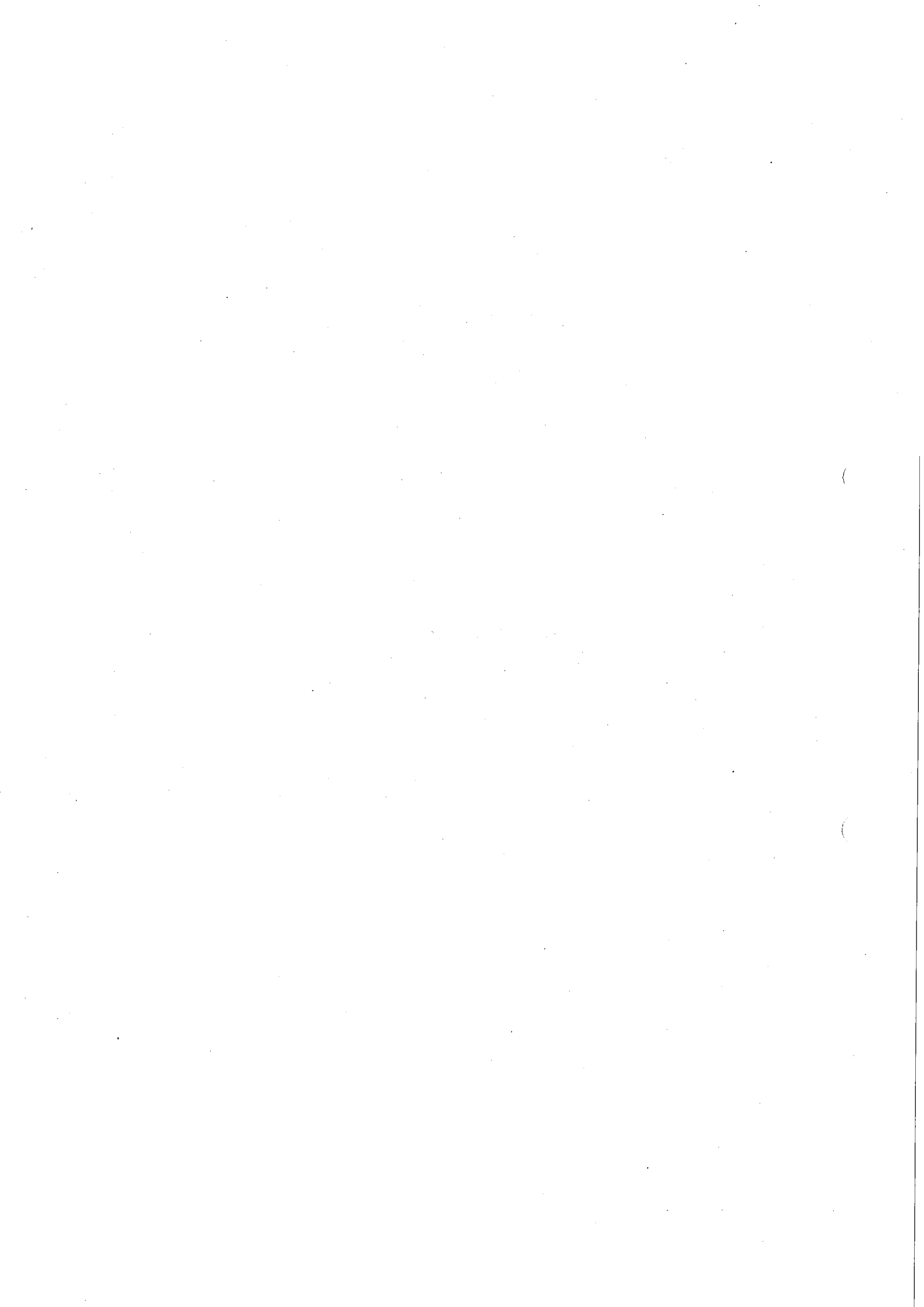
**According to State and Territory Greenhouse Gas Inventories 2009 data, the ACT create less than 1 per cent of Australia's total Greenhouse gas emissions. Why does the Territory need to cut its emissions further than the rest of the country?**

**Tegan Osborne | Journalist**

**Canberra weekly**  
MAGAZINE

Suite 11, 285 Canberra Avenue, Fyshwick ACT 2609

Confidentiality: This email is from Canberra Weekly Magazine. The contents are confidential and may be protected by legal professional privilege. The contents are intended only for the named recipient of this email. If the reader of this email is not the intended recipient you are hereby notified that any use, reproduction, disclosure or distribution of the information contained in the email is prohibited. If you have received this email in error, please reply to us immediately and delete the document. Viruses: Any loss/damage incurred by using this material is not the sender's responsibility. Canberra Weekly Magazine's entire liability will be limited to resupplying the material. No warranty is made that this material is free from computer virus or other defect.







**Pepperell, Michael**

---

**From:** Wilesmith, Brett  
**Sent:** Tuesday, 12 July 2011 11:59 AM  
**To:** Smithies, Megan  
**Cc:** Thompson, Kirsten; Swanepoel, Abrie; Prowse, Fay  
**Subject:** 0002 - Input - Response to journalist on carbon price - 12 July 2011 (3).doc  
**Attachments:** 0002 - Input - Response to journalist on carbon price - 12 July 2011 (3).doc

Hi Megan

Revised carbon tax response as requested. For clearance.

Brett



**1. Does the ACT Government support the Prime Minister's new carbon package in full? If not, what elements are of concern and how will you work to address these with the Federal Government?**

- The ACT Government supports the package which provides, for the first time, a comprehensive mechanism to reduce Australia's greenhouse gas emissions.
- A carbon price will provide incentive to use energy more efficiently, and increase renewable and low-carbon energy sources. This will assist the ACT Government to meet its deeper emissions reduction targets.
- The Territory expects to work closely with the Commonwealth through the COAG process to resolve a number of elements of the package including the way voluntary community action is treated, the development of a national energy efficiency package for homes and businesses that support the Territory's greenhouse gas reduction targets, and the impact on the Territory budget.
- We note and welcome the Commonwealth's initial statements on the treatment of voluntary action including provisions for GreenPower to be counted as additional to any national caps or targets.

