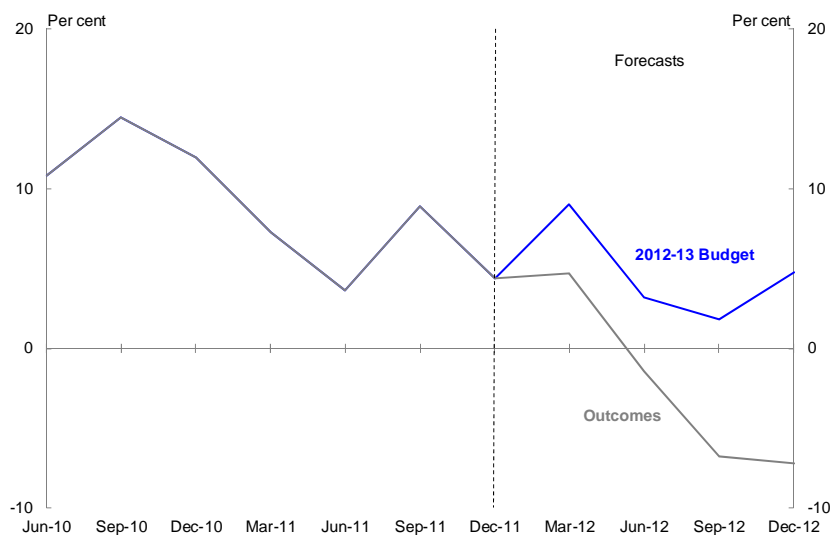


Australian Business Economists



Dr Martin Parkinson PSM
Secretary to the Treasury
Budgeting in Challenging Times
Tuesday, 21 May 2013

Corporate Gross Operating Surplus (Through the year growth)



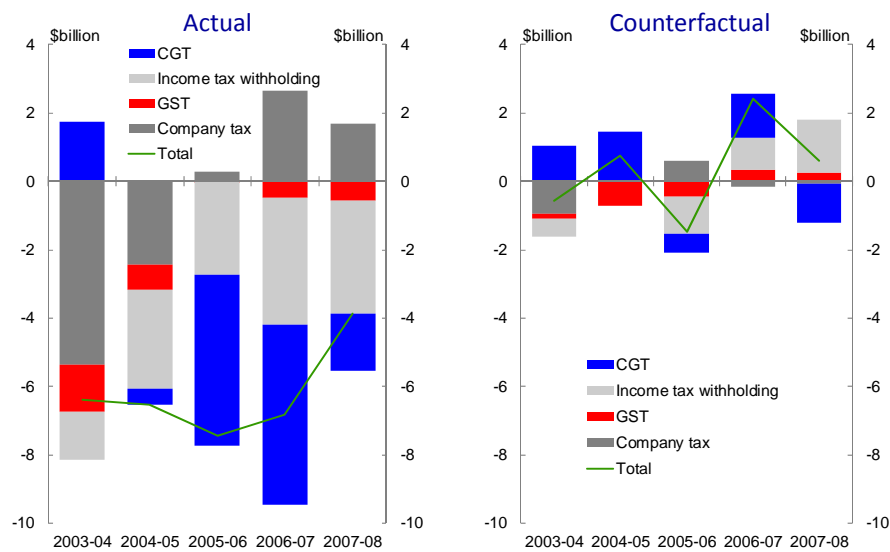
Source: ABS cat. no. 5206.0 and Treasury.

External panel's conclusion

“Treasury approaches the forecasting task in a very professional manner and the forecasts it generates are broadly as accurate as those of both domestic forecasters and those generated by comparable agencies in countries with similar institutional arrangements to Australia.”

(2012 Review of Treasury Macroeconomic and Revenue Forecasting, Page xxii)

