

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

Question: BET 35

Topic: Farm Finance Assistance Package

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Senator McKENZIE asked:

Senator McKENZIE: I am being advised to come here to ask some questions about the farm financial assistance package, by Minister Ludwig. Given that the concessional interest for the farm finance assistance package will be 4.5 per cent, could you confirm what the cash rate was on 26 April, the Friday before the announcement of the farm finance package?

Ms McCulloch: I cannot give you the exact number and the exact date, I am sorry. I would have to take that on notice. I can talk to you about what assumptions underlie the costings, but I cannot tell you the exact rate on that day.

Senator McKENZIE: No worries. My understanding is that it is at three per cent, and similarly, on Monday 29 April, after the announcement, the cash rate was also three per cent. Similarly, the 10-year Commonwealth bond rate was 3.5 per cent. What rates are you accessing the funding for the farm finance package?

Answer:

The target cash rate set by the Reserve Bank of Australia was 3 per cent on both Friday 26 April and Monday 29 April.