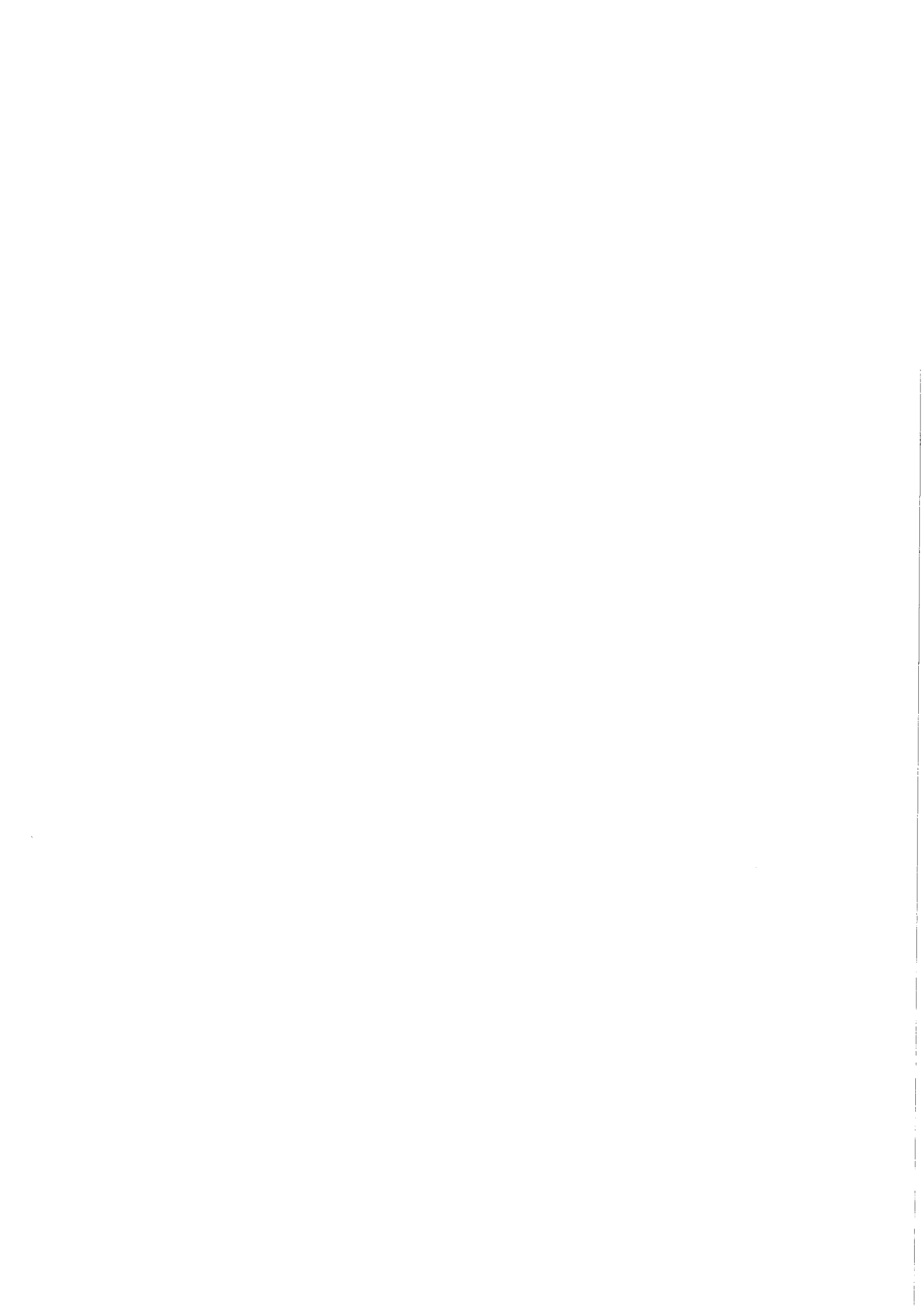
**2. You (the chief minister) have been quoted on the ABC this morning saying 78% of Canberra households will receive compensation, about 40% of Canberra households will be fully compensated. Is this correct?**

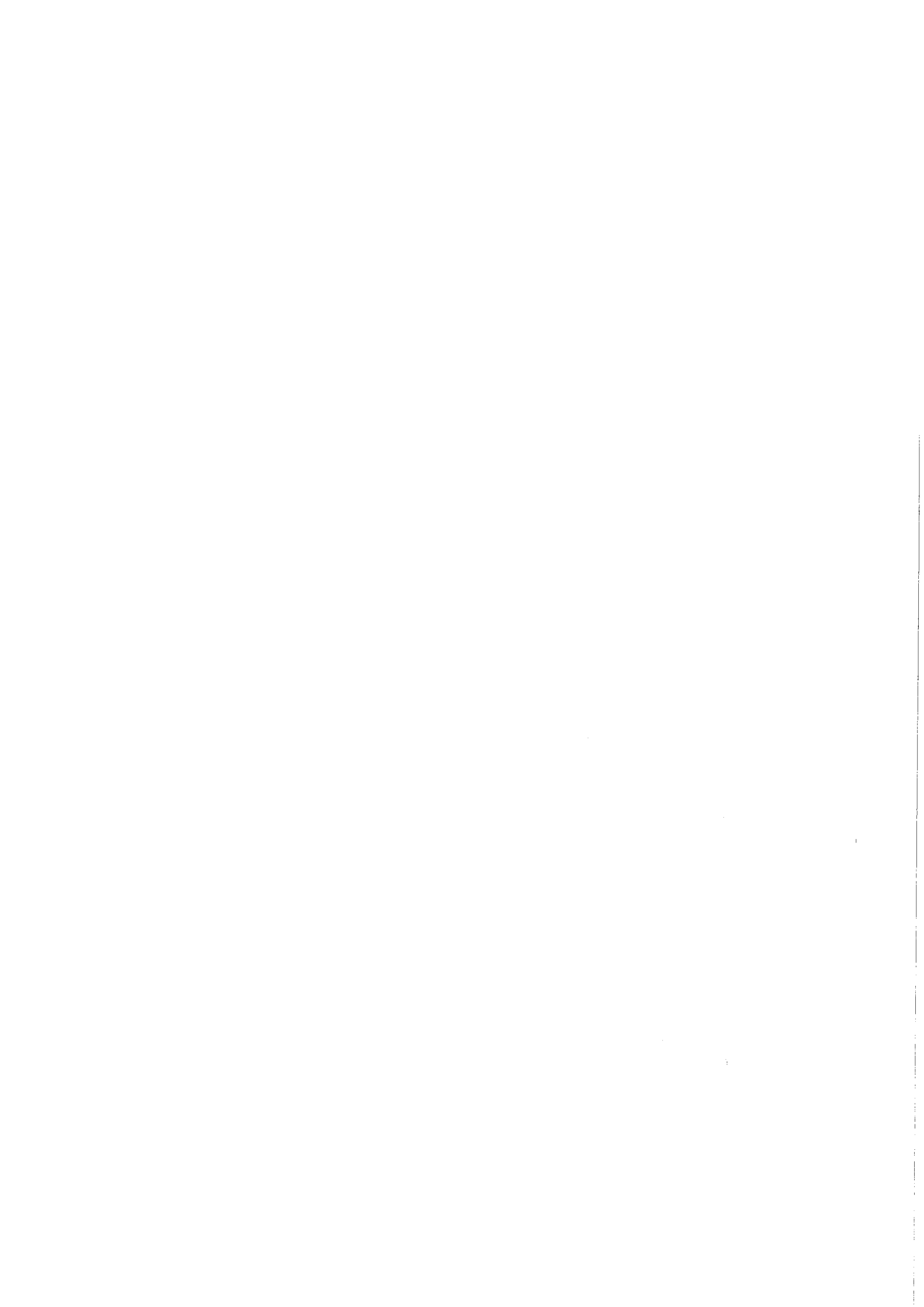
- The figures I quoted were based on preliminary advice that I received on Sunday.
- Since then the analysis has been refined and the latest estimates I have show that around 77 per cent of Canberra households will receive compensation, with around 55 per cent of households being fully compensated.
- This is not surprising given our higher levels of income in the ACT. Average Weekly Ordinary Time Earnings in the ACT are the highest of all jurisdictions, and around 14.7 per cent higher than the national average.
- This does not mean that those who meet the Federal Government's criteria will not be appropriately compensated. They will.
- Many of us are better placed to address our emissions without the need for compensation. Those on higher incomes can still make choices in relation to where their money goes. They can choose to minimise their additional energy costs by becoming more energy efficient or moving to renewable energy sources.

