

# Interstate Debt Comparisons

2019-20 Budget Papers

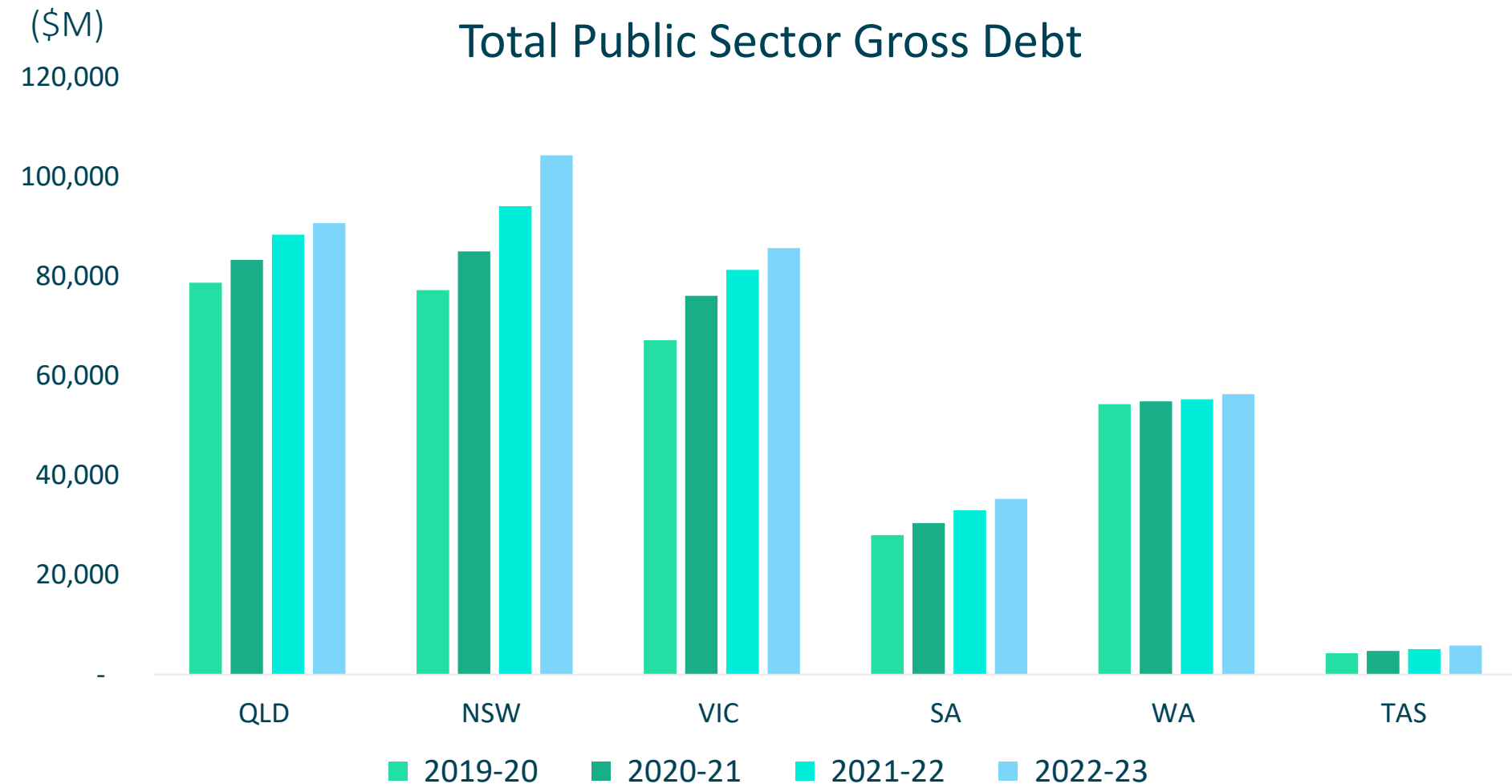


# Outline

- 1 → Gross Debt
- 2 → General Government vs GOCs
- 3 → Interest Expenses
- 4 → Debt to Revenue
- 5 → Different Measures of Debt
- 6 → Net Debt
- 7 → Debt Measures as % of Gross State Product

