*Estimates 2023 - QON No. 70

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 ON NOTICE

Peter Cain MLA: To ask the Treasurer

Hearing Date: 24/07/2023

In relation to: Debt

(1) For both the 2022-23 budget result, and the 2026-27 forecast, please provide an exact figure of how much of the 'Net Debt' (Budget Outlook 2023-24, p. 277) and the 'Total Territory Borrowings – Principal Outstanding' (Budget Outlook 2023-24, p. 283) are attributable to:

(a) The Covid-19 pandemic
(b) The Global Financial Crisis
(c) The Loose Fill Asbestos Insulation Eradication Scheme

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

In relation to the items above:

(a) The negative net cash impact related to direct ACT Government responses to COVID-19 is expected to reach a cumulative total of approximately $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 amount.

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

(b) The Global Financial Crisis (GFC) had international and domestic economic effects unprecedented in recent times, which prompted unique monetary and fiscal policy responses. The impacts on the Territory's cash flows were wide-reaching and occurred through multiple channels. Details on the impacts are available in the Budget Papers from 2008 to 2012.

(c) The negative net cash impact of the Loose Fill Asbestos Insulation Eradication Scheme was $268.4 million as at 30 June 2022. Financing for the Scheme was supported by a $1 billion loan from the Commonwealth Government.

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.

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

Signature:

Date: 4.8.23

By the Treasurer, Andrew Barr MLA