**3. According to these figures approx 1/5 Canberrans will get no compensation, compared to 1/10 Australians overall. Why should Canberrans do it harder than residents of other states under the new carbon tax?**

- Due to our relatively high energy use and high incomes compared to our jurisdictions, it is recognised that many Canberra households will contribute more than the national average to the cost of the abatement effort.
- Compared to other jurisdiction, the ACT has proportionally lesser low income households. But to the extent that they are there, they will be no worse off under the carbon price.
- Our high energy usage needs to be addressed, and the ACT Government is developing a comprehensive energy efficiency scheme which will help to mitigate the cost impact on households while reducing the Territory's emissions.

- 4. Liberal Senator for the ACT Gary Humphries says 'Canberra has been taken for granted by the Gillard Government' - what is your response to this?**
- More progressive Liberal party members are understandably disgruntled at finding themselves once again on the wrong side of nation building reform.
  - Canberra residents will have access to the same compensation measures as other Australians, depending on their level of income.
  - This ACT Government will continue to communicate our views and work closely with the Commonwealth on the finalisation and implementation of this package.
- 5. The ACT Govt has committed to cutting Canberra's greenhouse gas emissions by 40% by 2020 – but the Federal Government's scheme will cut emissions in this time by just 5%. Have the Gillard Government gone far enough?**
- The ACT's targets reflect the interests and aspirations of the Territory community. Our targets reflect our circumstances and have been set in relation to what we as a community can achieve. We believe that as global action on climate change picks up over the next decade national targets will need to be reviewed.
  - While the carbon price will assist the ACT to meet the 2020 target, the ACT Government will need to implement measures that will drive emission reductions in the Territory beyond the scope of the carbon price.
  - The Commonwealth's commitment to reduce emissions by 80 per cent below 2000 levels by 2050 is more consistent with the ACT's 2050 target.
  - We will take the implications of the Commonwealth's carbon price into account in developing Weathering the Change Action Plan 2.
- 6. Will the ACT's emissions cut targets change in light of the Federal Government's new plan?**
- No
- 7. According to State and Territory Greenhouse Gas Inventories 2009 data, the ACT create less than 1 per cent of Australia's total Greenhouse gas emissions. Why does the Territory need to cut its emissions further than the rest of the country?**
- The challenges posed by climate change are faced by everyone around the world and require concerted action if we are to avoid serious environmental, economic and social consequences.
  - The ACT Government is committed to responsible and long-sighted action that will transition the ACT towards a carbon neutral city that can adapt to a changing climate.
  - We are determined to lead by example in reducing our emissions and achieving our targets.





**Pepperell, Michael**

---

**From:** Wilesmith, Brett  
**Sent:** Tuesday, 12 July 2011 12:12 PM  
**To:** Sibley, Jon  
**Cc:** Cassie, Alexandra; French, Simon; Smithies, Megan; Swanepoel, Abrie; Broughton, Roger  
**Subject:** RE: for action Pls ASAP: Will call to discuss  
**Attachments:** 0002 - Input - Response to journalist on carbon price - 12 July 2011 (3).doc

Jon

Please find attached Treasury input for Question 2.

Regards  
Brett

Brett Wilesmith | Senior Manager  
Regulation Policy Unit | Treasury Directorate | ACT Government  
Phone: 620 73949 | Fax: 620 70267 | [brett.wilesmith@act.gov.au](mailto:brett.wilesmith@act.gov.au)  
Level 1 Canberra Nara Centre | GPO Box 158 Canberra ACT 2601 | [www.act.gov.au](http://www.act.gov.au)

*Please consider the environment before printing this email. If printing is necessary, please print double-sided.*

---

**From:** Sibley, Jon  
**Sent:** Tuesday, 12 July 2011 9:55 AM  
**To:** Wilesmith, Brett  
**Cc:** Cassie, Alexandra; French, Simon  
**Subject:** for action Pls ASAP: Will call to discuss  
**Importance:** High

Hi Brett, would appreciate it if you guys could look at the highlighted text in the attached and address Question 2 this morning.

