

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 105

Topic: Resource Super Profits Tax – Macroeconomic Stability

Hansard Page: E39 (03/06/2010)

Senator JOYCE asked:

Senator JOYCE—In the markets group are ‘measures to promote competition, macroeconomic stability and market confidence’. If you believe the RSPT has nothing do to with macroeconomic stability then I have to disagree with you, Minister. Do you believe that the RSPT has any effect on macroeconomic stability or market confidence?

Senator Sherry—The RSPT issue has been well canvassed in the appropriate areas of estimates and Treasury.

Senator JOYCE—This is exactly the appropriate area.

Senator Sherry—To the extent that I can add anything further, I will have to take it on notice.

Answer:

The RSPT would have varied more in line with profitability than the current *ad valorem* state royalties. As such, the RSPT would have increased the size of the ‘automatic stabilisers’ of the budget, thereby enhancing macroeconomic stability.