

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mrs Finocchiaro to the Treasurer:

Debt Ceiling

1. What provision is there in the Financial Integrity and Revenue Legislation Amendment Bill 2021 to prevent a Government from changing the ceiling anytime they see fit?
2. What is the definitional difference between total borrowings and net debt?
3. As of today, what is our current net debt and what are our current total borrowings?
4. How is the line item total assessable debt calculated?
5. What exemptions are there from total borrowings when calculating total assessable debt?
6. Are there three exemptions and what are they?
7. What are 'finance leases'?
8. How much net debt is attributed to by financial leases?
9. What other type of leases are included in our Budget and are they exempt?
10. What will net debt be when total borrowings reach \$15 billion?
11. How much debt is attributed to financial leases?
12. How much debt is attributed to normal leases?
13. Where will I find a reference to 'total borrowings' in this year's budget papers? (BP 2, page 43)
14. Where will I find a reference to total borrowings in previous budget papers?
15. Can total borrowings and total assessable debt be calculated using data contained in previous budgets?

16. Will 'Total borrowings', 'Less finance leases' and 'Total Assessable debt' be included as line items in budgets going forward?
17. Why are 'Total borrowings', 'Less finance leases' and 'Total Assessable debt' now significant when they don't appear to have been included as line items in previous budgets?
18. Why not use net debt as the benchmark for a debt ceiling? What was wrong with using figures that are broadly understood and accepted as a measure of debt as a benchmark for a ceiling?
19. What is the Territory's current Moody's credit rating? What does the Moody's credit rating measure and how is it assessed?
20. Historically, what has been the Territory's highest and lowest credit ratings either from Moody's or other ratings agencies?
21. On pages 30 and 31 of the Langoulant report it says the 'Territory's finances are now in the unsustainable position of needing borrowings to pay for recurrent activities, including interest expenses'. Can we please be provided with daily, weekly, monthly and annual figures on how much we're borrowing to pay for recurrent activities?
22. When is it anticipated the Territory will be out of that vicious borrowing cycle?
23. From who are we borrowing? What is our credit source? How many different lenders? Where are they based?
24. What are our interest payments to each of those lenders?
25. At current interest rates, what is the difference between interest payments with say an Aaa credit rating and an Aa3 credit rating?
26. What is the next rating down from Aa3? What happens if the Northern Territory reaches that next rating down?
27. What are the Territory's daily, weekly, monthly and annual total borrowings?
28. How much have we borrowed over the past 5 years and past 10 years and how much interest have we paid on those borrowings?
29. What are the Territory's total daily, weekly, monthly and annual interest repayments?
30. How much have we repaid on our borrowings?
31. In the Treasurer's budget speech it was announced Government wanted 'structural reforms now so that budget discipline is maintained and

cannot be easily dismantled by a future government' unquote. What in the draft legislation stops the Government from altering or scrapping the ceiling?

32. Where is the provision in the legislation that would prevent the ceiling being amended or scrapped?
33. Can the Government make a 100% cast iron guarantee that it will not raise the debt ceiling when/if it is reached?
34. Under the exemptions in the draft legislation, could the legislation be suspended for a year because we are in a pandemic ... which would qualify as a medical emergency?
35. Government put out a media release in April 2019 which said it will implement 'tough new accountability measures for senior staff and consequences for poor performance.' In the draft legislation, where are those consequences?