Department/Agency: Treasury
Question: AET 123-125
Topic: 2015 Intergenerational Report
Reference: Written - 6 March 2015
**Senator: Leyonhjelm, David**

Question:

123.   Chart 2.7 of the 2015 Intergenerational Report depicts projections of Commonwealth
government net financial worth. Was any work done towards production of a chart
with projections of net worth?
   a.   If not:
      i.   why not?
      ii.   what additional assumptions, beyond those already made for the
            production of the report, would need to be made in in order to produce
            projections of net worth?
   b.   If so, can this work be provided to the Committee?
124.   What might net worth be in 2055, as a share of GDP, under the 'previous policy',
'currently legislated' and 'proposed policy' scenarios?
125.   For each of the 'previous policy' projections depicted in the 2015 Intergenerational
Report, can the Treasury provide a variation that excludes the impact of policy
decisions between the 2013 PEFO and the 2013-14 MYEFO?

Answer:

123. Work was done to produce a draft chart showing projected net worth over the 2015
Intergenerational Report (IGR) projection period.

(b) Please see below chart showing net worth under the three scenarios:

Chart 1: Net Worth under the Three Fiscal Scenarios
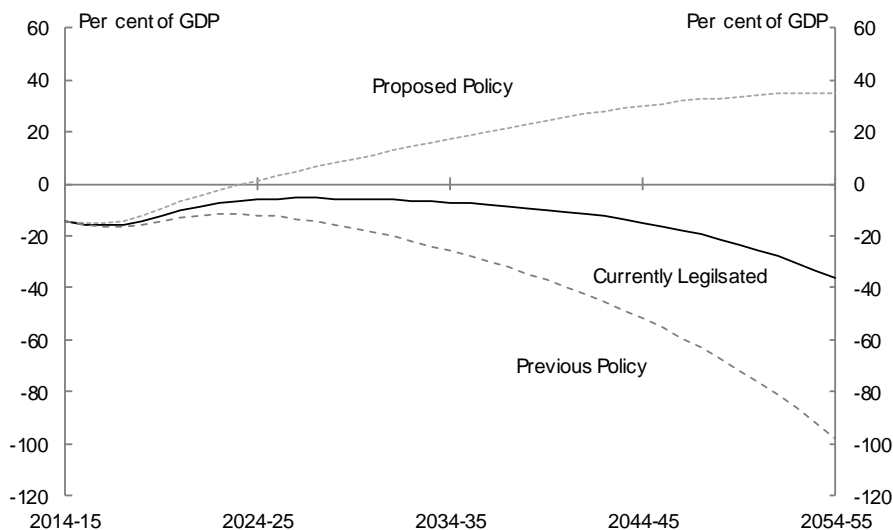
124. Under the previous policy scenario, net worth is projected to be negative 97.8 per cent of GDP in 2054-55. Under the currently legislated scenario, net worth is projected to be negative 36.3 per cent of GDP by 2054-55. Under the proposed policy scenario, net worth is projected to be 34.8 per cent of GDP by 2054-55.

125. The variant requested was not modelled as part of the 2015 IGR process. This modelling request would require a significant amount of Treasury resources, which are not available at this time.