Cheers, Jon

---

**From:** Farnsworth, Penny  
**Sent:** Monday, 11 July 2011 5:19 PM  
**To:** Cassie, Alexandra; Tomlinson, Heather; French, Simon  
**Cc:** Smith, Mayumi; Rutledge, Geoffrey; Papps, David; Mangeruca, Maria  
**Subject:** RE: ACT Government's response to Federal Clean Energy Plan + Sentor Humphries comments

Cassie et al

Please also liaise with Jon Sibley and Treasury. Jon and Tsy did the brief yesterday.

Some of the questions are clearly political, especially the Gary Humphries one and the one on whether the Gillard Govt has gone far enough.

The issue re compensation and percentage of Canberrans receiving it is a Tsy issue and can be drawn from the brief. It reflects our high incomes.

Penny

**From:** Cassie, Alexandra  
**Sent:** Monday, 11 July 2011 5:09 PM  
**To:** Tomlinson, Heather; French, Simon  
**Cc:** Smith, Mayumi; Rutledge, Geoffrey; Papps, David; Farnsworth, Penny; Mangeruca, Maria  
**Subject:** FW: ACT Government's response to Federal Clean Energy Plan + Sentor Humphries comments

**Heather and Simon**

**Could we please source some lines on the questions below. They are due to the Ministers Office by noon tomorrow. So if I could have something by 10am I can get it cleared up the line. Please give me a call if there are any issues with this.**

**Thanks  
Alex**

## **Alexandra Cassie**

Communications Unit  
Environment and Sustainable Development Directorate  
ACT Government  
p: 02 6207 2464 | f:02 6207 2244 | m: 0401 766 218  
[www.environment.act.gov.au](http://www.environment.act.gov.au)

**Does the ACT Government support the Prime Minister's new carbon package in full? If not, what elements are of concern and how will you work to address these with the Federal Government?**

**You (the chief minister) have been quoted on the ABC this morning saying 78% of Canberra households will receive compensation, about 40% of Canberra households will be fully compensated. Is this correct?**

**According to these figures approx 1/5 Canberrans will get no compensation, compared to 1/10 Australians overall. Why should Canberrans do it harder than residents of other states under the new carbon tax?**

**Liberal Senator for the ACT Gary Humphries says 'Canberra has been taken for granted by the Gillard Government' - what is your response to this?**

**The ACT Govt has committed to cutting Canberra's greenhouse gas emissions by 40% by 2020 – but the Federal Government's scheme will cut emissions in this time by just 5%. Have the Gillard Government gone far enough?**

**Will the ACT's emissions cut targets change in light of the Federal Government's new plan?**

**According to State and Territory Greenhouse Gas Inventories 2009 data, the ACT create less than 1 per cent of Australia's total Greenhouse gas emissions. Why does the Territory need to cut its emissions further than the rest of the country?**

**Tegan Osborne | Journalist**

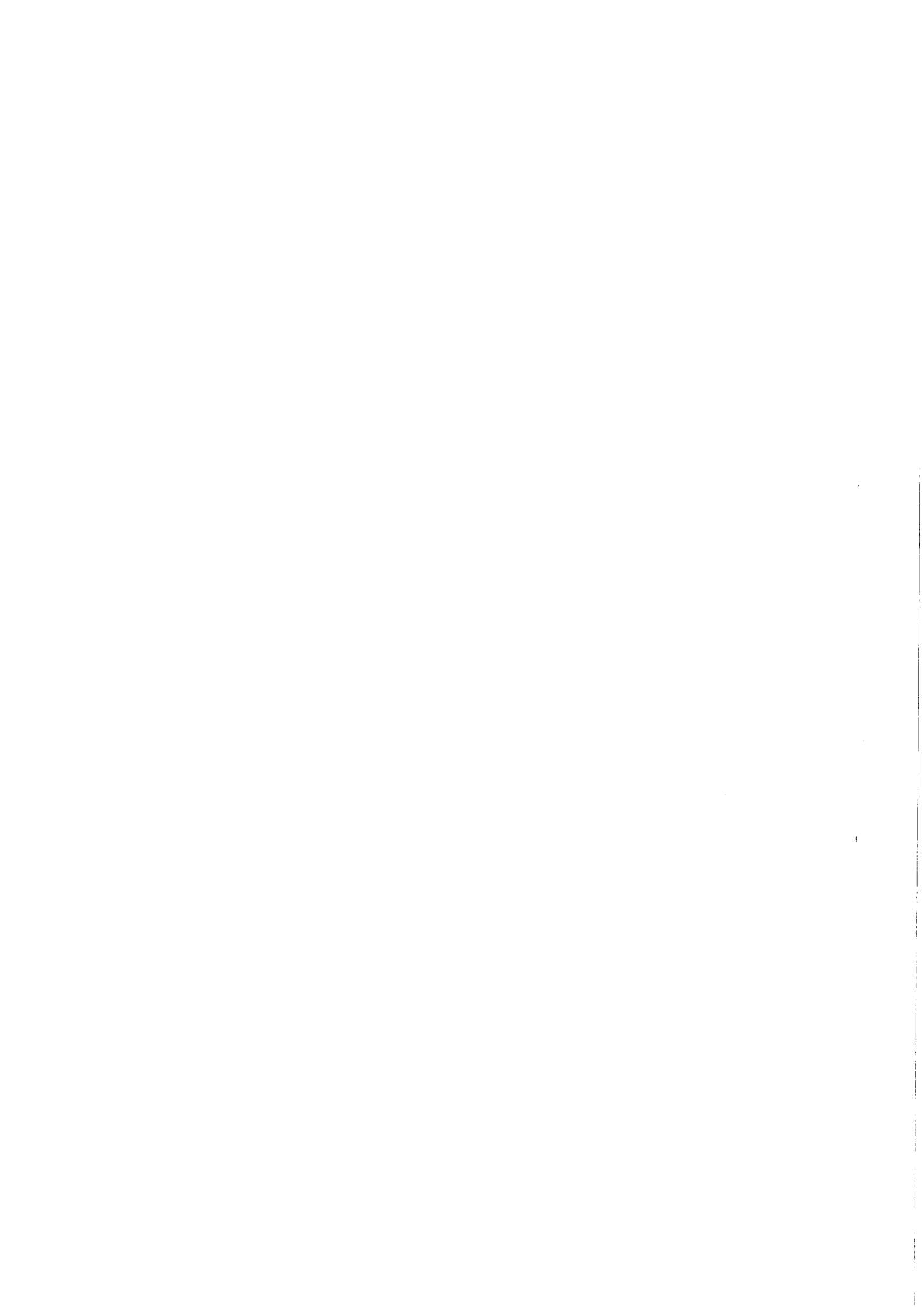
**Canberra weekly**  
MAGAZINE

Suite 11, 285 Canberra Avenue, Fyshwick ACT 2609

M 0406 500 386 | P 02 6175 8800 | D 02 6175 8812 | F 02 6175 8899 | E [tegan.o@canberraweekly.com.au](mailto:tegan.o@canberraweekly.com.au)

