

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 2012

15 – 17 February 2012

Question: AET 42 - 44

Topic: Carbon Tax – Tourism Industry

Hansard Page: Written

Senator BUSHBY asked:

42. In respect of the impacts of the carbon tax on businesses, has treasury looked at the impact on restaurants, hotels, airlines, attractions, adventure tourism operators and other businesses involved in Tourism? By way of example, a restaurant meal would cost more because of groceries (including supermarket transport and refrigeration costs), cooking appliances, lighting, vacuum cleaning, restaurant till and computers).
43. Of course a restaurant meal is but one cost involved in a family's two week holiday. Has Treasury considered a 'typical' family's list of holiday expenses and modelled what extra amount a typical family would pay on an 'average' family holiday?
44. Since Tourism and Hospitality employs 1 million Australians, has Treasury provided advice to government about the need for a tourism industry specific package, in light of the \$300m secured for the steel industry?

Answer:

42. The Treasury modelling for the *Strong growth, low pollution: modelling a carbon price* (SGLP) report included the impact of a carbon price on tourism-related sectors including accommodation and hotels, road passenger transport, rail passenger transport, air transport and trade services. Under carbon pricing, these tourism-related sectors continue to grow both in the medium and long term.
43. On average, the cost of holiday travel and accommodation will increase by 30¢ a week, or 0.5 per cent, in 2012-13. The Clean Energy Future household assistance package will ensure that, on average, households will receive \$10.10 per week in assistance in 2012-13, which is more than the average household price impact of \$9.90. In addition, the Government has committed to ensuring the ongoing adequacy of household assistance.
44. The Treasury modelling indicates that tourism-related sectors will continue to grow under carbon pricing. The Government has jointly funded, with the Queensland Government, an assistance package for the tourism industry following the Queensland floods last summer.