

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

21 – 22 October 2009

Question: sbt 32

Topic: Frontier Model

Hansard Page: E19 (22/10/09)

Senator XENOPHON asked:

Senator XENOPHON—What were the resources used by government? How many hours were spent by Treasury analysing the Frontier model? Can you give me an approximate figure? In other words, were a number of officers involved in analysing the Frontier Economics model?

Ms Quinn—There were different aspects of looking at the Frontier Economics report. There were elements related to the actual detailed economic modelling results and comparing those to the government's results and other results in the public domain. It is difficult to be precise, partly because some of it was not there, but it would probably be fair to say that it was two or three days of one or two people looking at the quantitative modelling. There are other elements looking at policy issues raised by the report and policy propositions put in terms of coverage, scheme design, international linking and various other elements. They were done by other parts of Treasury and the Department of Climate Change.

Senator XENOPHON—How many days would have been spent on those other aspects of it?

Ms Quinn—I am not sure in terms of the other components of the fiscal analysis, and you would have to ask DCC in terms of how much effort they put into it.

Mr Campbell—I imagine it would have been broadly comparable, though, in terms of the number of days spent on the other aspects in terms of the fiscal impact.

Senator XENOPHON—Thank you. Ms Quinn, can I put that on notice in terms of the resources that were employed to look at the Frontier model in relation to all its aspects?

Ms Quinn—Sure.

Senator XENOPHON—But it would be fair to say that you had a comprehensive look at the Frontier model and its implications?

Ms Quinn—Yes.

Senator Sherry—We will take that on notice.

Senator XENOPHON—In terms of the actual resources?

Senator Sherry—With respect to the resource issue, yes.

Answer:

Treasury resources employed in analysing the Frontier report titled *The economic impact of the CPRS and modifications to the CPRS* consisted of four officers over a two day period. The Treasury officers examined the economic modelling results in detail and compared the results to the Government's modelling contained in *Australia's Low Pollution Future: The Economics of Climate Change* and other modelling results in the public domain.