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A Climate Dividend for Australians

The Australian Carbon Dividend Plan (ACDP) launched in 2018, was authored by the co-leads of the Grand Challenge on Inequality, Professors [Richard Holden](#) and [Rosalind Dixon](#). The plan can be downloaded from these UNSW web sites.

<https://www.unsw.edu.au/newsroom/news/2018/11/unsw-launches-climate-change-tax-plan-that-pays-revenue-back-to->

<https://www.grandchallenges.unsw.edu.au/article/australian-carbon-dividend-plan>

Excerpts from the Executive Summary - The Australian Climate Dividend Plan (ACDP) is a comprehensive market-based approach to making energy in Australia more affordable, more reliable, and ensuring that the social cost of energy use is taken into account.

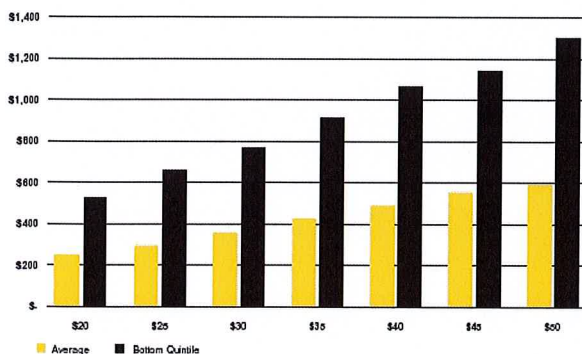
The ACDP involves a tax of A\$50 per Metric Ton (MT) of CO₂ emissions on electricity, direct combustion, transport, fugitive emissions, and industrial processes ('the carbon tax'). The revenue generated would then be returned, evenly, to every voting-age Australian citizen. This would represent a tax-free payment of approximately \$1,300 per person per annum.

Under the plan, border adjustments for traded goods would mean that Australian industry would not be put at a competitive disadvantage. Exports to countries without comparable schemes would receive rebates for the taxes paid. Imports from countries without such schemes would be charged fees based on the carbon content of those products.

The plan would also permit the rollback of subsidies for renewables and similar measures—these being unnecessary given a carbon tax. This could save the government more than \$2.5 billion annually.¹

The ACDP would leave more than three-quarters of Australians better off financially, even if they did not change their current consumption or energy use. Lower-income households would receive a particularly large benefit relative to their existing incomes and expenditures.

Net Household Dividend



The average Australian household is estimated to be \$585 per annum better off.

One option which we canvass is to phase in the carbon dividend, beginning at A\$20 per MT and rising to A\$50 per MT in \$5 per annum increments. In year 1 the average household would be \$235 per annum better off and lowest income quartile households would be \$520 better off.”

CCL Australia has promoted the ACDP since we started in Australia more than 8 yr ago. The

Holden & Dixon was the first economic modelling of this scheme.

We consider that there is a very low appreciation by most of the public of the urgency of action to drive the transition to low emission technologies which authorities are encouraged to address to build the political will to introduce the ACDP.

Dr James E. Hansen, who testified before the US Congress in 1988 has recently reported a jump in sea surface temperature that amplified warming during the El Niño and has caused the widely discussed 1.5 °C temperature threshold to be breached, for all practical purposes - with a rise of greater than 2 °C more likely.

<https://www.theguardian.com/environment/2025/feb/04/climate-change-target-of-2c-is-dead-says-renowned-climate-scientist>

Our current campaign <https://priceourpollution.com.au/>