

2017.06.20

**3.12 Senator S.C. Ferguson of the Minister for Treasury and Resources regarding the external review of the income forecasting model: [1(371)]**

Will the Minister advise whether appendices E and F to the *Revised Forecast of States Income for March 2017*, (R.66/2017), represent the entirety of the external review of the income forecasting model and, if not, why the entire review has not been supplied to the States or the Corporate Services Scrutiny Panel?

**Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

The 2 appendices in R.66/2017 represent all the work undertaken by Oxera in reviewing the income forecasting model. The entire review has indeed been published.

**3.12.1 Senator S.C. Ferguson:**

This is something I requested in September last year. Why has it taken so long?

**Senator A.J.H. Maclean:**

You cannot please anyone, can you? I would have thought the Senator would be very pleased the work that she suggested, quite rightly, was undertaken. It does take a long time to do such detailed work as this and the job has been done, importantly, properly and I think the data that has come and flowed from it is very useful in terms of improving our forecasting moving forward.

**3.12.2 Senator S.C. Ferguson:**

The Economic Adviser has now left, rather suddenly. What progress has been made for a replacement and how much will this delay the fuller review of the income forecasting model that has been recommended by Oxera. Instead of these sort of 5 or 10 pages, they have recommended a full review. Would the Minister please answer my questions?

**Senator A.J.H. Maclean:**

Delighted to answer the questions. We start with a conspiracy theory. The Economic Adviser is still working for the States and providing valuable input. He will in due course be replaced. I am afraid that is not my role with regard to replacement of employees. But the department, the Economics Unit, is still functioning and still providing valuable input and indeed has recommended some additional work to be undertaken from the forecasting perspective. The terms of reference are being worked up, will be shared by the Income Forecasting Group, and that piece of work will hopefully be underway relatively soon.