

**Senate Standing Committee on Economics**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Innovation, Industry, Science and Research Portfolio  
Budget Estimates Hearing 2011-12  
30 May 2011

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**AGENCY/DEPARTMENT:** INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

**TOPIC:** Food and grocery prices under the CPRS

**REFERENCE:** **Written Question** – Senator Colbeck

**QUESTION No.:** BI-108

- 1) Is the Australian Food and Grocery Council's modelling right when it says food and grocery prices should have been expected to rise by between 3 and 5 per cent under the CPRS? And, if not, why do you refute those figures?
- 2) Has the Department undertaken (or sought) any modelling of the impact of a carbon tax on food and groceries? If so, when?

**ANSWER**

- 1) The Australian Food and Grocery Council's modelling differs from the Treasury modelling of the Carbon Pollution Reduction Scheme (CPRS). The Treasury modelling shows that the CPRS would increase the prices of food and grocery items by between 0.6 per cent and 0.8 per cent. This information is available publicly at <http://www.climatechange.gov.au/minister/greg-combet/2011/media-releases/May/mr20110525a.aspx>.
- 2) The Department has not undertaken or sought any modelling of the impact of a carbon tax on food and groceries.