Taxation revenue forecast error

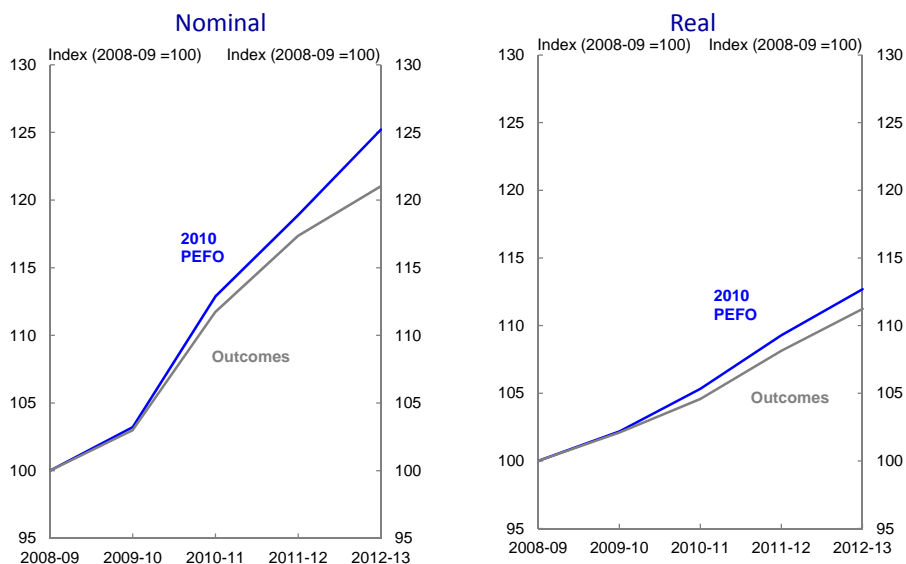


Another key 2012 Review finding

“Treasury’s forecasting methodology operates in an environment of continuous internal evaluation and development, with forecast errors regularly reviewed, driving a quest for improvements in forecasting practices.”

(2012 Review of Treasury Macroeconomic and Revenue Forecasting, Page x)

GDP forecast performance

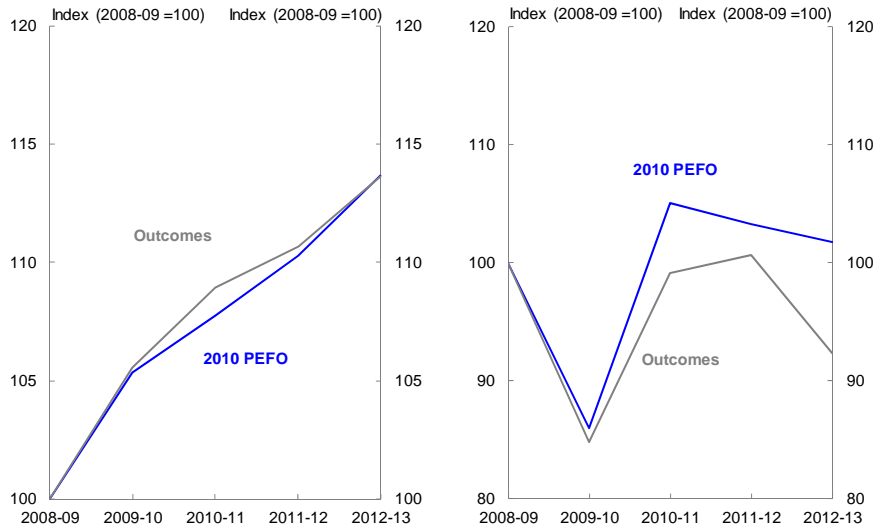


Note: At 2010 PEFO, 2009-10 to 2011-12 were forecasts and 2012-13 was a projection. The outcome for 2012-13 is the estimate at the 2013-14 Budget.
Source: ABS cat. no. 5206.0 and Treasury.

Components of the GDP deflator

GNE less imports IPD

Export prices (AUD terms)



Note: At 2010 PEFO, 2009-10 to 2011-12 were forecasts and 2012-13 was a projection. The outcome for 2012-13 is the estimate at the 2013-14 Budget.

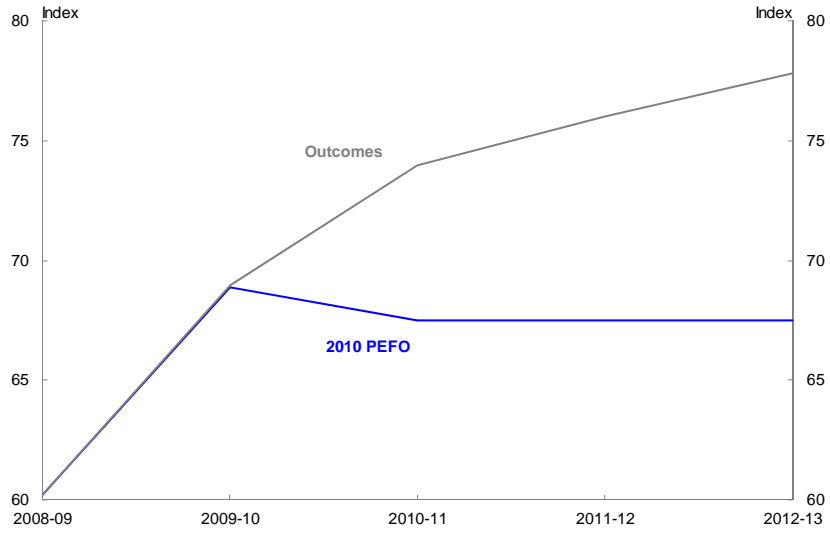
Source: ABS cat. no. 5206.0 and Treasury.

