

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Supplementary Budget Estimates

19 October 2011

Question: SR17

Topic: Draft Report on Impact of the Carbon Tax on the Tourism Industry – sent to the Minister's Office

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Senator Ronaldson asked:

Senator RONALDSON: I can assure you that was the only thing I was referring to! At the last Senate estimates my esteemed colleague on my left here, Senator Eggleston, asked:

*Has Tourism Research Australia been asked to model the impacts of a carbon tax on the tourism industry?
Ms Madden replied:*

No, it has not. Some of the work, though, by the resilience working group, under the National Long-Term Tourism Strategy, looks at climate change and possible impacts. That work has not been finalised yet. It was awarded to an economic consultancy, Frontier Economics, through a competitive tendering process. When that work is finalised, it will be forwarded through to the ministerial council. It is our intention to publish the research on the website in due course.

I take it from that, Ms Madden and if I am misquoting you, tell me you are looking at the impact of climate change but you are not looking at the impact of a carbon tax. Am I putting words into your mouth?

Ms Madden: At the previous meeting we did have an exchange as you have outlined. You asked me for the terms of reference for the study, which I did not have but which we subsequently provided. As you would have been able to see from those terms of reference, it was a broader analysis that was required. TRA still has not done modelling on the carbon tax, but that report is progressing.

Senator RONALDSON: I take it from that that you will be doing a study on the impacts of the carbon tax?

Ms Madden: No. The Frontier Economics study is a broader one. The modelling work on the impact of the carbon tax has been done by the Treasury and questions relating to the modelling impacts of the carbon price, as I think Senator Sherry mentioned, need to be directed to the Treasury.

Senator RONALDSON: Surely if you are having a broad inquiry you would include something like the carbon tax because it would only be if you were having a narrow inquiry that you would not.

Senator BUSHBY: Indeed, Senator Sherry said at the last estimates that the impact of the carbon tax "would become part of the study for the purpose of the study".

Senator RONALDSON: Ah!

Senator BUSHBY: I am just making the point that, looking at the terms of reference that you sent through, they do not appear to me to have anything to do with the impact of carbon tax abatement.

Senator Sherry: I do not think there is necessarily any conflict or difference in approach or commentary. You have come to that conclusion, but I do not accept the validity of that conclusion.

Senator BUSHBY: When is the report due? When will it be released?

Ms Madden: No decision has been made about the release of that report at this point.

Senator BUSHBY: Was it presented at the ministerial council meeting we discussed earlier?

Ms Madden: Ministers do have access to that report.

Senator RONALDSON: What was that date?

Ms Madden: I do not have the date in front of me.

Senator RONALDSON: When was the draft received?

Senator Sherry: We will have to take that on notice. We will get those dates for you.

Answer:

The draft Frontier Economics report was received by the Department on 10 February 2011; the final report was submitted in March 2011. The final report was circulated to Tourism Ministers on 23 September 2011 ahead of their meeting on 14 October 2011.