

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Division/Agency: Budget Policy Division

Question No: 422

Topic: Savings from omnibus bill and tobacco excise increase over medium term

Reference: Hansard page 96 (19 October 2016)

Senator: Ketter, Chris

Question:

Senator KETTER: It was about whether the effect of the omnibus bill and the increase in the tobacco excise will reduce the debt by \$30 billion over the medium term. Is that figure correct?

Mr M Brennan: I believe it is, but I may need to take that on notice. I think that is probably right, but I will just try to find the source, if that is all right.

Senator KETTER: If you could check that for us, that would be good. Are you able to provide figures for the savings from the measures in the omnibus bill and the tobacco excise increase over the medium term to 2026-27?

Mr M Brennan: I think the answer to that will be not as individual items. [...]

Senator KETTER: I am a bit mystified by that because if we know what the total impact is I am not sure why it is that we cannot itemise that.

Mr M Brennan: I will take it on notice and see what can be done.

Answer:

The savings in the Omnibus Savings Bill and increase in tobacco excise is projected to reduce government debt by more than \$30 billion by 2026-27, compared to projections at the 2016-17 Budget.

As noted in the response to Question No 423, the impact on projected government debt from the Omnibus Savings Bill was calculated by using the projected impact on the underlying cash balance over the medium term as a starting point, and then projecting a scenario for government debt based on assumptions about debt issuance and bond yields.

The projected impact on the underlying cash balance over the medium term was based on the estimated impact of the measures in the bill over the forward estimates, as set out in the Bill's explanatory memorandum.