

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 3-5 June 2008

Question: bet 63

Topic: Family Tax Benefit A

Hansard Page: E13

Senator Boswell asked:

Senator BOSWELL—In your policy advice, how many working families did you determine would have a reduced benefit for family tax benefit A as a result of the budget?

Ms Furnell—The changes are related to family tax benefit B.

Senator BOSWELL—No; family tax benefit A. The budget says that superannuation salary sacrifice and a number of other reasons will mean that people will lose their benefit under A.

Ms Furnell—I am sorry; are you referring to the changes to the income definitions relating to salary sacrifice et cetera?

Senator BOSWELL—Yes.

Ms Furnell—There have been some questions asked on this in other sessions.

Senator BOSWELL—There have been, and I asked them.

Ms Furnell—I will need to check on what information I can provide on that.

Senator BOSWELL—No. I have asked questions and I have the right to ask you the same questions. Have you got an answer to that?

Ms Furnell—I would have to check on notice.

Mr Ray—We would need to take the question on notice. We do not have that sort of number with us.

Senator BOSWELL—Have you got information on how many families will lose benefits under B?

Ms Furnell—Are you referring to the changes to the definitions?

Senator BOSWELL—Yes.

Ms Furnell—Again, I would have to get further information. I do not have the numbers relating to the changes in income definition?

Senator BOSWELL—When can you get those numbers for me?

Ms Furnell—I will check and find out.

Senator BOSWELL—When will they be able to be given to us?

Ms Furnell—I will need to check with others who are not present.

Senator BOSWELL—We get an opportunity to ask questions of public servants on very rare occasions. I have found that, once people take things on notice, the answers you get back are absolutely non-answers. I find it difficult when we come here and people who should be able to answer questions then want to take them on notice. It is trying to divert what the system is all about. These are fairly simple questions. I thought you would be able to answer them. They are absolutely fundamental questions that you must have given advice to the government on and I cannot see why they cannot be answered.

CHAIR—The answer has been given that they will be taken on notice.

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 3-5 June 2008

Senator BOSWELL—When can I expect the answer to come forward?

CHAIR—The date for reply is 1 August.

Senator BOSWELL—Is there any way I can get an answer back today by asking people to supply you with the answer or ringing the office up? First of all, this is crazy. It subverts the whole purpose of estimates. It is a complete waste of time that we have got to do this. Can I get an answer back today?

Ms Furnell—I will need to check on that.

Answer:

The 2008 Budget proposed two measures to modify the definition of income for Family Tax Benefit in order to make these programs fairer and better targeted to those in need of government assistance.

The inclusion of salary sacrifice superannuation contributions in adjusted taxable income is expected to lead to reduced benefits for around 74,400 families receiving Family Tax Benefit from 1 July 2009. While the split between Family Tax Benefit A and B has not been made publicly available, it is estimated that Family Tax Benefit A accounts for the vast majority of families impacted.

The inclusion of net losses from investments in adjusted taxable income is expected to lead to reduced benefits for around 20,100 families receiving Family Tax Benefit from 1 July 2009. Again, the vast majority of families affected expected to be those in receipt of Family Tax Benefit A.