

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

20 – 21 October 2010

Question: SBT 230

Topic: Revenue impact of recommendations 18-20

Senator Bushby asked:

Senator BUSHBY—Okay. Can you tell me whether the net outcome of those three recommendations is positive or negative for the Commonwealth budget?

Senator Wong—Senator, you are asking Dr Henry to tell you what the revenue impact of policy changes which are not government policy—what it would be; is that right?

Senator BUSHBY—Three of the recommendations are contained in his report.

Senator Wong—In his report. They are not government policy. You are asking him to cost his report.

Senator BUSHBY—In the development of his report I am quite sure they did some modelling and an assessment of what impact it would have. I am asking him whether he is aware of whether it would have a net positive or negative impact on the Commonwealth budget.

Dr Henry—I am sorry, Senator, I will need to take it on notice.

Answer:

Treasury has modelled the impact on the Commonwealth budget 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. Each recommendation was modelled independently of one another; consequently the costings are not necessarily additive. Each of the three recommendations are expected to have a negative impact on the Commonwealth budget.