

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Division/Agency: Budget Policy Division

Question No: 423

Topic: Top-down estimate

Reference: Hansard page 96 (19 October 2016)

Senator: Ketter, Chris

Question:

Senator KETTER: Can you explain to me what is involved in a top-down estimate. What is the process?

Mr M Brennan: Sorry, it is just that an aggregate saving would have been calculated for the period over the forward estimates and then extrapolated. The aggregate would have been extrapolated over the medium term. But I will check that on notice.

Answer:

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.