

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Budget Policy Division
Question No: 167
Topic: Energy Pricing
Reference: Hansard page 79 (29 May 2017)
Senator: Roberts, Malcolm

Question:

Senator ROBERTS: I am also somewhat concerned that, when it comes to water rights and energy policy, rural Australia is essentially being governed by the federal government. That is just an observation; it is not a question. Energy prices are highly significant to economic performance. Would you agree?

Mr M Brennan: In general I would agree with that, yes.

Senator ROBERTS: Is there any way of assessing their significance to the performance of the economy? Is there a measure or a group of measures?

Mr M Brennan: I am sure it has been tried. Without overcommitting them, it might be something that our Structural Reform Group, who are appearing tonight, may be able to help with.

Senator ROBERTS: What is the assumption on energy prices in the current budget? Are there various assumptions? I have no idea.

Mr M Brennan: Again, I will clarify that this is the case, but I do not think we have an explicit assumption on energy prices that feeds into either our CPI or overall growth forecasts. But I will check. Sorry; we do have some commodity price forecasts, for coal, for example, and the like—

Senator ROBERTS: And gas?

Mr M Brennan: I would have to check on gas—but not energy in terms of its feed-in to domestic inflation. But I will check on whether that is—

Senator ROBERTS: And respond on notice?

Mr M Brennan: Yes. We will come back to you.

Answer:

The commodity price assumptions that underpin the 2017-18 Budget forecasts are outlined in Budget Paper No. 1, Statement 2 at pages 2-6 and 2-22.