

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 3

Topic: GDP & Budget Deficit

Hansard Page: Written

Senator Bob Brown asked:

1. Do the Treasury forecasts for GDP and budget deficit assume that the economic recovery will be led by a resurgence in the commodity sector?
2. If so, does this analysis take into account the expected changes in the economy due to:
 - Australia adopting an emissions target?
 - Our major trading partners, adopting an emissions target?
3. If the potential impacts of the CPRS, and global responses to climate change, are incorporated into Treasury estimates of GDP and budget deficit – how are they likely to change?

Answer:

1. No
2. No. See above
3. These impacts have not been incorporated into Treasury estimates of GDP. If they were, their impact on GDP would depend on the design of both the CPRS and international schemes and how they interact.