

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 350

Topic: Reporting Australia's Debt

Hansard Page: Written

Senator EGGLESTON asked:

1. Why does the Treasury only present net debt data for the "Australian Government general sector" whereas other countries are presented for total Government debt? Isn't this a case of comparing apples and oranges?
2. The Treasury actually included state governments in its publication titled "A history of public debt in Australia", see p. 5. If you could do it for this Treasury staff paper why can't you do it for the budget papers? Wouldn't this be a more accurate presentation of statistics?
3. Can you explain what assets make up the 'Others' row in the presentation of the Commonwealth's holdings of Investments, loans and placements (see p. 9-23)? Can you please precisely provide a disaggregation of this Other row into all of its constituent elements such that there is no residual other column? Shouldn't these figures be disaggregated to increase the transparency of the Commonwealth's balance sheet?

Answer:

1 and 2. In relation to your first and second questions, the Government presents net debt data for the Commonwealth, State and local government in Budget Paper Number 3. Table D.8 (page 205 of Budget Paper 3) of the 2010-11 Budget provides the most recently published data, as well as a consolidated figure for the General Government sector as a whole, and a consolidated figure for the Non-financial Public Sector, which includes Commonwealth, State and local, and Public Non-financial Corporation net debt.

3. The most recently published data for Investments, loans and placements are provided in Note 15 of the 2010-11 Mid-Year Economic and Fiscal Outlook (page 289). The major components which make up the "other" line include Future Fund non-equity investments (around \$45 billion in 2010-11), Nation-Building Fund balances (around \$15 billion in 2010-11) and investment in the ANU (around \$1.7 billion in 2010-11).

The Budget papers do not provide detailed disaggregation as agency specific information is published in Portfolio Budget Statements.