

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Additional Estimates Hearing 2011-12
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AGENCY/DEPARTMENT: COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

TOPIC: Formal Economic Modelling Research

REFERENCE: Written Question –Senator Bushby

QUESTION No.: AI-91

Prior to the approach made to the organisation last year by Choice, the Australian Council of Social Service and the Climate Institute, when did the CSIRO last undertake formal economic modelling research on a specific government policy? And what was the policy that was the subject of that economic analysis?

In the course of determining whether or not to undertake such work, what process is typically followed when CSIRO is approached by an external individual or organisation to perform formal economic modelling? Does CSIRO typically check with Treasury (and/or other government departments or agencies) to see if such work has already been done and/or whether it is therefore appropriate for it to undertake its own modelling?

ANSWER

CSIRO's most recent formal economic modelling of a specific government policy released prior to the November 2011 report *Carbon Price and the Cost of Living* was the September 2011 supplementary report *Road transport sector modelling* by Reedman and Graham.

Reedman and Graham modelled the impact of revised policy parameters on the road transport sector. This report contributed to Treasury's update of the *Strong growth, low pollution: modelling a carbon price (SGLP)* report.

When determining whether or not to undertake economic analysis at the request of an external party, CSIRO typically takes into account a range of factors, such as whether the project is aligned with CSIRO's research priorities and whether CSIRO has the right capabilities available to deliver a high quality output. The staff involved in such projects is typically aware of published work in their field, both nationally and internationally, and if necessary, would even undertake further research and consultation to ensure they have a broad understanding of existing work on a particular topic. This could possibly include consultation with government departments such as Treasury, if relevant. In some cases, CSIRO may decide to conduct an analysis that is similar to an existing one; for example, if a new data set or methodology is used.