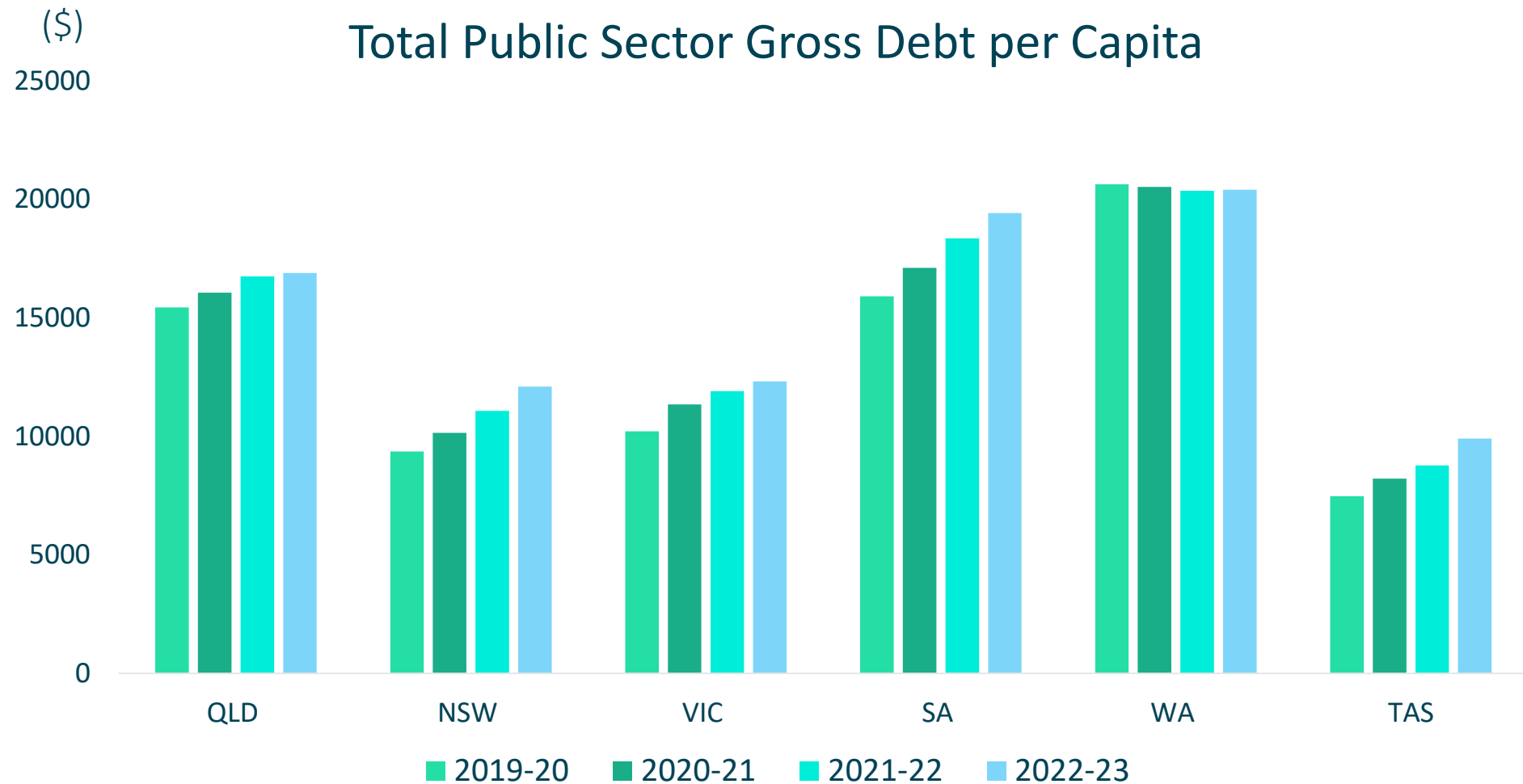
# QLD currently has the highest gross debt in Australia

Projected \$90B by 30 June 2023, but NSW will have \$104B by that time

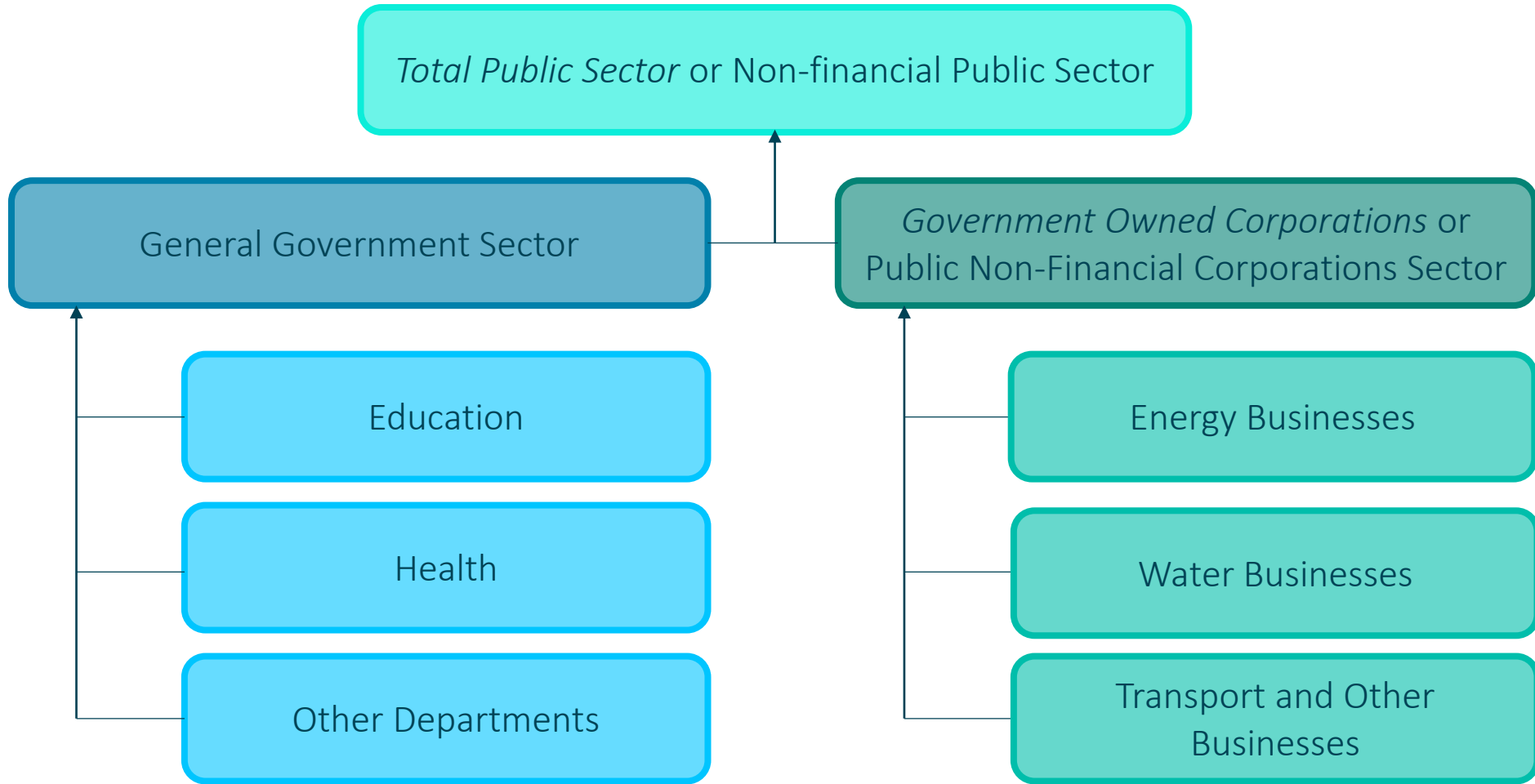


\* All charts related to borrowings contain only 2019-20 data onwards due to inconsistent historic application of AASB 16 accounting standards affecting the treatment of operating leases.

