

**Senate Standing Committee on Environment and Communications**  
**Answers to Senate Estimates Questions on Notice**  
**Additional Estimates February 2017**  
**Communications Portfolio**  
**Department of Communications and the Arts**

**Question No: 5**

**Program 1.1**

**Hansard Ref: Page 17-18, 28/02/2017**

**Topic: Parameter changes**

**Senator Bilyk, Catryna asked:**

**Senator BILYK:** Okay. You mentioned page 54 of additional estimates for parameter changes. I actually went through a whole lot of documents and I could not find anywhere what parameter changes actually mean.

**Mr Eccles:** Okay. I might ask someone who is a little more financially literate, maybe from our corporate area, to explain exactly what it is. From time to time, the forward estimates are amended that take into account changing parameters to do with wage growth and a whole lot of technical Treasury matters—and I am getting in way over my head already. But the parameter changes in this instance reflect broadly across the economy the level of wage growth and interest rates. That occurs across all appropriations.

**Senator BILYK:** Sure, but what I want to know is—and I am possibly at the same level of financial literacy as you; I never state that I know everything about everything—what are actual 'parameter changes'? What does it mean to these institutions? How are they determined? Are they made on the hop? Who makes the decisions about them?

**Mr Eccles:** These are carefully structured and crafted decisions that come through a standard budget process. I will take on notice and we will get some information from the Treasury about how parameter changes are determined and what is in scope.

**Senator BILYK:** Can you also take on notice whether there was any consultation with these agencies in regard to parameter changes and what it means for them? I know there are a lot of people with other questions. I will be coming back later on today to speak about some of these more specifically. But if you could take that on notice if there was any consultation with agencies on what it means for the agencies to implement—whatever parameter changes might be. I would like to know specifically what parameter changes mean. As I say, I did look through 200-odd pages of documents. I saw parameter changes mentioned, but I could not find out what they actually are.

**Mr Eccles:** We will get that information.

**Answer:**

Agency funding is routinely adjusted three times per year for changes in parameters. These parameters are applied across all agencies to ensure that agency funding keeps pace with forecast changes in the economy. All agencies are aware of the annual calendar of dates when parameter updates are issued.

The Treasury calculates the parameter rates, which factor in various economic indicators including inflation, production levels and exchange rates.