

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 67

Topic: Subprefecture Debt

Hansard Page: E50

Senator Joyce asked:

Senator JOYCE—Can you please inform me what is the current subprefecture debt that the federal government is underwriting? Do you know what that is?

Mr Ray—You mean the states?

Senator JOYCE—Yes.

Mr Ray—Under the guarantee, nothing as yet.

Senator JOYCE—It is coming forward. We know that. The economics inquiry will be looking at it. What is the subprefecture debt at the moment? What is the debt of the states? This is interesting information, because we have the legislation coming up.

Mr Ray—That is a different question. I can take that on notice.

Senator JOYCE—It was about \$150 billion the last time we heard. I just wanted to know whether there was any upgrade on that.

Mr Ray—I do not have general government sector by level of government. Let me take it on notice. We can get you an answer later in the day.

Answer:

The Australian Government Guarantee of State and Territory Borrowing commenced on Friday 24 July 2009. The guarantee will only apply to borrowings nominated by the states and territories. As such, it is not yet possible to estimate the quantum of state government borrowing that will be guaranteed.

The aggregate borrowing of the states' non-financial public sectors is expected to be around \$170 billion in 2009-10.

The net debt of the state non-financial public sector, in aggregate, is expected to be approximately \$107 billion in 2009-10.