# QLD above NSW & VIC, but below SA & WA, in per capita terms



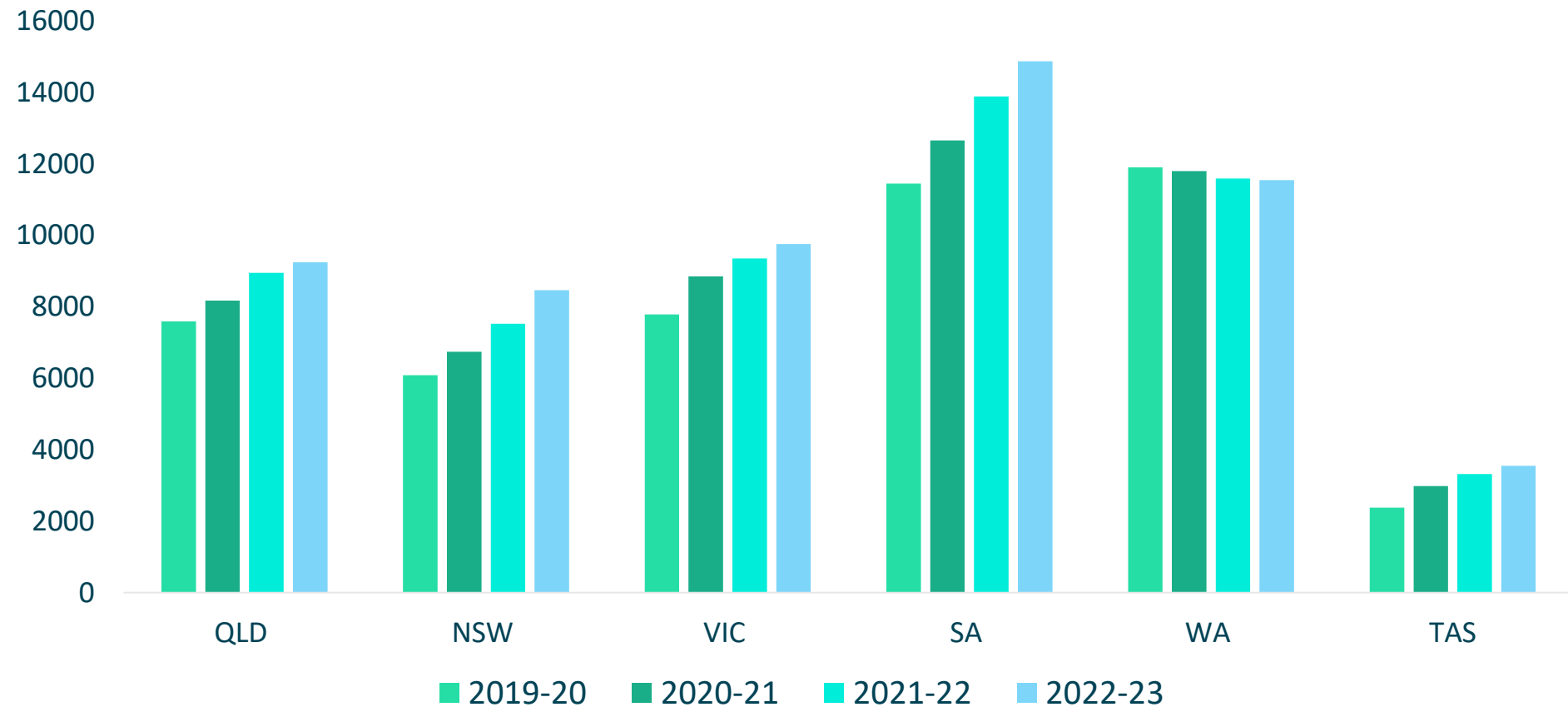
# General Government vs Government Owned Corporations