Confidentiality: This email is from Canberra Weekly Magazine. The contents are confidential and may be protected by legal professional privilege. The contents are intended only for the named recipient of this email. If the reader of this email is not the intended recipient you are hereby notified that any use, reproduction, disclosure or distribution of the information contained in the email is prohibited. If you have received this email in error, please reply to us immediately and delete the document. Viruses: Any loss/damage incurred by using this material is not the sender's responsibility. Canberra Weekly Magazine's entire liability will be limited to resupplying the material. No warranty is made that this material is free from computer virus or other defect.





**Pepperell, Michael**

---

**From:** Broughton, Roger  
**Sent:** Thursday, 14 July 2011 10:27 AM  
**To:** Wilesmith, Brett; Konovalov, Alexander  
**Cc:** Salisbury, Kim; Swanepoel, Abrie; Li, Dan; Purcell, John  
**Subject:** FW: CBA Economics: The Carbon Reduction Scheme  
**Attachments:** 10-Jul-2011-2118-1.pdf

---

**From:** Longley, Jim [<mailto:jim.longley@cba.com.au>]  
**Sent:** Thursday, 14 July 2011 10:16 AM  
**To:** Smithies, Megan  
**Cc:** Broughton, Roger  
**Subject:** CBA Economics: The Carbon Reduction Scheme

Dear Megan and Roger,  
Please find attached a copy of Michael Blythe's Analysis of the Carbon Tax for your information.  
I trust you find it useful.  
Regards,  
Jim

**Commonwealth Bank**

Jim Longley  
Executive Vice President, Government  
Institutional Banking & Markets  
Premium Business Services  
Level 22, Darling Park Tower 1,  
201 Sussex Street, Sydney NSW 2000  
P: (61 2) 9118 4295  
F: (61 2) 9118 4207  
M: 0419 630 887  
E: [jim.longley@cba.com.au](mailto:jim.longley@cba.com.au)

Judy Gleeson, Executive Assistant  
P: (61 2) 9118 4290  
F: (61 2) 9118 4207  
E: [judy.gleeson@cba.com.au](mailto:judy.gleeson@cba.com.au)

Our vision is to be Australia's finest financial services organisation through excelling in customer service.

\*\*\*\*\* IMPORTANT MESSAGE \*\*\*\*\*

This e-mail message is intended only for the addressee(s) and contains information which may be confidential.

If you are not the intended recipient please advise the sender by return email, do not use or disclose the contents, and delete the message and any attachments from your system. Unless specifically indicated, this email does not constitute formal advice or commitment by the sender or the Commonwealth Bank of Australia (ABN 48 123 123 124) or its subsidiaries.

We can be contacted through our web site: [commbank.com.au](http://commbank.com.au).  
If you no longer wish to receive commercial electronic messages from us, please reply to this

e-mail by typing Unsubscribe in the subject line.

\*\*\*\*\*



## Securing A Clean Energy Future

- Carbon will have a "price" and the revenue will be used to compensate households and businesses.
- Treasury modelling indicates that the scheme will be successful and have only a "very modest" economic impact.

The broad thrust of the government's carbon reduction scheme is as expected. Carbon will have a "price" and a raft of compensation and assistance measures will be enacted to ease the transition and facilitate reform.

Estimates of the impact of the scheme rely on modelling work by Treasury. The broad conclusion of their analysis is that the scheme is successful in reducing Australian carbon emissions and that the economic cost is "very modest".

These conclusions look broadly plausible. The scheme represents a significant shift in relative prices. And this shift should produce a move towards less carbon-intensive forms of activity. But the impact should be tightly focussed. On Treasury estimates, industries that account for more than 90% of employment produce less than 10% of carbon emissions.

The compensation component of the package will also help moderate any economic fallout during the adjustment phase. Indeed, as is common with many economic reforms, the compensation is set to exceed the revenue generated.

The overcompensation element means that the scheme represents a modest easing of fiscal policy. The cumulative addition to the underlying Budget balance over the four years to 2014/15 is \$4.3bn. The easing is skewed towards the current financial year (some of the assistance payments will be made in advance of the 1 July 2012 start date). This skewing makes the budget deficit for the current year larger. But does limit the damage to the surplus target for 2012/13.

Treasury modelling projects that the scheme will boost the CPI in 2012/13 by 0.7%. The bulk of the impact comes via higher energy prices. Little impact is expected on food prices. The potential price impact looks quite small relative to other reforms. The introduction of the GST, for example, added about 2½% to the inflation rate in 2000/01.

On our figuring, if the full cost of the carbon permits and so on is passed through to final product prices in 2012/13 then the cost of the overall consumer basket will rise by \$8.6bn or 1.1%. These calculations make no allowance for substitution and assume full pass through. But they do suggest some slight upside to the potential inflation impact.

