

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Estimates 22-23 October 2008

**Question: sbt 73**

**Topic: GST Revenue Forecast**

**Hansard Page: E122, E123**

**Senator BUSHBY asked:**

Senator BUSHBY —Is there somebody at the table who is able to answer the question of what effect will the changes to financial activity have on GST revenue forecast?

Mr Parker —Because we are in the process of working through both forecasting in the economy and the consequences of that for GST, if you wish we will take that on notice but at this stage the process is still running.

Senator BUSHBY —Do you have any initial indications or preliminary findings that might assist the committee?

Mr Parker —No, I do not, and I am happy to take that on notice.

Senator BUSHBY —You will take it on notice, okay.

...

Senator BUSHBY —Prior to the break we were discussing the effect of some of the current affairs on GST revenue and we had looked at the effect of the changes to financial activity and the slowing of consumer confidence, and we discussed to some extent what impact that may have. In an overall sense, would you expect a fall in the total GST revenue from the factors currently facing the Australian economy?

Mr Parker —Yes, I think that is right.

Senator BUSHBY —If so, are you able to quantify how much at this stage?

Mr Parker —Essentially, my answer is the same as previously: we are in the process of updating those estimates currently, and the new estimates will be released in MYEFO.

Senator BUSHBY —Would you be able to take that question on notice until such a point in time when you are able to advise the extent to which you believe it will fall?

Mr Parker —Sure.

Senator BUSHBY —Thank you.

**Answer:**

Between the 2008-09 Budget and the *Mid-Year Economic and Fiscal Outlook 2008-09* (MYEFO) GST revenue estimates have been revised down by a total of \$7.7 billion across the forward estimates. This comprises downward revisions of \$1.4 billion in 2008-09, \$1.9 billion in 2009-10, \$2.0 billion in 2010-11 and \$2.4 billion in 2011-12. The reasons for these revisions are explained on page 52 of the MYEFO.