

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Treasury Laws Amendment (2021 Measures No. 7) Bill 2021

Division: Macroeconomic Conditions Division
Topic: Macroeconomic costs of gig work
Reference: Spoken (6 October 2021)
Senator: Anthony Chisholm

Question:

Senator CHISHOLM: In its submission to the Select Committee on Job Security, Per Capita identified the loss of tax revenue as one of the macroeconomic costs of gig work. It is estimated that the income tax on wages lost to underemployment would have generated at least \$4.35 billion per year. It was also found that, prior to COVID-19, total wages lost through underemployment cost the country \$24 billion per year. Do you have any data on this that you could share with the committee?

Ms Reinhardt: Not that I'm aware of.

Senator CHISHOLM: Would it be something that you could take on notice?

Ms Reinhardt: I'm happy to receive the question on notice and see what can be done through our macroeconomic colleagues or labour market colleagues.

Answer:

Treasury has not undertaken any direct analysis of the impact of changes in underemployment on economic growth or tax receipts.

Detail on the sensitivity of key economic aggregates and tax receipts to various alternative economic scenarios have been published in past Budgets and Mid-Year Economic and Fiscal Outlooks.