

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

26 February 2014

**Question: AET 2986**

**Topic: Employment growth**

**Hansard Page: page 18, 26 February 2014**

**Senator DASTYARI asked:**

Senator DASTYARI: Can you confirm that employment growth in the budget is forecast to be 0.75 per cent in 2013-14 and 1.5 per cent in the years 2014-15 to 2016-17?

Dr Gruen: Do you mean in the MYEFO?

Senator DASTYARI: Yes.

Dr Gruen: Those are the numbers. The employment growth forecasts are  $\frac{3}{4}$  per cent,  $1\frac{1}{2}$  per cent,  $1\frac{1}{2}$  per cent and  $1\frac{1}{2}$  per cent.

Senator DASTYARI: You can confirm that, based on the government's MYEFO projections, there will not be one million extra people employed over the next five years. That is just a statement of facts, is it not?

Dr Gruen: We are not going out five years.

Senator DASTYARI: But they certainly will not be in the forward estimates?

Dr Gruen: We can take on notice what the employment growth is.

Senator DASTYARI: Okay.

Dr Parkinson: When do you want the calculations started from? These are year-average numbers, so if you want to count it as year average you are counting all of 2013-14, or do you want to start in 2014-15?

Senator DASTYARI: Can I have one set of figures counting all of 2013-14 and one set of figures starting from MYEFO, is that possible?

Dr Parkinson: Yes, but we can only do it over the forward estimates.

Senator DASTYARI: Perfect.

**Answer:**

Based on MYEFO (not Budget) forecasts, projections and labour force vintage data, on a year average basis, employment was expected to grow by 620,000 from 2012-13 to 2016-17. Subtracting off employment growth between 2012-13 (year average) and the September quarter 2013 implies that employment growth was expected to be 580,000 in the period after MYEFO.