Risk identified in 2010 PEFO

“There are substantial risks around the future profile of the terms of trade, with considerable short-term volatility in spot commodity prices and uncertainty about the timing, pace and extent of their decline as increased global supply capacity comes on line.”

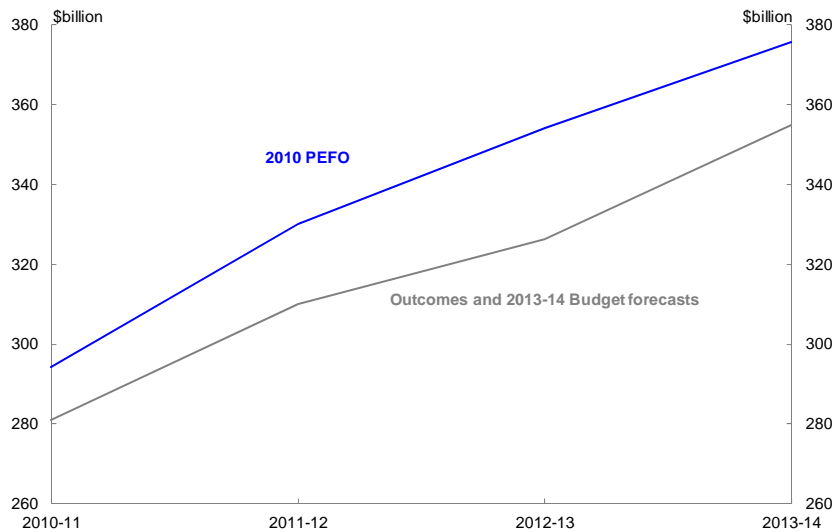
(2010 Pre-Election Economic and Fiscal Outlook, Page 2)

Trade Weighted Index



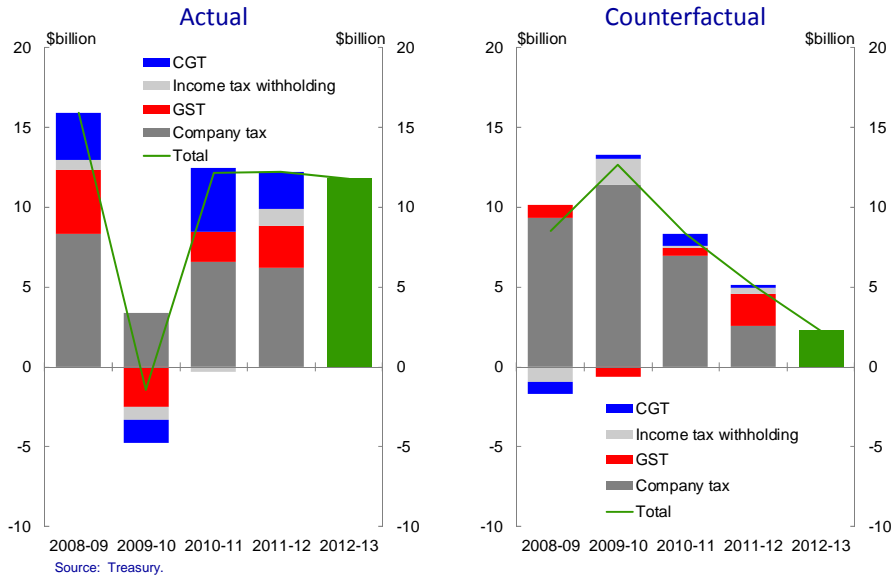
Source: ABS cat. no. 5302.0 and Treasury.