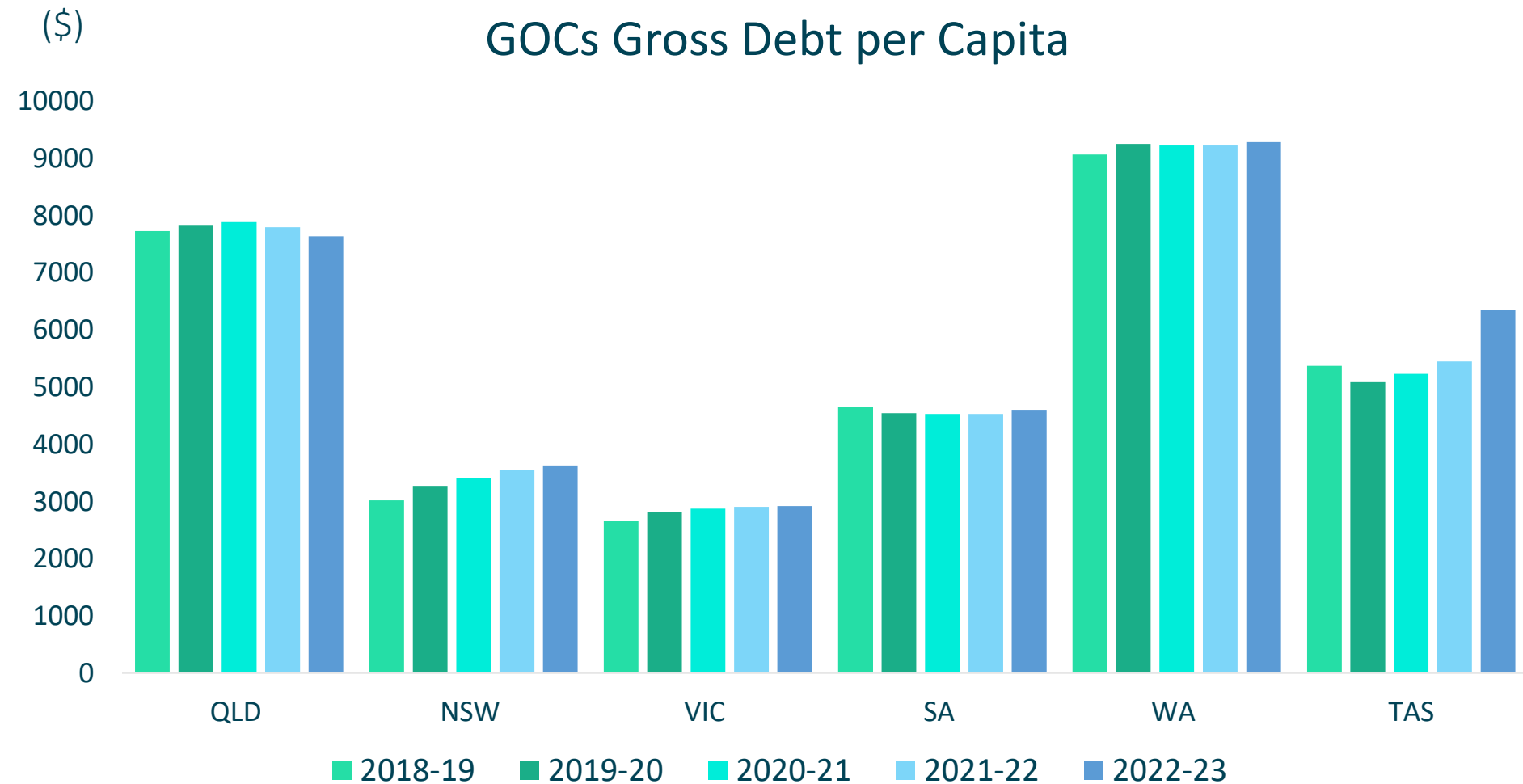
# General Government debt per capita higher than in NSW, lower than in VIC, SA & WA

(\$)

## General Government Gross Debt per Capita



# Gross debt per capita for GOCs in QLD lower than in WA, higher than in other states



# QLD GOCs' interest expenses highest in Australia

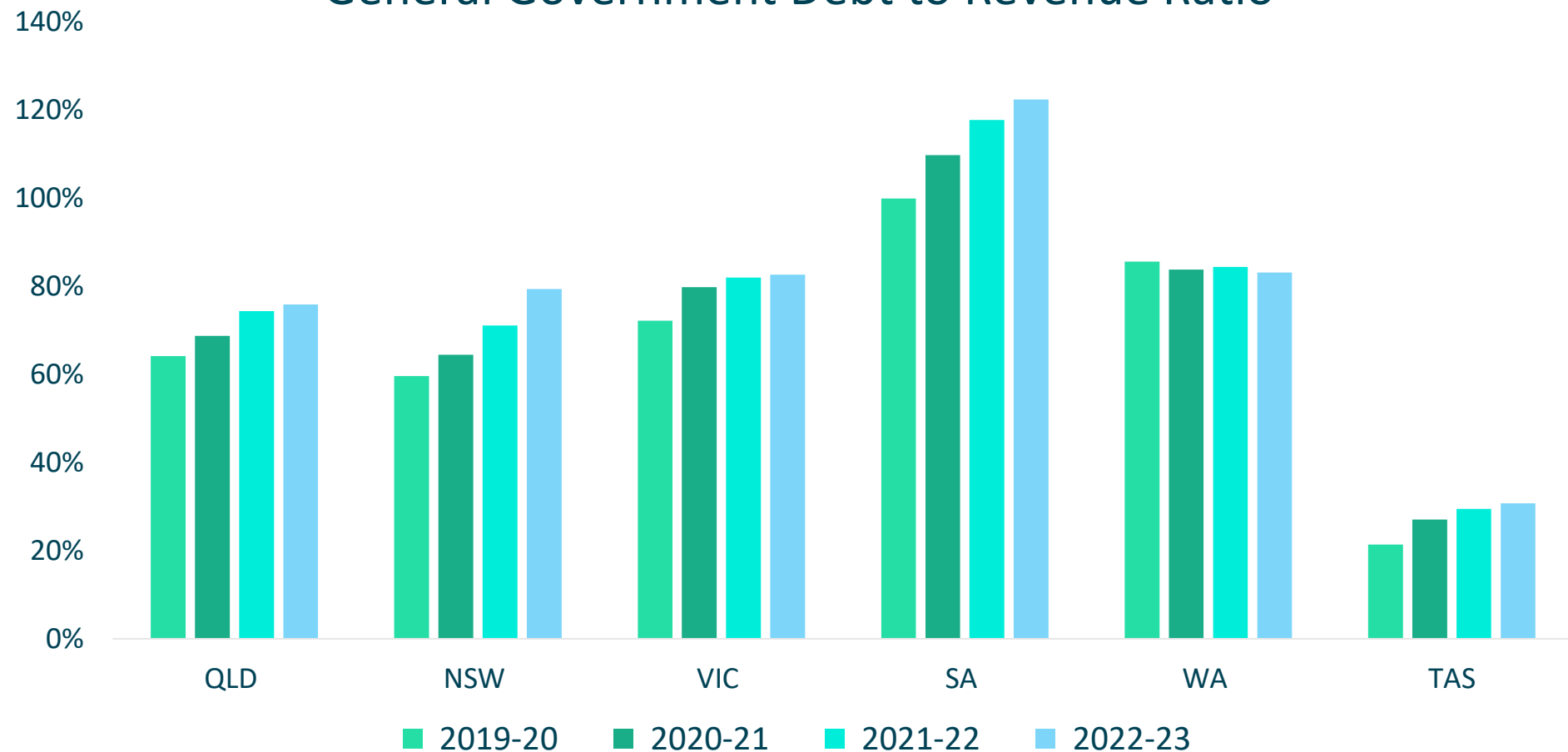
## GOCs Interest Expenses to Total Expenses Ratio





