

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Supplementary Budget Estimates
2014 - 2015

Department/Agency: PC

Question: SBT 4339

Topic: Fiscal gap

Reference: Hansard page no. 38 - 31 October 2014

Senator: Canavan, Matthew

Question:

Senator CANAVAN: I know you probably do not have the figures in front of you, but I did read through the report a few months ago and I could not find the actual size of the fiscal gap in absolute dollar terms. I think you had percentage GDP terms.

Mr Lattimore: That is probably the best way of looking at this, because GDP is a sort of somewhat fickle figure that relies on a whole range of other assumptions—but there is one underlying that, clearly. All the data is available on our webpage.

Senator CANAVAN: On notice, could you provide the committee with what the fiscal gap is from now until 2059-60.

Mr Lattimore: We can—

Senator CANAVAN: I do not know if you did this calculation—I only had a quick look at the spreadsheet—but could you provide the fiscal gap from now and then and also the fiscal gap with—if you have done this calculation on assumptions—the public debt interest.

Answer:

4339. The information is available in the attached Excel file. The fiscal balance for the Commonwealth is shown in the green coloured row. The cell A1 contains comments to assist in the interpretation of the data. The file also provides a link to the relevant part of the Commission's web page, which contains the detailed calculations underpinning the data. Chapter 5 of the report 'An Ageing Australia: preparing for the Future' (available from: <http://pc.gov.au/research/commission/ageing-australia>) provides further information on the methodologies for the derivation of the estimates and explains how to interpret the data.