Tax receipts



Note: At 2010 PEFO, 2009-10 to 2011-12 were forecasts and 2012-13 was a projection.
Source: Treasury.

Taxation revenue forecast error

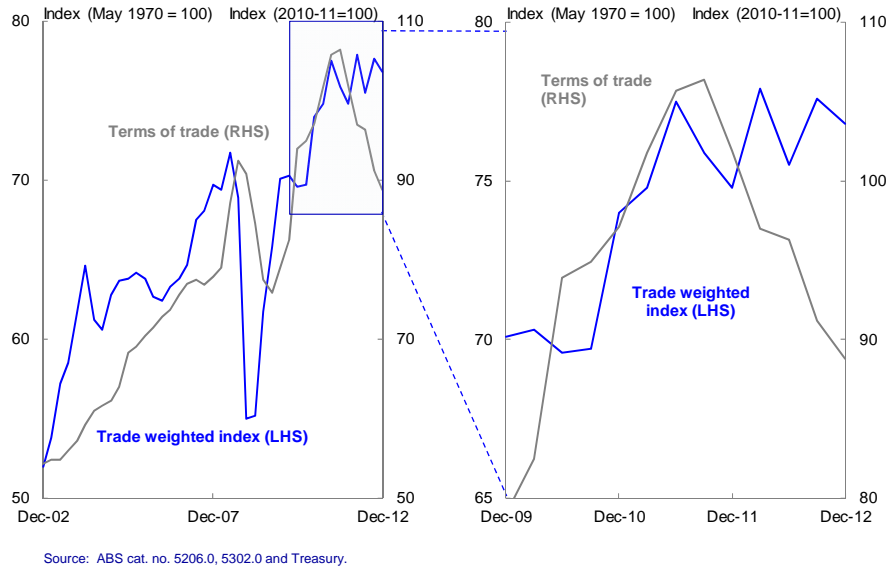


Australian Business Economists

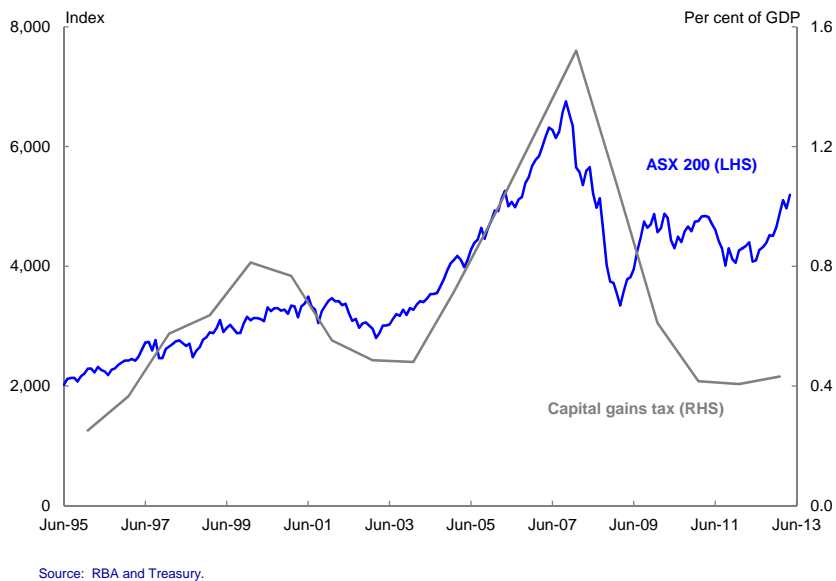


Dr Martin Parkinson PSM
 Secretary to the Treasury
Budgeting in Challenging Times
 Tuesday, 21 May 2013