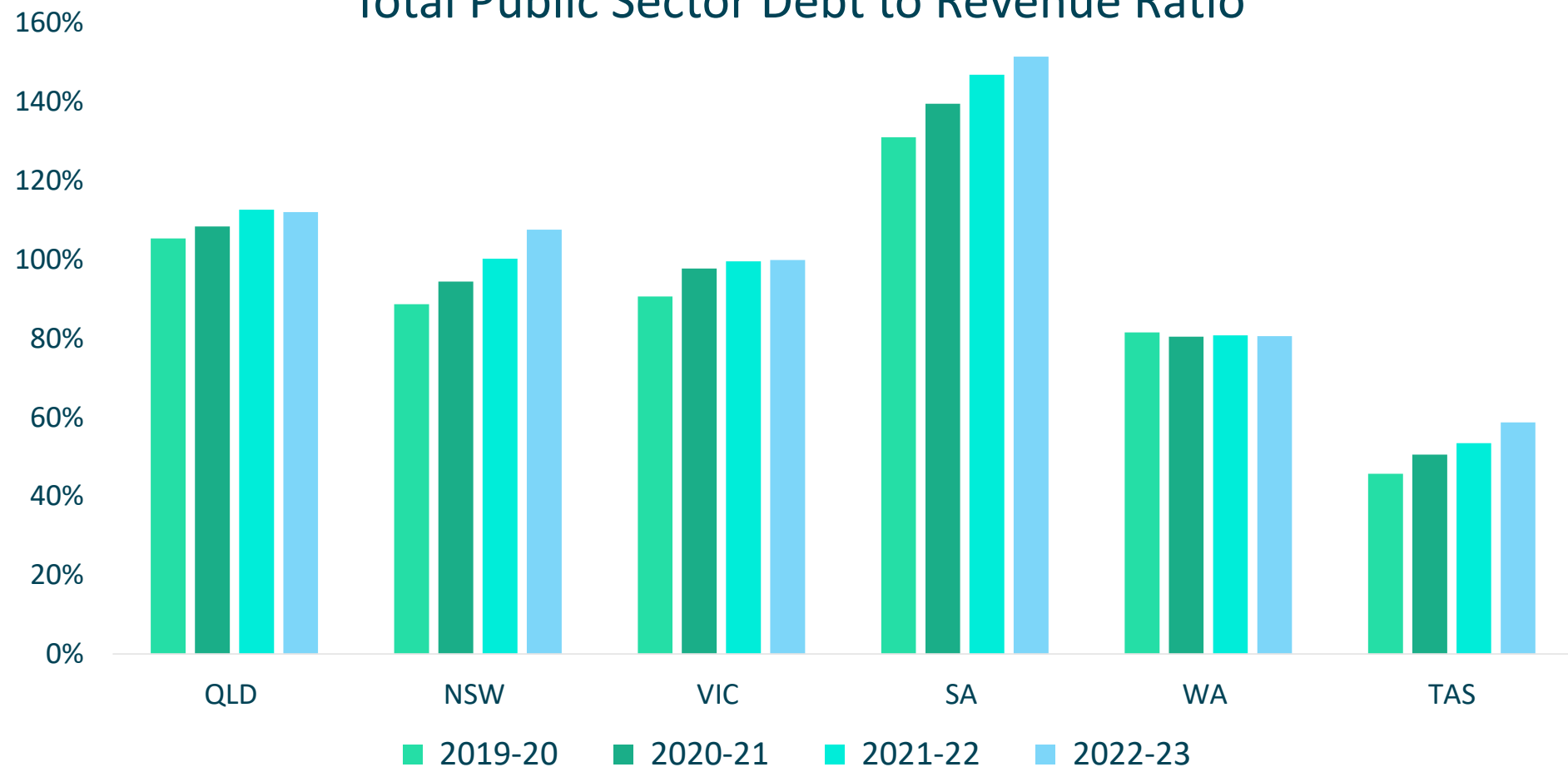
# QLD's General Government debt to revenue broadly similar to NSW, lower than in VIC, SA & WA

