

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 29, 30 & 31 May 2007

Question: bet 24

Topic: Corporate Profitability

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Senator SHERRY asked:

Let us go to another individual revenue area—corporate profitability. Can you outline what changes in corporate profitability have occurred between MYEFO and the budget?

Mr Ray—While Mr White is doing that, I can confirm what you said earlier—that employment in 2007-08 has gone up by a quarter of a percentage point between MYEFO and budget.

Senator SHERRY—It is a quarter of a per cent. The sensitivity parameters show one per cent.

Mr Ray—It is 1.9 per cent, yes.

Senator SHERRY—Do we have anything on corporate profitability?

Mr White—We do not have the exact changes in corporate profitability, but they went up in both 2006-07 and 2007-08. In 2007-08 they went up by I think two to three percentage points. We can get the exact numbers for you.

Answer: Detailed forecasts of corporate profitability are not published in the budget papers. However, Statement 5 in Budget Paper No. 1 outlines that in the 2006-07 year there has been stronger than anticipated growth in company profits and that 2007-08 incorporates a stronger outlook for company profits.