

***AUSTATE***  
***ABARE's new state based***  
***GE model***

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# *Features*

- ▶ dynamic general equilibrium model of the Australian economy
- ▶ depicts the 8 states and territories in a bottom up approach
- ▶ 43 sectors:
  - 16 agriculture, forestry, fishing
  - 5 mining
  - 6 manufacturing
  - 5 electricity generation
  - 11 services
- ▶ agriculture component of the database built using ABARE farm survey data

# ***Features cont....***

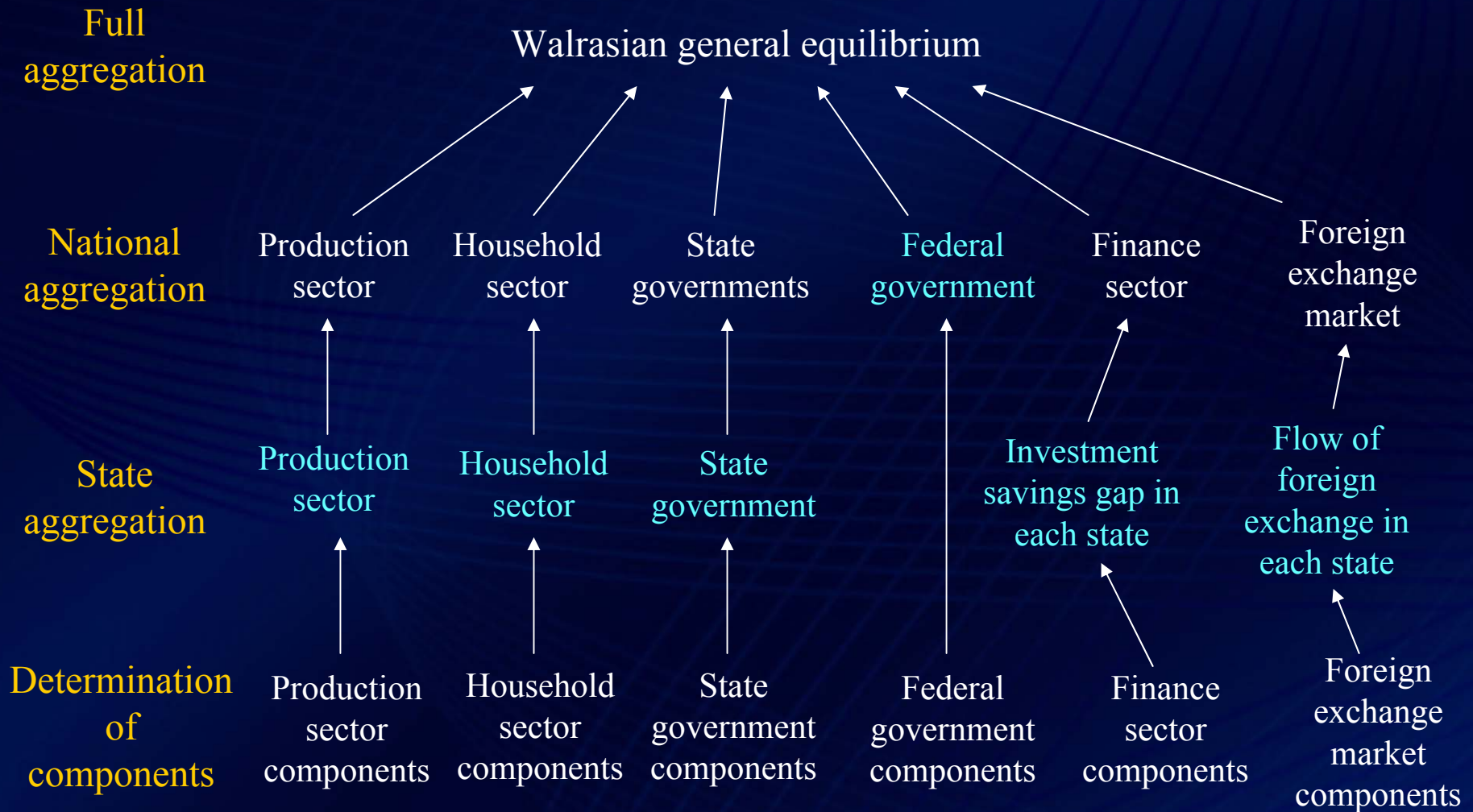
- ▶ explicit accounting for natural resource use
- ▶ greenhouse gas emissions accounting, emissions taxes, emissions quotas, and trading in credits.
- ▶ depiction of state, territory and federal governments including the various types of state and federal taxes