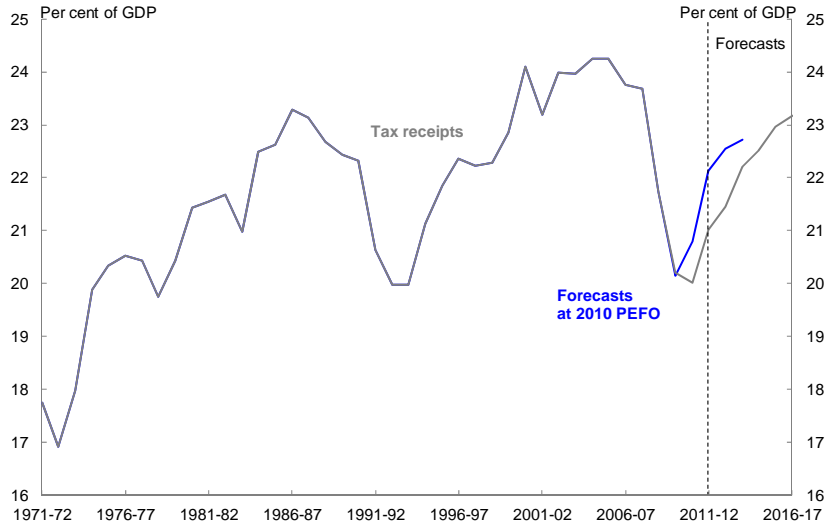
Terms of Trade and the Trade Weighted Index



Capital gains tax receipts and equity prices

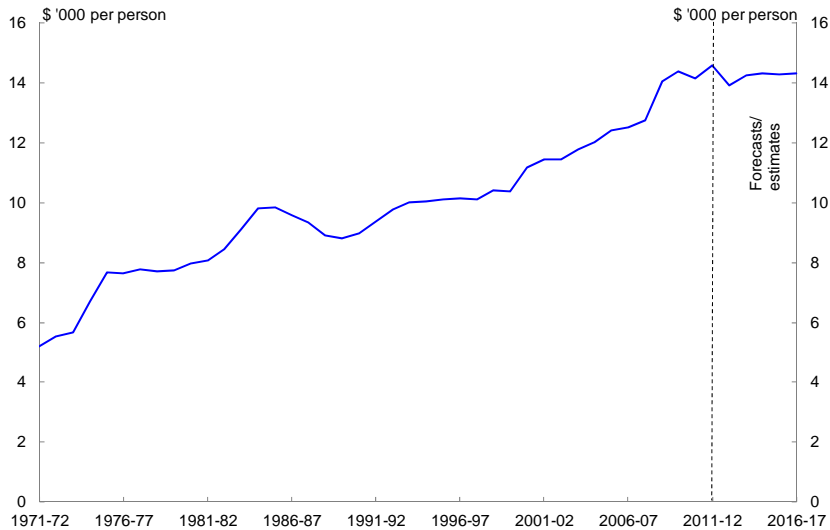


Tax-to-GDP ratio



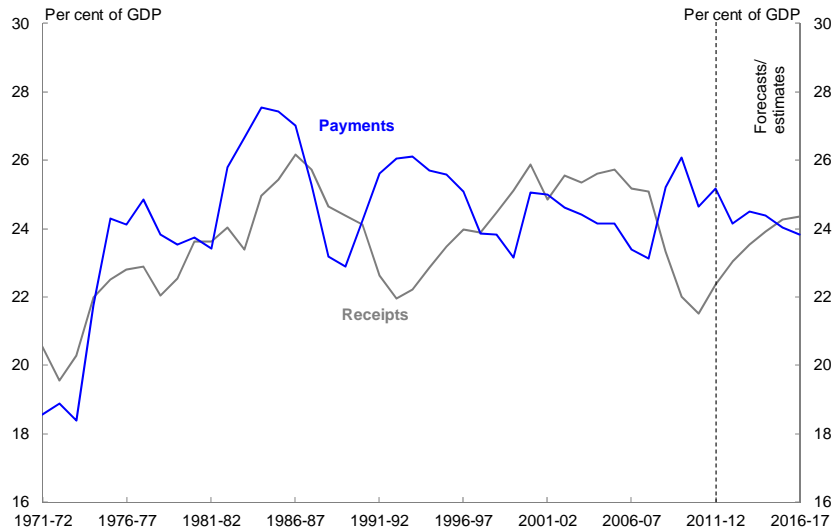
Source: Treasury.

Real government payments per person



Source: 2013-14 Budget and Treasury.

Revenue and outlays as a share of GDP



Source: 2013-14 Budget.

Australian Business Economists



Mr Rob Nicholl
Chief Executive Officer, Australian Office of Financial Management

*Australian Government Debt:
Future Options for CGS Market Development*

Tuesday 04 June, Four Seasons Sydney

The Hon Mike Baird MP
Treasurer, New South Wales

*Budget 2013-14
"Delivering on our promises in a challenging fiscal environment"*

Wednesday 19 June, Four Seasons Sydney