## General Government Debt to Revenue Ratio

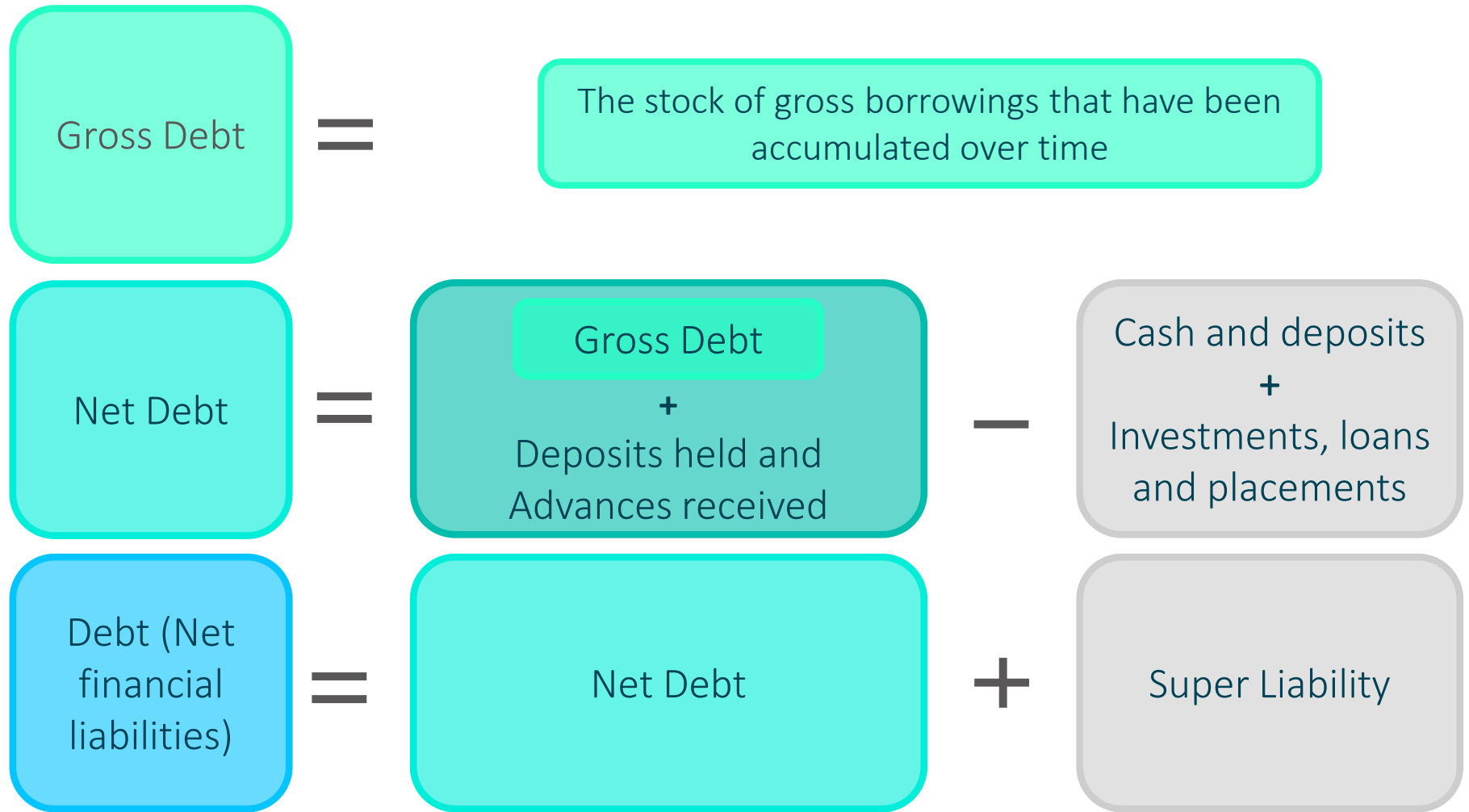


# Total public sector debt to revenue ratio higher in QLD than in all states except SA

## Total Public Sector Debt to Revenue Ratio



# Measures of Debt: Gross debt vs net debt



Source: pg. 17, Commission of Audit Interim Report

# How is net debt calculated in the budget?

## General Government Sector Balance Sheet

	2017-18 Outcome \$ million
<b>Assets</b>	
<b>Financial Assets</b>	
Cash and deposits	1,298
Advances paid	629
Investments, loans and placements	32,846
Receivables	4,750
Equity	
Investments in other public sector entities	23,120
Investments - other	155
<b>Total Financial Assets</b>	<b>62,797</b>
<b>Non-financial Assets</b>	
Land and other fixed assets <sup>2</sup>	200,458
Other non-financial assets	7,392
<b>Total Non-financial Assets</b>	<b>207,850</b>
<b>Total Assets</b>	<b>270,647</b>
<b>Liabilities</b>	
Payables	4,396
Superannuation liability	26,000
Other employee benefits	5,974
Deposits held	2
Advances received	2,747
Borrowing with QTC	29,256
Leases and similar arrangements <sup>2</sup>	2,152
Securities and derivatives	122
Other liabilities	4,290
<b>Total Liabilities</b>	<b>74,939</b>
<b>Net Worth</b>	<b>195,708</b>
Net Financial Worth	(12,141)
Net Financial Liabilities	35,261
<b>Net Debt</b>	<b>(494)</b>

Formula:

Deposits held + Advances received + Borrowing with QTC + Leases and similar arrangements + Securities and derivatives