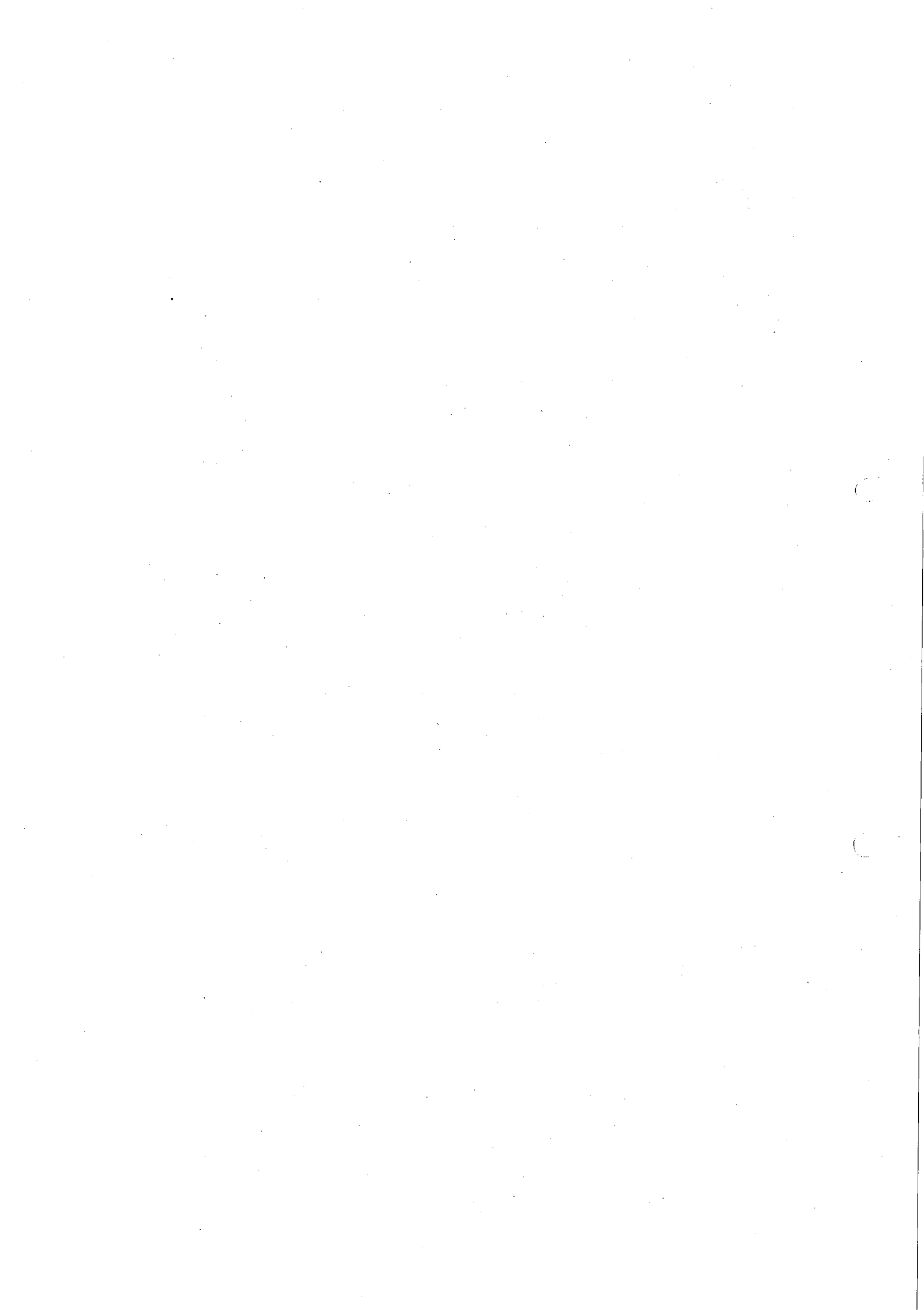
The household sector will receive a net boost to disposable income. The average impact is not large. But we suspect that the economic impact will be larger than the average figures suggest. One-third of households will be more-than-fully compensated. The skew in payments and tax cuts towards lower income earners favours spending rather than saving.

The other potential channel relates to the impact on the current prevalent consumer caution. Concerns about family finances have been one factor weighing on consumer confidence and spending appetite. And "taxation policy" is one element of those concerns. Previous occasions when households expressed concern about such matters are correlated with perceptions of personal finances. The GST introduction in 2000 is one example. Concerns receded fairly quickly as the GST commenced and the compensation flowed. Much will depend on the household reaction this time.

The delivery of a significant part of the compensation via changes to the tax-free threshold and the Low Income Tax Offset looks quite clever. It will help improve the welfare-work tradeoff and lift labour-force participation.

As with households, the sentiment channel may be the more important influence for business in the short term. The uncertainty about the shape of the government's carbon reduction scheme was probably one factor weighing on business sentiment. Such an environment is not conducive to decision making. That concern could now recede.

The RBA will adopt its usual position. They will accommodate and "look through" the price level adjustment associated with the carbon reduction proposals. But they will be alert to any ongoing price effect.







**Pepperell, Michael**

---

**From:** Broughton, Roger  
**Sent:** Thursday, 14 July 2011 10:35 AM  
**To:** Wilesmith, Brett; Konovalov, Alexander  
**Cc:** Salisbury, Kim; Swanepoel, Abrie; Li, Dan; Purcell, John  
**Subject:** RE: CBA Economics: The Carbon Reduction Scheme  
**Attachments:** IBIS Clean Economy Report.pdf

Here's another report.

---

**From:** Broughton, Roger  
**Sent:** Thursday, 14 July 2011 10:27 AM  
**To:** Wilesmith, Brett; Konovalov, Alexander  
**Cc:** Salisbury, Kim; Swanepoel, Abrie; Li, Dan; Purcell, John  
**Subject:** FW: CBA Economics: The Carbon Reduction Scheme

---

**From:** Longley, Jim [<mailto:jim.longley@cba.com.au>]  
**Sent:** Thursday, 14 July 2011 10:16 AM  
**To:** Smithies, Megan  
**Cc:** Broughton, Roger  
**Subject:** CBA Economics: The Carbon Reduction Scheme

Dear Megan and Roger,  
Please find attached a copy of Michael Blythe's Analysis of the Carbon Tax for your information.  
I trust you find it useful.  
Regards,  
Jim

**Commonwealth Bank**  
Jim Longley  
Executive Vice President, Government  
Institutional Banking & Markets  
Premium Business Services  
Level 22, Darling Park Tower 1,  
201 Sussex Street, Sydney NSW 2000  
P: (61 2) 9118 4295  
F: (61 2) 9118 4207  
M: 0419 630 887  
E: [jim.longley@cba.com.au](mailto:jim.longley@cba.com.au)

Judy Gleeson, Executive Assistant  
P: (61 2) 9118 4290  
F: (61 2) 9118 4207  
E: [judy.gleeson@cba.com.au](mailto:judy.gleeson@cba.com.au)

Our vision is to be Australia's finest financial services organisation through excelling in customer service.

