*Estimates 2023 - QTON No. 77

LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2023-2024
Mr Mark Parton MLA (Chair), Ms Jo Clay MLA (Deputy Chair),
Mr Michael Pettersson MLA

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

Asked by Peter Cain MLA on 24 July 2023: Andrew Barr MLA took on notice the following question(s):

[Ref: Hansard Transcript 24 July 2023 [PAGE 112]]

In relation to:

MR CAIN: Just a few further questions on the debt funding program. So I note that in financial year 19-20, when the leasing accounting standards changed, territory borrowings, the principal outstanding was about $6.6 billion. That is from budget paper 19-20, budget paper 3, that is page 309, but it was about that $6.6 billion at the time.

In this budget, total territory borrowings are forecast to reach $17.44 billion, and that is from page 283 of table 3.8.8. So for the same comparison for net debt, it was $2.7 billion in 19-20, and is forecast to be $10.6 billion in 26-27. So I have some questions now. So I know in previous hearings, Treasurer, you have attributed the territory's rising debt to COVID, over financial crisis, Mr Fluffy Eradication Scheme, but I quote from page 39 of the Pegasus Budget Analysis, and I quote, "The ACT government's net debt is only partially a consequence of its response to the COVID-19 pandemic, as figure 19 shows. The change in debt to GSP ratio over the period 2019-2022 is well in line with both prior and projected trends".

So Treasurer, are you able to provide a figure of how much of the net debt and total territory borrowings principal outstandings are attributable to COVID? Have you actually broken it down to that?

Mr Barr: I am sure we could, and happily we will take that on notice for you. Yes.

MR CAIN: Thank you. And for both the 22-23 result and 26-27 forecast, if you could perhaps take that on notice as well? Breakdown in terms of any COVID related elements in those.

Mr Barr: Sure. Yes. We can do that.

MR CAIN: Thank you.

Mr Barr: I will take that question on notice, Chair.

Andrew Barr MLA: The answer to the Member's question is as follows: –

The negative net cash impact related to direct ACT Government responses to COVID-19 is expected to reach a cumulative total of at least $659 million by 2023-24. This estimate is net of any

Commonwealth payments and does not include the broader, indirect impacts of COVID-19, including reductions in own-source revenue. These broader impacts are in addition to the above figure.

There are also financial impacts beyond 2023-24, including in relation to managing the ongoing public health impacts of COVID-19.

Borrowings are only one source of financing for General Government Sector activities. These activities are also financed through the Territory Banking Account (TBA), which receives funding from a number of sources, including own-source revenue collection and payments from the Commonwealth, some of which directly relate to the response to COVID-19.

It is therefore not possible to exclusively attribute borrowings to specific COVID-19 initiatives or projects.

Approved for circulation to the Select Committee on Estimates 2023-2024

Signature: Andrew Barr Date: 4.8.23

By the Treasurer, Andrew Barr MLA