Senate Finance and Public Administration Legislation Committee ANSWERS TO QUESTIONS ON NOTICE SUPPLEMENTARY BUDGET ESTIMATES 2011-2012

Finance and Deregulation Portfolio

Department/Agency: Department of Finance and Deregulation

Outcome/Program: 1/1.1 Topic: Budget Costings

Senator: Ryan

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Question: If, for example, there were a change in migration policy which led to an increase in migration, where would the potential increase in tax receipts from an increase in the workforce be considered? Would that be a first round or a second round issue?

Answer:

If there were a change in migration policy which led to an increase in migration, the potential increase in tax receipts from an increase in the workforce would be classified as a direct impact of the policy. This is because the policy change is specific enough that it enables an estimate of the increase in the workforce from current levels; this allows an estimate of the increased tax receipts to be calculated.