# ***Some anticipated applications***

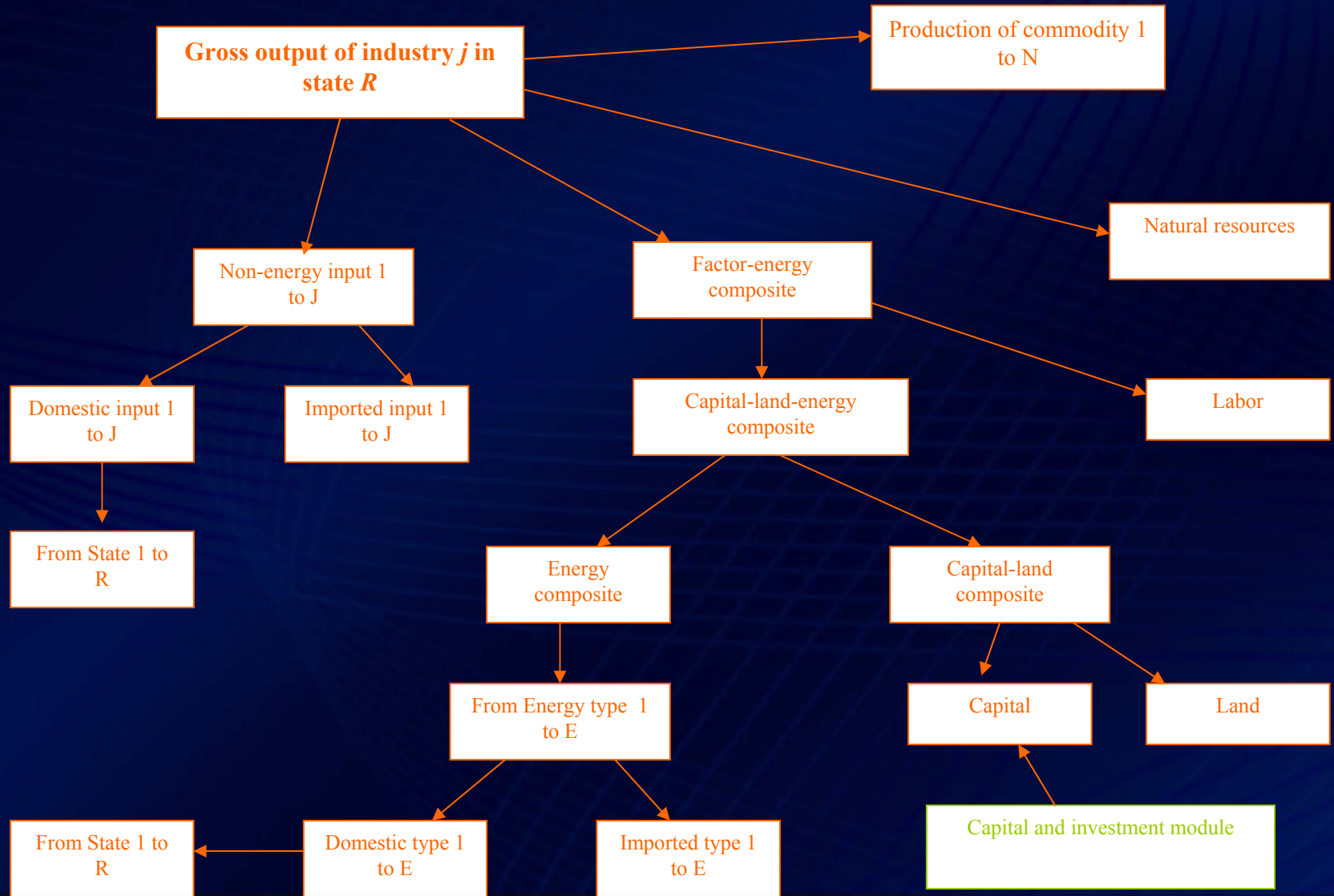
- ▶ drought
- ▶ salinity
- ▶ land clearing
- ▶ water policy
- ▶ disease incursion
- ▶ climate change policy

