Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2014-15

Finance Portfolio

Department/Agency: Finance
Outcome/Program: 1/1.1
Topic: Conditional loans

Senator: Dastyari
Question reference number: F33
Type of question: Hansard, F&PA Committee, Pages 118-119, 28 May 2014
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Number of pages: 1

Question:

Senator DASTYARI: Yes, please. Finally in that area—and I understand that you may have to take this on notice—and further to that measure, can you explain where in the budget papers the effect of providing $280 million in concessional loans is reflected? I was going through 2.89 but I could not find it there.
Mr Tune: In 9/25, you have got advances paid; you have got a breakdown there: 'Loans to state and territory governments'. It is either in there or in 'Other'. I will check which one it is for you.
Senator DASTYARI: Thank you. And could you also please get me the actual breakdown figure of how much of that is that component? I imagine in the 'Loans to state and territory governments' there are, understandably, other things that are mixed in with that.

Answer:

The questions relate to the "The Support to Drought Affected Farmers" programme.

It is intended that the programme is delivered by loaning money to the State and Territory governments (the States), who would then on-lend to farmers. The loans from the Australian Government to the States are not concessional as the interest rate to be charged is approximately equal to the rate at which the States could borrow. The loans from the States to the farmers would be concessional for the States.

Since the loans are not concessional for the Commonwealth, the full $280 million of the loans is included in the asset item "Advances paid - Other" in Budget Paper No. 1, Note 13 to the Financial Statements, Page 9-25).

The answer to Question on Notice 34 provides further detail about the items included in Note 13.