\*\*\*\*\* IMPORTANT MESSAGE \*\*\*\*\*  
This e-mail message is intended only for the addressee(s) and contains information which may be confidential.  
If you are not the intended recipient please advise the sender by return

email, do not use or disclose the contents, and delete the message and any attachments from your system. Unless specifically indicated, this email does not constitute formal advice or commitment by the sender or the Commonwealth Bank of Australia (ABN 48 123 123 124) or its subsidiaries.

We can be contacted through our web site: [commbank.com.au](http://commbank.com.au).  
If you no longer wish to receive commercial electronic messages from us, please reply to this e-mail by typing Unsubscribe in the subject line.

\*\*\*\*\*

## The Clean Energy Plan and Australia's economy

### At a glance

Industry assistance package

**\$9.2bn**

Increases to farm costs due to carbon pricing

**0.9%**

Support for low-emissions manufacturing

**\$1.2bn**

Direct assistance to steel manufacturers

**\$300m**

Rise in Consumer Price Index expected in 2012-13

**0.7%**

Increased demand for accounting services

**1.7%**

Climate change initiatives through carbon pricing mechanisms are by no means a new occurrence. European Union nations and New Zealand are among those that have set the course of carbon pricing initiatives, although Australia's proposed framework for the Clean Energy Plan attempts to address the issue on a more comprehensive scale amid a boom in the mining sector. The guidelines of the plan state an initial three-year introductory phase that will see an unlimited number of carbon permits at a fixed price of \$23 per tonne of carbon emissions in 2012-13, \$24.15 in 2013-14 and \$25.40 in 2014-15. The second phase will move to a market-based mechanism where tradeable permits will be subject to a price cap and floor.

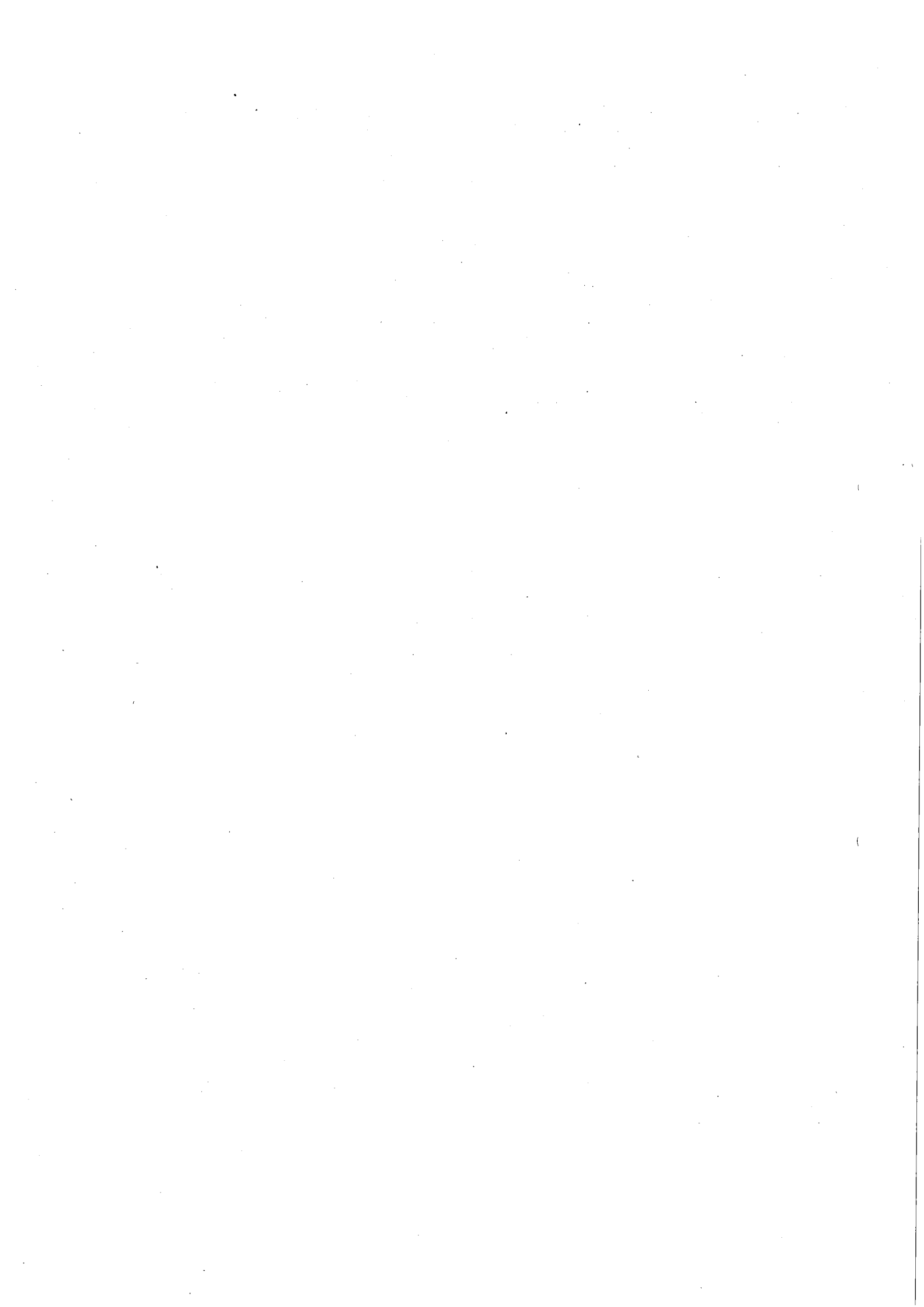
### Consumers

The Clean Energy Plan will bring a new paradigm to Australia's economy as both industries and consumers adapt to changes in taxation and pricing. In order to limit the burden of the carbon price on consumers, the federal government is introducing a number of compensatory initiatives for low- and middle-income earners. The income tax brackets will be changed in two stages, more than tripling

the tax-free threshold from \$6,001 to \$18,001 in 2012-13, and increasing it to \$19,401 in 2015-16. The government is also increasing family tax benefits and pensions at a rate equivalent to 1.7%. Self-funded retirees will receive an increase to their Seniors Supplement.

