

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

CBA

CBA12QON: Dr LEIGH: My trouble is that, unless I know the denominator, I don't really have a handle on the policy impact. If the denominator is \$500 a month then you're getting an impact which is 28 per cent of \$500, so that's in the order of about \$100, and now we've got a marginal propensity to consume, out of a \$1,000 tax refund, of about 0.1. If it's \$3,000 then suddenly you've got one. Could you come back to us on that. It is pretty policy-relevant as we debate whether or not the middle-income tax cuts should be brought forward.

Mr Comyn: As best we can. I may not be able to calculate it with complete precision, but I follow the logic of what you're asking.

Answer: See response to CBA08QON.