# Structure of AUSTATE

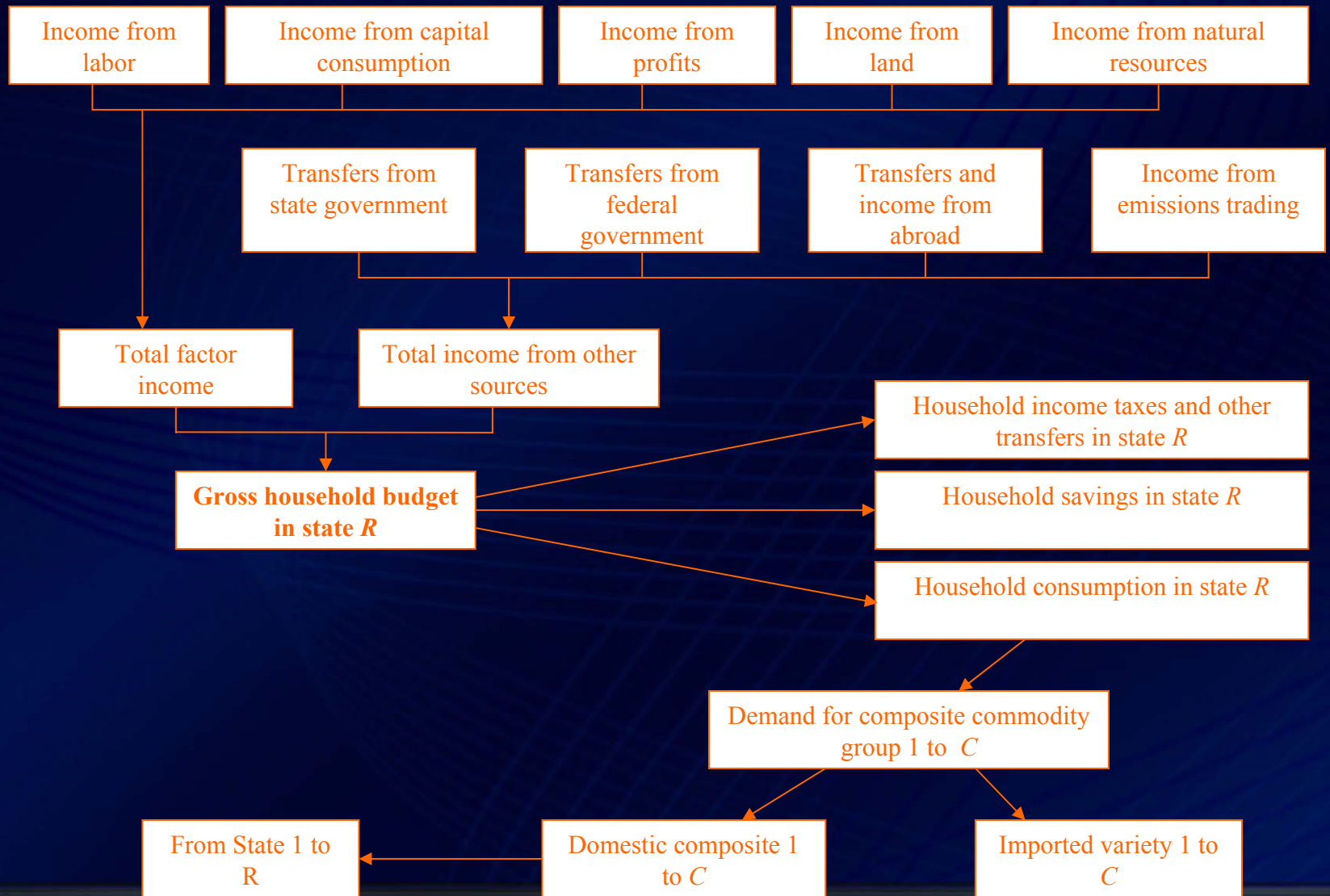
(Core model equations are highlighted in blue)



