

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 60

Topic: Public Debt – Forward Estimates

Hansard Page: E35

Senator Coonan asked:

Senator COONAN—On a slightly different point from Senator Joyce, the borrowings will obviously need to be repaid with interest. If the government has got a serious plan to reduce the debt, it would have asked Treasury to provide estimates of these interest payment figures in the years beyond the forward estimates. Do they exist?

Mr Ray—Perhaps, Senator, I might help by saying that one of the several models that are used in order to build the medium-term projections that are published in BP1, Statement 3 is a model that we have of the government's balance sheet. That then feeds back with calculations of net interest into the underlying cash balance projection which is published in budget statement No. 3. In terms of breaking that down, I will be happy to take it on notice

Answer:

In the medium term projections published in Budget Paper 1 net interest payments are projected to peak at \$10.0 billion in 2015-16 before falling to \$6.5 billion in 2019-20.