

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Estimates 22-23 October 2008

**Question: sbt 78**

**Topic: Emissions Trading Scheme – Effect on Produce**

**Hansard Page: Written**

**Senator WILLIAMS asked:**

1. What modelling has the Government done on the cost to food manufactures such as dairies and abattoirs of the Governments proposed ETS?
2. If no modelling has been done why not and when will it be done?
3. Will the modelling be publically available and when?
4. Will the ACCC or other government agency be monitoring the impact of the ETS on the price of food and what measures will be put in place to ensure farmers are not being forced to bear the entire cost of the ETS through lower farm gate prices?

**Answer:**

1. The Treasury has used a suite of computable general equilibrium models to estimate the possible emission trading scheme costs to the Australian economy, including specific results for sectors such as food manufacturers. The estimated impacts are published in the Government's report "Australia's Low Pollution Future".
2. Modelling has been done.
3. The modelling report was released on 30<sup>th</sup> October by Hon. Treasurer Mr Wayne Swan and Hon. Minister for Climate Change Ms Penny Wong. The Government's modelling report and underlying assumptions are available from the Treasury's website.
4. As the Government outlined in the Carbon Pollution Reduction Scheme (CPRS) Green Paper fact sheet, the powers of the Australian Competition and Consumer Commission (ACCC) under the Trade Practices Act 1974 will assist in ensuring that increases in prices following the introduction of the CPRS can be examined appropriately. This will help address concerns that unscrupulous businesses will use the introduction of the scheme to unfairly profit at the expense of other businesses or households.