

Question on Notice

No. 566

Asked on 20 August 2013

MR PITT ASKED THE TREASURER AND MINISTER FOR TRADE (MR NICHOLLS)—

QUESTION:

With reference to page 174 of Budget Paper 2 where it sets out an assumption that the Australian dollar will remain at parity with the US dollar over this financial year—

Does the Treasurer stand by this forecast when major institutions such as the National Australia Bank are now not projecting a return to parity at all this financial year?

ANSWER:

In its forecasts for the Queensland economy in the 2013-14 State Budget, contained in Budget Paper No. 2, Treasury assumed that, on average, the A\$ will remain close to parity with the US\$ during 2013-14, before easing in subsequent years as global monetary and economic conditions improve. This assumption was based on the best available information at the time and was consistent with other macroeconomic forecasts. For example, the Commonwealth Budget that was released in May 2013 forecast the US\$ exchange rate to remain at around 103 US cents.