

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 624

Topic: Carbon Tax – Automotive Industry

Hansard Page: Written

Senator Bushby asked:

624. Has Treasury undertaken any modelling or other assessment of how much the automotive industry stood to lose from the Government's carbon tax without any compensation?

If so, what were the results of that assessment?

Answer:

The *Strong growth low pollution: modelling a carbon price* report includes modelling of the impact of carbon pricing on the automotive industry, which incorporates assistance to eligible industries through the Jobs and Competitiveness Program. Eligible manufacturers in the automotive industry may be able to obtain assistance through the Clean Technology Investment Program, which was not included in the Treasury modelling.

Treasury modelling estimates that under carbon pricing the motor vehicle and parts industry grows by 25 per cent to 2050.