

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Macroeconomic Conditions Division

Question No: 237

Topic: Penalty Rate Cuts

Reference: Written

Senator: Ketter, Chris

Question:

1. Given the Fair Work Commission handed down its decision on the transition period for the penalty rate cuts from 1 July 2017, will Treasury now include the effect of that for the purposes of its wage forecasts and projections, and any other related economic parameter?
2. If not, why not?
3. What is the impact of the rate cuts, over the transition period, to the wages forecasts and projections in the 2017-18 Budget?
4. What will the dollar figure resulting from the change to the wages forecasts and projections taking into account the transition period for the penalty rate cuts?
5. Will they be updated for the 2017-18 MYEFO?

Answer:

1. The forecasts take into account all relevant economic and policy developments.
2. Please refer to part 1 above.
3. As the Secretary indicated at Additional Senate Estimates on 1 March 2017, while the decision is taken into account in the forecasts in the broad, this does not entail a specific modelling of the decision of the Fair Work Commission.
4. Please refer to part 3 above.
5. All forecasts and projections will be updated for the 2017-18 MYEFO.