Despite direct costs not increasing across all industries, firms are expected to attempt to pass down increased costs in the supply chain to consumers. The Treasury estimates a 0.7% increase in the Consumer Price Index over 2012-13 under a \$23 carbon price. Not unlike the introduction of the GST in 2000-01, consumers are expected to adapt to price changes fairly quickly. A one-off tax-free bonus of up to \$250 for over 3 million Australians will temporarily boost consumer spending, bringing relief to retailers, despite a rising propensity to save or pay down debt.

In the longer term, Treasury modelling expects employment to grow strongly with a carbon price, reaching 13 million employed people by 2020 compared with 11.5 million currently employed. Despite this optimistic figure, the transitional decade will experience higher unemployment as industries shift focus and reskilling takes place.







TSY-011/336



# Leader of the Opposition

Copied to: KThompson  
Lmarcanonic

**Zed Seselja MLA**

Australian Capital Territory

Member for Molonglo  
Shadow Minister for Planning  
Shadow Minister for Housing Affordability  
Shadow Minister for Transport Planning  
Shadow Minister for Ageing  
Shadow Minister for Environment and Climate Change  
Shadow Minister for Human Rights

13 July 2011

Ms Megan Smithies  
Under Treasurer  
Treasury Directorate  
GPO Box 158  
CANBERRA ACT 2601



Dear Ms Smithies

### REQUEST UNDER THE ACT FREEDOM OF INFORMATION ACT 1989

I write to request all documents held by the Directorate associated with the Commonwealth Government's recently announces Carbon Tax.

My request covers, but is not limited to records of correspondence, meetings, telephone conversations, documents on file (including, but not limited to, letters, file notes, emails, media releases, minutes, briefings, submissions, etc) in connection with:

- cost impacts to the ACT Government and households;
- interactions with relevant Commonwealth Government departments, agencies and ministers (including ministerial staff);
- interactions with relevant ACT Government departments, agencies and ministers (including ministerial staff);
- interactions with key stakeholders;
- all documents created in response to this FOI request.

The request is made under the *ACT Freedom of Information Act 1989*, and is made on public interest grounds.

Should you require any further information or clarification about my request; please contact my office on 6205 0323.

Yours sincerely

Zed Seselja MLA

**1. Does the ACT Government support the Prime Minister’s new carbon package in full? If not, what elements are of concern and how will you work to address these with the Federal Government?**

- The ACT Government supports the package which provides, for the first time, a comprehensive mechanism to reduce Australia’s greenhouse gas emissions.
- A carbon price will provide incentive to use energy more efficiently, and increase renewable and low-carbon energy sources. This will assist the ACT Government to meet its deeper emissions reduction targets.
- The Territory expects to work closely with the Commonwealth through the COAG process to resolve a number of elements of the package including the way voluntary community action is treated, the development of a national energy efficiency package for homes and businesses that support the Territory’s greenhouse gas reduction targets, and the impact on the Territory budget.
- We note and welcome the Commonwealth’s initial statements on the treatment of voluntary action including provisions for GreenPower to be counted as additional to any national caps or targets.

**2. You (the chief minister) have been quoted on the ABC this morning saying 78% of Canberra households will receive compensation, about 40% of Canberra households will be fully compensated. Is this correct?**

- The figures I quoted were based on preliminary advice that I received on Sunday.
- Since then the analysis has been refined and the latest estimates I have show that around 77 per cent of Canberra households will receive compensation, with around 55 per cent of households being fully compensated.
- This is not surprising given our higher levels of income in the ACT. Average Weekly Ordinary Time Earnings in the ACT are the highest of all jurisdictions, and around 14.7 per cent higher than the national average.
- This does not mean that those who meet the Federal Government’s criteria will not be appropriately compensated. They will.
- Many of us are better placed to address our emissions without the need for compensation. Those on higher incomes can still make choices in relation to where their money goes. They can choose to minimise there additional energy costs by becoming more energy efficient or moving to renewable energy sources.

**3. According to these figures approx 1/5 Canberrans will get no compensation, compared to 1/10 Australians overall. Why should Canberrans do it harder than residents of other states under the new carbon tax?**

- Due to our relatively high energy use and high incomes compared to our jurisdictions, it is recognised that many Canberra households will contribute more than the national average to the cost of the abatement effort.
- Compared to other jurisdiction, the ACT has proportionally lesser low income households. But to the extent that they are there, they will be no worse off under the carbon price.
- Our high energy usage needs to be addressed, and the ACT Government is developing a comprehensive energy efficiency scheme which will help to mitigate the cost impact on households while reducing the Territory’s emissions.

4. **Liberal Senator for the ACT Gary Humphries says 'Canberra has been taken for granted by the Gillard Government' - what is your response to this?**
- More progressive Liberal party members are understandably disgruntled at finding themselves once again on the wrong side of nation building reform.
  - Canberra residents will have access to the same compensation measures as other Australians, depending on their level of income.
  - This ACT Government will continue to communicate our views and work closely with the Commonwealth on the finalisation and implementation of this package.
5. **The ACT Govt has committed to cutting Canberra's greenhouse gas emissions by 40% by 2020 – but the Federal Government's scheme will cut emissions in this time by just 5%. Have the Gillard Government gone far enough?**
- The ACT's targets reflect the interests and aspirations of the Territory community. Our targets reflect our circumstances and have been set in relation to what we as a community can achieve. We believe that as global action on climate change picks up over the next decade national targets will need to be reviewed.
  - While the carbon price will assist the ACT to meet the 2020 target, the ACT Government will need to implement measures that will drive emission reductions in the Territory beyond the scope of the carbon price.
  - The Commonwealth's commitment to reduce emissions by 80 per cent below 2000 levels by 2050 is more consistent with the ACT's 2050 target.
  - We will take the implications of the Commonwealth's carbon price into account in developing Weathering the Change Action Plan 2.
6. **Will the ACT's emissions cut targets change in light of the Federal Government's new plan?**
- No
7. **According to State and Territory Greenhouse Gas Inventories 2009 data, the ACT create less than 1 per cent of Australia's total Greenhouse gas emissions. Why does the Territory need to cut its emissions further than the rest of the country?**
- The challenges posed by climate change are faced by everyone around the world and require concerted action if we are to avoid serious environmental, economic and social consequences.
  - The ACT Government is committed to responsible and long-sighted action that will transition the ACT towards a carbon neutral city that can adapt to a changing climate.
  - We are determined to lead by example in reducing our emissions and achieving our targets.