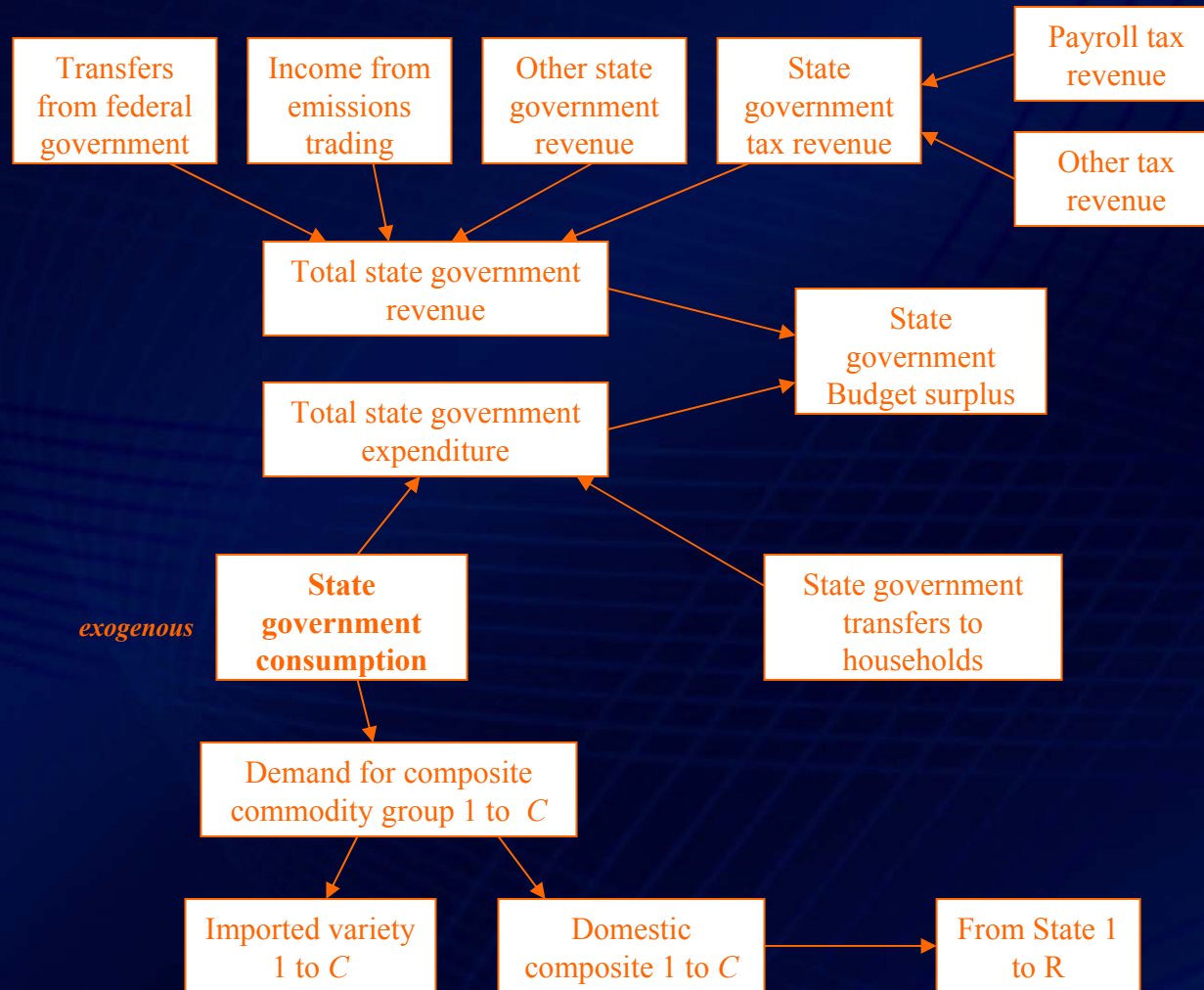
# Industry structure



# Household structure

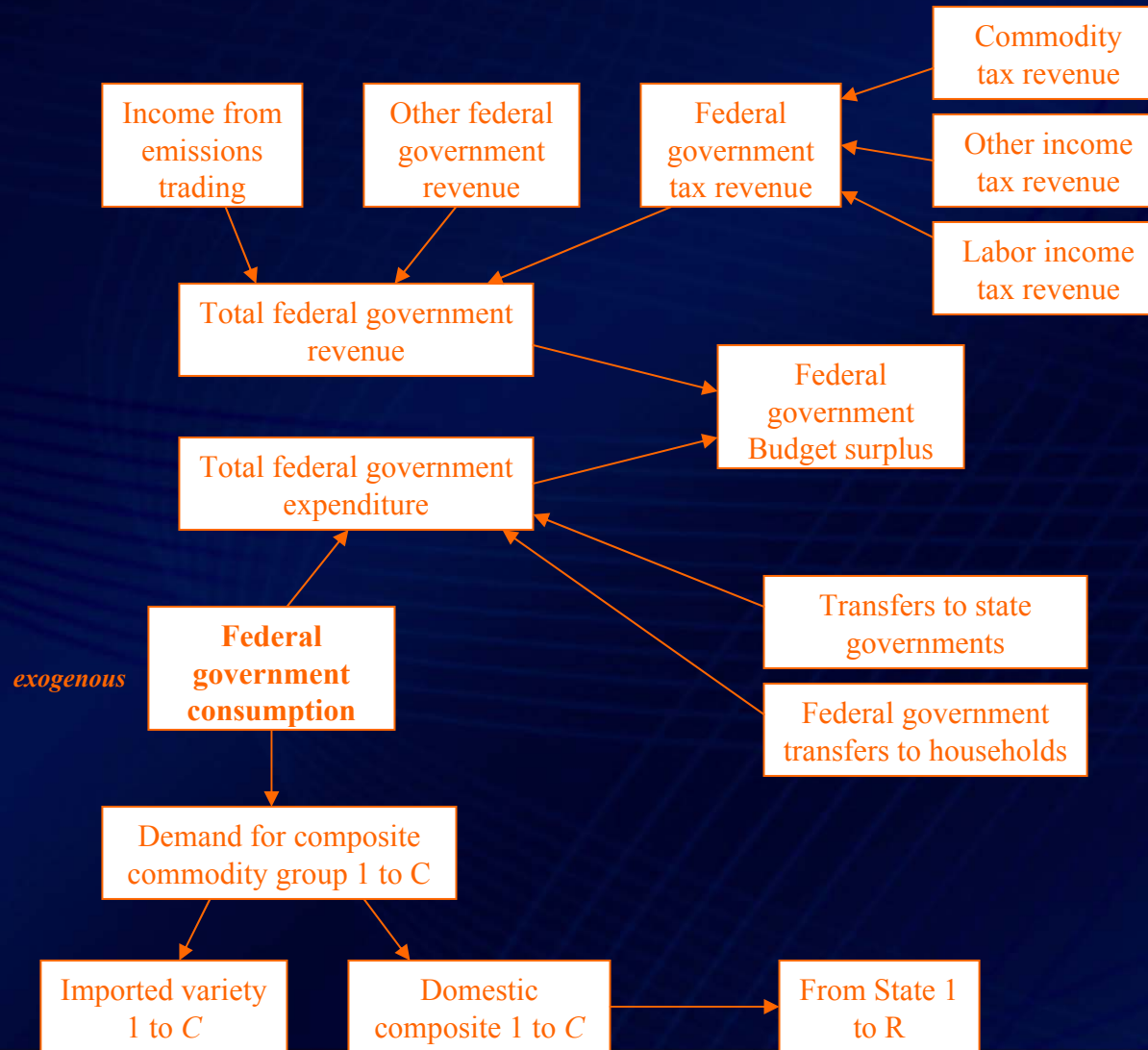


# State government structure





# Federal government structure



# Working of the capital and investment module each period

