

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 21

Topic: Carbon price modelling assumptions #2

Hansard Page: Written

Senator Ryan asked:

In carbon price modelling completed by the government on the impact of a carbon tax, have any of the following assumptions been used to make projections of the economic impact of the scheme:

- a) That other countries will have an equivalent carbon tax? If so, which countries?
- b) That other countries will have an equivalent emissions trading scheme? If so, which countries?
- c) That carbon emitters will be able to buy abatements overseas?
- d) That there will be no job losses through the introduction of this carbon price in Australia?
- e) That there will be international carbon trading? If so, with which possible countries?
- f) That there will not be international carbon trading?
- g) That there will be carbon trading through an international emissions trading scheme? If so, with which possible countries?
- h) That there will be international carbon trading through the Clean Development Mechanism of the UNFCCC? If so, with which possible countries?
- i) That there will be international carbon trading outside of the Clean Development Mechanism of the UNFCCC? If so, with which possible countries?
- j) That other countries will have a carbon price through a carbon tax? If so, what prices are being used for each country?
- k) That other countries will have a carbon price through an emissions trading scheme? If so, what prices are being used for each country?
- l) That there will be a new international treaty to cut carbon emissions? If so, which countries will be affected by it and/or have ratified it?

Answer:

The 2011 Government report *Strong Growth, Low Pollution: Modelling a Carbon Price* provides details of modelling of the effect of a carbon price on the economy.