

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 29, 30 & 31 May 2007

Question: bet 25

Topic: Projection of Superannuation Fund Estimates

Hansard Page: E46

Senator SHERRY asked:

I have one other question. This is a relatively minor issue, but it stands out. Your projection of surcharge revenue going forward, obviously, is trending down. You have got 10 in 2008-09, 10 in 2009-10 and then it goes back up to 20 in 2011. Why is there a jump? This is on page 511. Why would we have a jump three years out—a doubling of the money?

Mr Ray—It is more than likely rounding.

Senator SHERRY—I thought you might say that. It sort of stands out—10 to 20.

Mr Ray—We round to the nearest 10, I think.

Senator SHERRY—You look a trifle unsure?

Mr Ray—It is such a small amount that I do not—

Senator SHERRY—In the scheme of things it is relatively small.

Mr Ray—I do not have the detail of the spreadsheet that underpins it in my mind.

Senator SHERRY—In the scheme of the figures, and the massive miscalculation in revenue figures we were talking about before lunch, you are right, but it just looks odd—10, 10, trending down on previous years and then up to 20.

Mr Ray—Because the best answer that we can—

Senator SHERRY—Take it on notice.

Mr Ray—say is that it is rounding. I will take it on notice.

Answer: While the superannuation surcharge cash estimates are declining over the estimates period and flat over the projection period, the small increase in the accrual estimate in 2010-11 is a technical outcome of the projection methodology used to derive the cash and accrual estimates.