

## Media release

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### Direct Action expensive and ineffective

The Coalition's proposed Direct Action Plan to combat climate change is likely to cost \$11 billion per year, require hundreds of new, highly-trained public servants to administer it and would still be unlikely to achieve any meaningful abatement, a new analysis by The Australia Institute reveals.

The Direct Action Plan is a form of competitive grant program under which people would submit proposals to the government on how they would reduce their greenhouse gas emissions and how much it would cost. The Institute estimates that to achieve 713 million tonnes of abatement – the amount needed to reach a five per cent emission reduction target by 2020 – the scheme would need to process more than 150,000 individual applications.

Evaluations of previous competitive grant schemes in Australia, many of which were run under the Howard Government, have found that they take far longer to achieve their objectives than originally planned, achieve much less than expected and cost far more than is budgeted for.

“The government's broad-based carbon price is proposed to be \$23 per tonne. Previous competitive grant schemes cost on average \$140 per tonne. At this price the Coalition's Direct Action Plan would cost more than \$11 billion per year, or on average \$1,300 per household per year,” said the Institute's Executive Director Dr Richard Denniss.

“Tony Abbott has committed to no new taxes or increasing old taxes so it begs the question of where the money for the Emissions Reduction Fund will come from given the cost of its scheme is likely to blow out substantially.

“Joe Hockey has also pledged to slash the public service yet many more public servants with up to date knowledge on cutting edge emission reduction technologies will be needed to assess at least 150,000 grant applications over the 10 years of the Direct Action Plan.

“Ironically, Mr Abbott's plan is a caricature of the big government programs he is often so critical of,” said Dr Denniss.

The Coalition has also promoted tree planting as a way to cheaply reduce emissions. Offsetting emissions in this way would require an enormous amount of land and more than twice the amount of water required to save the Murray Darling.

“Quite rightly the government's carbon tax policy is being scrutinised, but the Coalition's alternative also deserves scrutiny,” said Dr Denniss.

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*A copy of The real cost of direct action: An analysis of the Coalition's Direct Action Plan is attached.*

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