



Parliamentary
Budget Office

Mr. Adam Bandt MP
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Mr. Bandt

This is a response to your request for budget analysis, *Servicing public debt* (letter of 29 July 2020, PBO reference PR20/00072).

Your request sought the total amount of government ten-year Treasury bonds that could be issued in 2020-21, assuming \$27.8 billion (in today's dollars) was set aside to cover public debt interest costs over ten years. The amount is \$225 billion.

In our analysis, the Parliamentary Budget Office (PBO) has assumed that the issuance of bonds would be evenly distributed throughout 2020-21 and the bonds would not be refinanced over or after ten years. The estimate in this analysis was derived from the PBO's public debt interest model as at the 2019-20 MYEFO.

There is particular uncertainty around estimates at present given the significant impact the COVID-19 pandemic is expected to have on the budget and economic forecasts. This analysis has been undertaken against the budget baseline as at the 2019-20 Mid-Year Economic and Fiscal Outlook (MYEFO), which does not take account of the likely effects of the COVID-19 pandemic or associated policy response.

[REDACTED]

If you have any queries about this request, please do not hesitate to contact [REDACTED] Assistant Parliamentary Budget Officer on [REDACTED] or [REDACTED] Director on [REDACTED]

Yours sincerely

[REDACTED]

Linda Ward
Acting Parliamentary Budget Officer

13 August 2020