

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 13

Topic: Resource Super Profits Tax - Assumptions

Hansard Page: E79 (01/06/2010)

Senator JOYCE asked:

Senator JOYCE—I was very interested when you started telling me about what the superannuation guarantee or this new cost was going to be in 2020? You said \$3.2 billion, is that correct?

Mr Gallagher—\$3.6 billion.

Senator JOYCE—That is interesting. What is the tax going to bring in 2020? How do you know how much?

Mr Gallagher—The people behind me may know.

Senator JOYCE—Is there anyone behind you who knows how much it is going to bring in 2020?

Senator Sherry—We will get to that when we get to—

Senator JOYCE—So how do I know that you might not have been collecting enough from the tax?

Mr Parker—It is certainly the case that projecting the revenue from the RSPT over that length of time is very dependent on the assumptions that one makes in the projections for commodity prices, the exchange rate and the terms of trade. Those numbers have been done. The government has published them.

Senator JOYCE—They have been done?

Mr Parker—Yes.

Senator JOYCE—Who did them?

Mr Parker—Treasury did them.

Senator JOYCE—Would you be able to table them?

Senator Sherry—We will take it on notice. In accordance with past practice, those figures are not normally published. We publish estimates and projections over the four years. When I was sitting in your place, Senator Joyce, I can recall on numerous occasions asking for figures and estimates—including to Mr Gallagher and I think he has got a wry smile on his face here—beyond the four years. It was invariably taken on notice and depending on the issue a response was given or not given.

Senator JOYCE—I think it is crucial that we get this because you have given as one of your answers ‘\$3.6 billion’ or what was it?

Mr Gallagher—It is \$3.6 billion. As I said, it is on page 43 of budget paper No. 2.

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Senator JOYCE—So it is \$3.6 billion in 2020 and they are the forward years. You have acknowledged that you have actually done the figures out to 2020. You have acknowledged the concerns that are there in discovering the terms of trade. So I think it is crucially important that we find out in the figures that you have done what exactly the tax is bringing in and whether we are going to be able to cover all of this generosity we are seeing from the government.

Senator Sherry—We will take it on notice.

Answer:

Full details of the impact of the Minerals Resource Rent Tax over the forward estimates period have been published by the Government in the economic statement of 14 July 2010. It is not usual practice for governments to release the medium and long term revenue impacts of individual measures.