

ESTIMATES COMMITTEE
Question Taken on Notice

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From: Mrs Lia Finocchiaro

To: Hon Michael Gunner

Portfolio: Treasurer

Agency: Treasury & Finance

Subject: Assumptions underlying projected 10 year growth

QUESTION

Please provide the list of assumptions which underline the projected growth to \$16 billion [net debt] over the 10-year forward estimate.

ANSWER

Forward estimates vary in line with the application of parameters (inflaters and deflators), policy and funding decisions linked to demand or cost growth, and changes in tied and untied Commonwealth funding.

Total revenue is projected to show average annual growth over the medium term to 2029-30 of 1.7 per cent.

Total operating expenses are expected to decline per annum by an average 2.6 per cent to 2023-24 and to a lesser extent over the medium term with an average annual decline of 0.2 per cent to 2029-30.

Net capital expenditure is projected to decline by an annual average of 4.3 per cent to 2029-30 reflecting increased capital investment for the ship lift project in 2021-22 and 2022-23 combined with the cessation of Commonwealth funded roads and housing projects from 2024-25.