

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 3025

Topic: Methodology for forecasting

Hansard Page: page 95, 26 February 2014

Senator WONG asked:

Senator WONG: So can you tell me if there has been any change in how a forecast of GOS is generated, since PEFO, for example, or since the budget?

Mr Brake: The main change that we have done in recent times has been looking at a more disaggregated company tax forecasting approach, where we have tried to look at different sectors of the economy. So we are looking at basically the mining sector, the finance sector, and the rest of the economy. So we tried that approach as opposed to a more whole-of-economy perspective. We implemented that, but we implemented it well before PEFO. That would have been in place in the last year's budget.

Mr Heferen: But to be clear, that is a translation of the GOS numbers from those sectors into tax.

Senator WONG: I was actually asking you about the preceding step.

Mr Heferen: I am pretty sure we take the actual share of GOS as given from our domestic economy division colleagues.

Senator WONG: I am not sure if this was asked this morning: are you able to tell me if there was any change to the methodology for forecasting GOS since the budget?

Mr Heferen: Not that we are aware of.

Senator WONG: Will you tell me on notice if that is not correct?

Mr Heferen: We will take that on notice.

Answer:

There has been no change to the methodology for forecasting gross operating surplus since the 2013-14 Budget.