

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates 22-23 October 2008

Question: sbt 74

Topic: Income Tax Revenue

Hansard Page: E124

Senator BUSHBY asked:

Senator BUSHBY —Thank you. The budget predicted an increase in unemployment, and the current world circumstances may well impact on employment in Australia as well. Do you have any opinions on where we may be heading in terms of the decrease in average income tax revenue for every 100,000 people as a result of those factors?

Mr Parker —Going back to my previous answers, I will have to take that on notice.

Senator BUSHBY —You do not have any preliminary or early indications? This has not been examined and looked at?

Mr Parker —Well, it drops out as a natural consequence of the forecasting and revenue estimation process. That process is presently underway, so I will take the question on notice.

Senator BUSHBY —So you have all these processes presently underway; you do not have anything that has any preliminary results or indications? MYEFO is not a protected document. You are here before us today to answer questions about revenue and the impacts of events on revenue. It is a committee of the parliament. We have an entitlement to answers. The fact that you have got MYEFO coming in the next month or so is not a reason for not assisting the committee when questions are asked as to what impacts we are going to have on revenue.

Mr Parker —We endeavour to assist the committee wherever we can, but in respect of your specific question, I will take that on notice.

Senator BUSHBY —You will take it on notice. Okay.

Answer:

Based on revenue estimates in the *Mid-Year Economic and Fiscal Outlook 2008-09*, average income taxation revenue per person was around \$9,900 (\$990 million per 100,000 people) in 2008-09. This is lower than at the 2008-09 Budget when the average income taxation revenue forecast per person was around \$10,100 (\$1,100 million per 100,000 people) in 2008-09. The lower average income tax per person at MYEFO reflects downward revisions to forecasts of wage, business and investment incomes compared with Budget.

These numbers are based on an estimated population of 21.5 million in 2008-09.