

**Senate Finance and Public Administration Legislation Committee**  
**Supplementary Budget Estimates Hearing – October 2009**  
ANSWER TO QUESTION ON NOTICE

**Topic: NSW Regional Modelling by Frontier Economics**

**Question reference number: CC14**

**Type of Question: (*Hansard F&PA page 123, 19 October 2009*)**

**Date set by the committee for the return of answer: 4 December 2009**

**Number of Pages: 1**

**Question:** (Senator Macdonald)

**Senator IAN MACDONALD**—...did the New South Wales government give you theirs [regional Australia modelling]?

**Senator Wong**—Not to my knowledge, and I would have to take that on notice.

[...]

**Senator IAN MACDONALD**—... Can I just make my question stand. It has been referred to in one of the other senate committees I was on—it was early in the debate but I can get the formal title and I am sure you will find out what it is—that work was done by the New South Wales government particularly referring to rural and regional New South Wales, and perhaps Australia. So if you could have a look at that and see if there is any reason now, as time has moved on—could I get you to take that on notice?

**Dr Parkinson**—I am happy to take the question on notice...

**Answer:**

The Department of Climate Change understands that the NSW Government released the Frontier Economics report, *Economic modelling of climate change abatement policies*, to News Limited following a Freedom of Information request.

The Department received a copy of the report in March 2009.

The modelling seeks to analyse the sub-state regional output and employment impacts of the Carbon Pollution Reduction Scheme.

However, as we have noted earlier, the Australian Bureau of Statistics does not provide nor support state level or sub-state regional level input-output tables due to concerns about small sample sizes and poor statistical accuracy. As a result modelling of the sort undertaken by Frontier Economics is neither robust nor reliable, as it does not undertake detailed modelling of regional economic structures such as abatement opportunities and substitution between factors of production. Instead it simply uses historical shares to apportion state results at a sub-state regional level.