

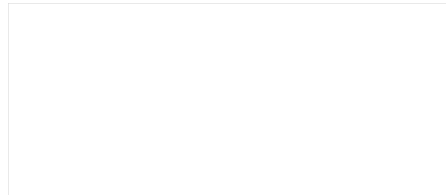
Question No : 330

Question : Write Offs - Government Departments

Question Date : 22/02/94

Member : Mr EDE

To : TREASURER



1. Was there a write off in 1992-93 of \$243 000 owed to the Department of Primary Industry and Fisheries; if so, what were the reasons.
2. Was there a write off in 1992-93 of \$161 000 owed to the Department of Industries and Development; if so, what were the reasons.

ANSWER

1. An amount of \$242 705 was written off, as reported in the 1992-93 Treasurer's Financial Statements, comprising 2 debts to the Territory administered by the Department of Primary Industry and Fisheries.

These debts were owed by 2 families of primary producers involved in grain growing, and inability to service them resulted from a combination of drought and a number of years of poor operational results.

The loans were secured but outranked by prior mortgages to lending banks, which the proceeds of sales were insufficient to satisfy. Write off was therefore necessary.

2. An amount of \$161 099 was written off, as reported in the 1992-93 Treasurer's Financial Statements, comprising 3 debts to the Territory administered by the Department of Industries and Development.

These debts consisted of principal and interest owed by a variety of failed small business ventures.

In each case the loan was secured. However, the financial position of the debtors had deteriorated to the point where the total indebtedness exceeded the security held and prior marked securities absorbed the assets of the debtors. Write off was therefore necessary.