

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio (AOFM)**

**Supplementary Budget Estimates**

20-21 November 2013

**Question:**           **SBT 81**

**Topic:**               **AAA Credit Rating on Bond Rates**

**Hansard Page:**      **Page 9, 21 November 2013**

**Senator DASTYARI asked:**

81.      Could I perhaps put on notice — I understand that there is only so much you can answer — what the impact of a downgrade on the AAA credit rating be on bond rates? I understand that you were telling me that you would only be able to answer it in quite broad terms, but I think you have outlined what your answer would largely be. If we could get a little bit more detail to that effect on notice, I would appreciate it.

**Answer:**

81.      All else being equal, the impact of a downgrade would be likely to put upward pressure on the market yields at which Australian Government Bonds trade.