

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

20 – 21 October 2010

Question: SBT 229

Topic: Recommendations 18-20 of Henry Review

Senator Bushby asked:

Senator BUSHBY—Has your department done any analysis of the budgetary cost of implementing recommendations 18 through to 20 in the Henry review?

Dr Henry—I would have to take that on notice, I am sorry.

Senator BUSHBY—You are not sure whether they have done any modelling?

Dr Henry—I am not, no. I would have to take that on notice.

Answer:

Treasury has modelled the expected budgetary impact of recommendations 18 and 19 from the Australia's Future Tax System — Report to the Treasurer, December 2009. Recommendation 20 was modelled by the Australian Taxation Office. It was assumed that recommendations 18, 19 and 20 would have a start date of 1 July 2012 (an assumption only). Table 1 (below) details the budgetary cost of the above recommendations.

Table 1: Income Year Estimates of Recommendations 18, 19 and 20¹

	2009-10	2010-11	2011-12	2012-13	2013-14	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Recommendation 18	-	-	-	-3,155.0	-3,350.0	-6,505.0
Recommendation 19	-	-	-	-4,400.0	-4,700.0	-9,100.0
Recommendation 20	-	-	-	-35.0	-40.0	-75.0
Total	-	-	-	-7,590.0	-8,090.0	-15,680.0

¹ The income year estimates are generally not the impact on the underlying cash balance or the impact on the fiscal balance. Differences would be due to the timing of collections and payments.