

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: 3016

Topic: Terms of trade methodology

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Senator WONG asked:

Senator WONG: It is those four—what shall we call them?—factors that drive the significant difference between chart 1.1 in the MYEFO and chart F3 in the PEFO?

Mr Ray: That and the fact that the change in the terms of trade methodology would have some impact beyond the forward estimates—that is on top of that \$2 billion.

Senator WONG: So it would continue to be operative. Can you give us some sense of the quantitative impact of that over that period?

Mr Ray: I will have to take that on notice.

Senator WONG: You can but you are not able to now?

Mr Ray: We do not have it with us or in our heads.

Senator WONG: But it is ascertainable?

Mr Ray: It is ascertainable

Answer:

The quantitative impact of the terms-of-trade methodology change between the 2013 Pre-Election Economic and Fiscal Outlook and the 2013-14 Mid-Year Economic and Fiscal Outlook on the underlying cash balance is not available. It would require significant resources to undertake this work.