

# Senate Standing Committee on Economics

## ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 18

Topic: Economy wide modelling of a carbon tax

Hansard Page: Written

Senator Ryan asked:

- a) Has the government completed economy-wide modelling of a carbon tax?
- b) If so, at what starting carbon tax rate, or rates?
- c) What is the annual rate increase?
- d) What assumptions are being made in undertaking this modelling?
- e) Is one of the assumptions that there will be a global carbon price or emissions trading scheme introduced?
- f) If so, when it is assumed this will occur?

Answer:

The 2011 Government report *Strong Growth, Low Pollution: Modelling a Carbon Price* provides details of modelling of the effect of carbon pricing on the economy.