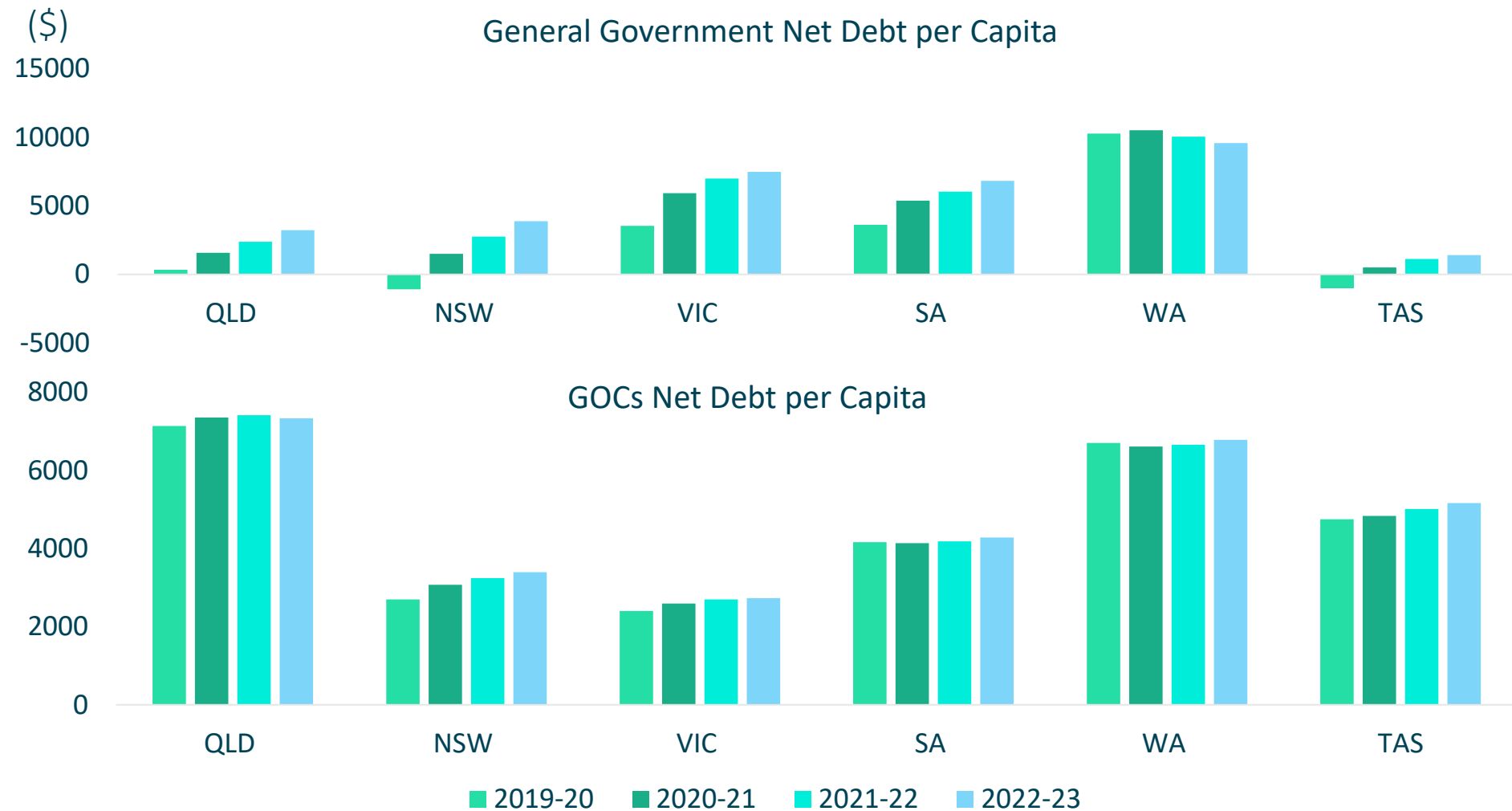
*MINUS* (Cash and deposits + Advances paid + Investments, loans and placements)

