

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Budget Senate Estimates

2 June 2009

**Question:** BR-14

**Topic:** Emissions Trading Scheme

**Proof Hansard Page:** E52 - 53

**Senator Joyce asked:**

Senator JOYCE—Is your department intending to do any study on what the implications are of an increase in cost, due to the emissions trading scheme, of aviation fuel and how that will affect tourism in Australia?

Mr Clarke—No. We do not undertake separate sectoral modelling for CPRS impacts.

Senator JOYCE—Why not?

Mr Clarke—It is the same answer as I gave you in regard to the resources sector.

Senator JOYCE—It is absolutely vital to what is happening in your industry.

Mr Clarke—That part of the policy process is undertaken by the Department of Climate Change and Treasury.

Senator JOYCE—Have you asked them to do some for you?

Mr Clarke—No.

Senator JOYCE—Would you consider asking them?

CHAIR—Senator Joyce, the department has answered your question.

Senator Sherry—We will take it on notice.

Senator JOYCE—They said they have not asked. We have that on the record. I said, ‘Would you consider asking them?’ The minister said that they would take that on notice. I did not think it was such a difficult question.

**Answer:**

No. Sectoral modelling was undertaken by Treasury in developing the Carbon Pollution Reduction Scheme (CPRS) White Paper. The Government noted in the White Paper that the extent of increases in the price of air travel due to the CPRS is unlikely to be sufficient to materially reduce demand for these services.