

Senate Standing Committee on Rural and Regional Affairs and Transport

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2007

Agriculture, Fisheries and Forestry

Question no: ABARE 01

Division/Agency: Australian Bureau of Agriculture and Resource Economics

Topic: Milk Production

Hansard page: 103 (23/5/07)

Senator O'Brien asked:

Senator O'BRIEN—I think more than 70 per cent of milk is produced in Victoria. I know it is a pretty high number.

Dr Sheales—It is high. I was hoping I had that number, but I just cannot see it at the moment, I am sorry. I might have to get back to you on that.

Answer:

On average, around 65 per cent of Australia's milk is produced in Victoria.

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Budget Estimates May 2007

Agriculture, Fisheries and Forestry

Question no: ABARE 02

Division/Agency: Australian Bureau of Agriculture and Resource Economics

Topic: Family farm incomes

Hansard page: 104 (23/5/07)

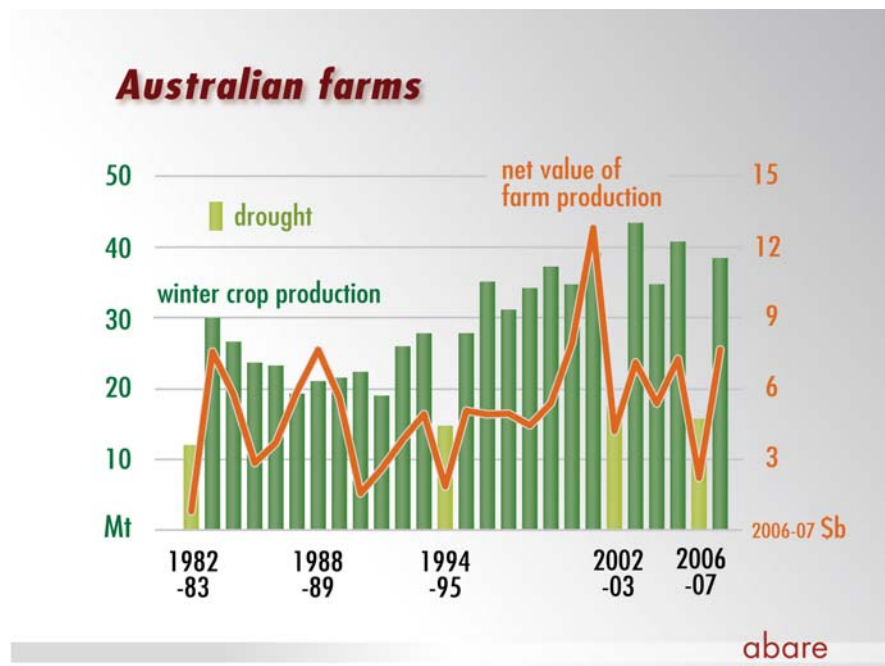
Senator O'Brien asked:

Senator O'BRIEN—What does that mean for recovery? How resilient will the sector be after this drought?

Mr Glyde—That is really what we have in our forecast. We are saying that the industry is resilient and is going to rebound. I would be happy to provide charts showing how the industry has rebounded from previous droughts. It is spectacular. As Dr Sheales has already said, it depends on rain continuing to fall in the right places. That is what underlies our forecast—that there will be a significant rebound and that the farm sector remains resilient.

Answer:

The following chart shows the strong rebound in winter crop production following the drought years of 1994-95 and 2002-03. It also shows the Australian Bureau of Agricultural and Resource Economics forecast of a strong rebound in winter crop production for 2007-08.



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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question no: ABARE 03

Division/Agency: Australian Bureau of Agriculture and Resource Economics

Topic: Modelling work

Hansard page: 105 (23/5/07)

Senator Siewert asked:

Senator SIEWERT—I will start by asking a series of modelling questions. How much does ABARE project that the Australian economy is going to have grown by the year 2050?

Mr Glyde—That is a good question. I do not have the answer at my fingertips. You are really talking about the reference case that we use: the business as usual case in our modelling work.

Senator SIEWERT—Yes. Dr Gunasekera might be able to help you.

Dr Gunasekera—In the work that we did last year, we looked at the income growth over time when we were doing our modelling work. I can provide the information later on if you want. Our assumptions were, for example, between 2001 and 2010 the annual growth was around—can I give the total number?

Senator SIEWERT—Yes. Those assumptions were made in 2005?

Dr Gunasekera—2006.

Mr Glyde—We can give you a reference or we can send you the link to the document that we have got them in.

Answer:

The reference is ["Economic Impact of Climate Change Policy: The Role of Technology and Economic Instruments." ABARE Research Report 06.7.](#)

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2007

Agriculture, Fisheries and Forestry

Question no: ABARE 04

Division/Agency: Australian Bureau of Agriculture and Resource Economics

Topic: GDP

Hansard page: 106 (23/5/07)

Senator Siewert asked:

Senator SIEWERT—Could you tell me what that figure means the GDP will actually be under your worst case scenario in 2050?

Dr Gunasekera—It will shave off around 0.2 per cent. I need to go back and check the numbers. Roughly speaking, if your GDP growth is 2.2 per cent and there is a five per cent reduction upon that growth rate, you would expect around 0.1 or 0.2 per cent.

Senator SIEWERT—So 0.1 or 0.2 per cent?

Dr Gunasekera—But I need to go back and check that.

Answer:

Under scenario 2d in *Economic Impact of Climate Change Policy: The Role of Technology and Economic Instruments* (ABARE Research Report 06.7), the Australian Bureau of Agricultural and Resource Economics projects that gross domestic product would fall by 10.7% in 2050 – a fall of 0.22 percentage points in the annual growth rate projected for 2050.