*EQUALS Net Debt*

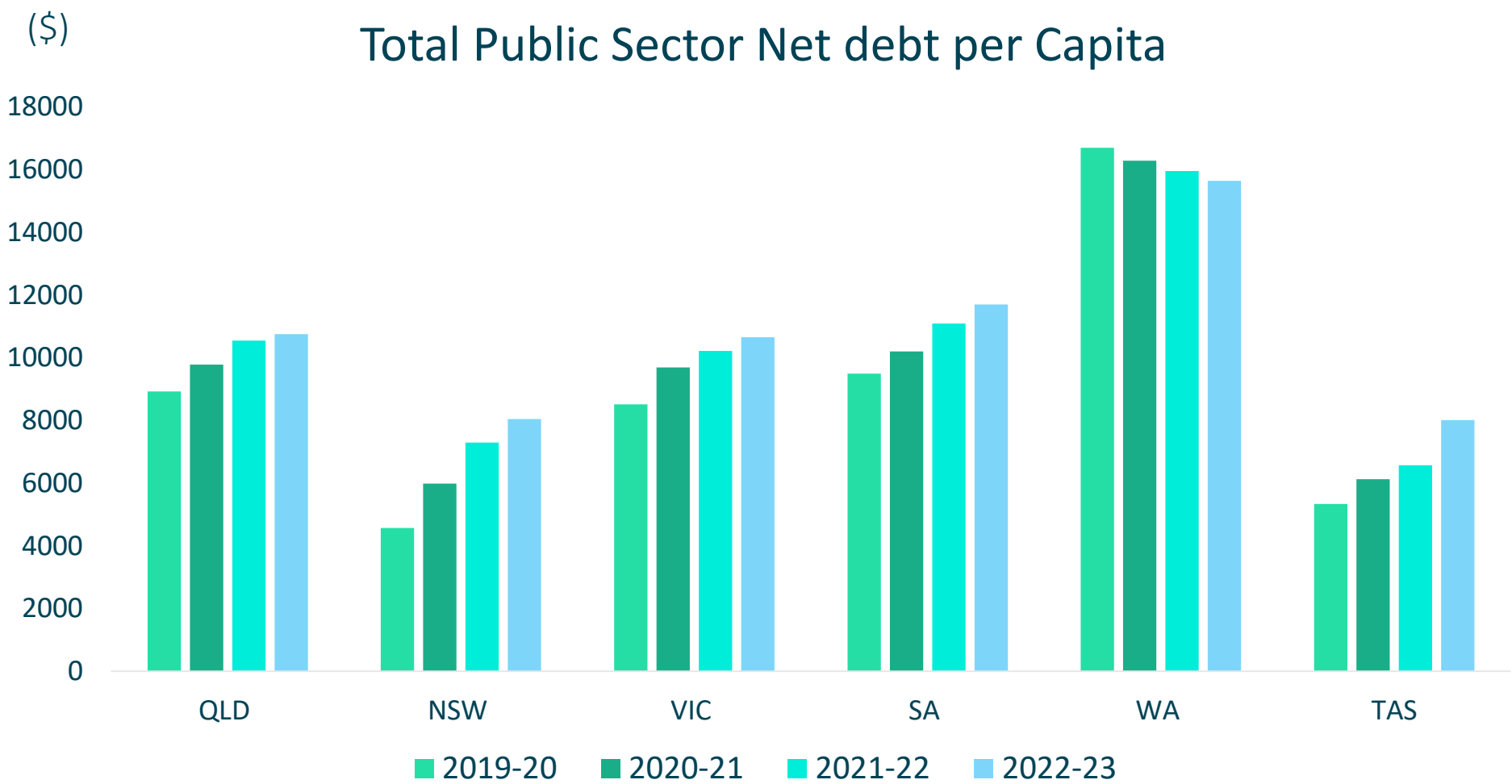
Or

$$2 + 2747 + 29256 + 2152 + 122 - (1298 + 629 + 32846) = (494)$$

# QLD General Government net debt relatively low due to fully funded super liability (\$33B in investments)

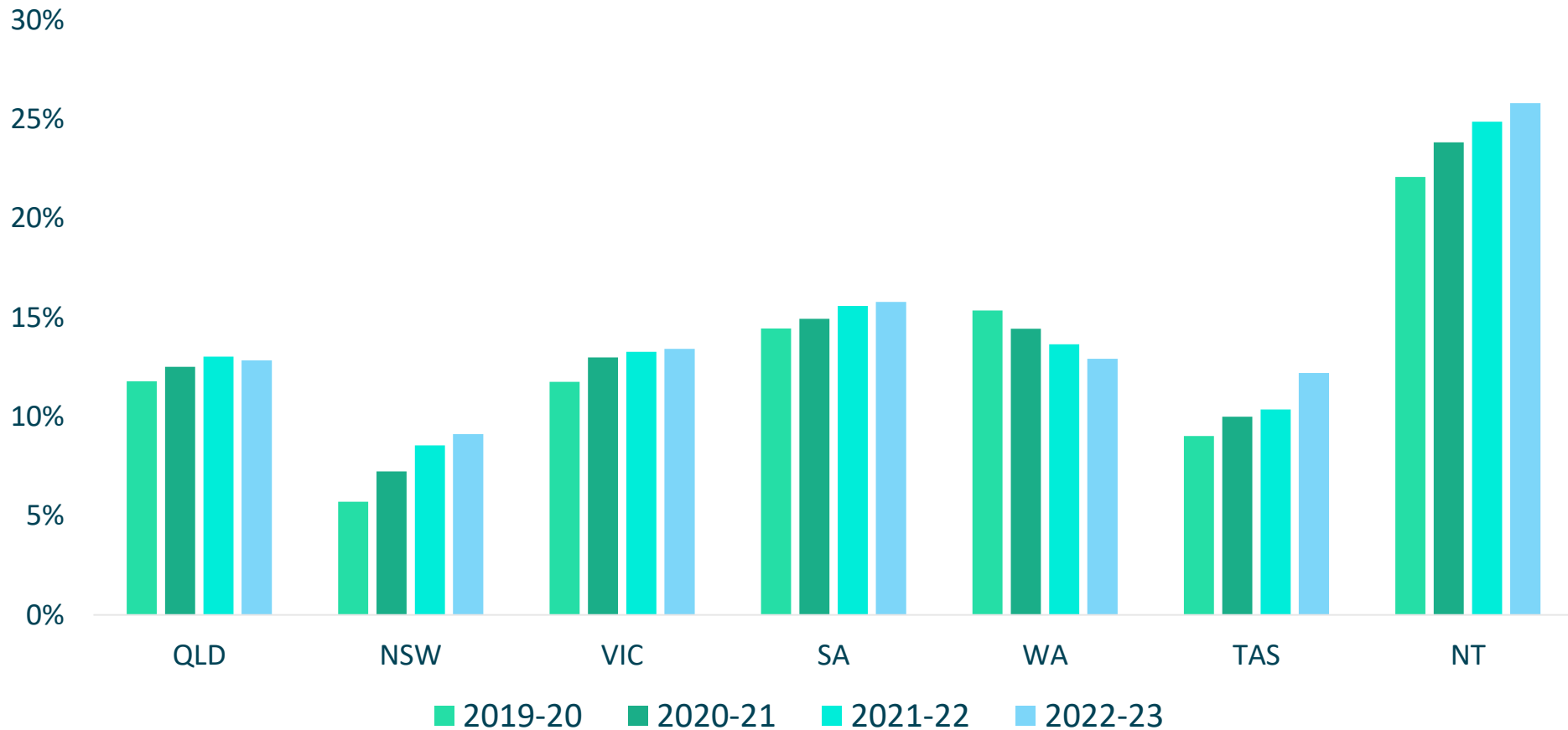


# QLD's Total Public Sector currently higher than NSW in net debt per capita, similar to VIC & SA, lower than WA



# QLD's Total Public Sector similar to VIC, WA & SA in GSP terms, lower than NT, and higher than NSW

## Total Public Sector Net Debt to GSP Ratio



# Thank you. Any questions?

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