

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 291

Topic: Public Debt

Hansard Page: Written

Senator EGGLESTON asked:

1. What is the current level of public debt, as a monetary amount and as a proportion of all debt? How long is it expected to be paid off?
2. Is the current level of public debt in Australia compared to other countries of concern? Is it spiralling out of control?

Answer:

As at the end of the September quarter 2010, the level of debt for the general government public sector was \$252.6 billion, which includes \$170.7 billion of national debt and \$81.9 billion of state and local debt. The level of debt for public non-financial corporations was \$102.6 billion, which includes \$1.2 billion of national debt and \$101.4 billion of state and local debt. The levels of debt for the general government sector and for public non-financial corporations account for around 10 per cent and 4 per cent respectively of the total debt liabilities of domestic non-financial sectors (which amounts to \$2633.9 billion).

(Source: Australia Bureau of Statistics: Australian National Accounts – 5232.0).

Net debt, the sum of selected financial liabilities less the sum of selected financial assets, is a common measure of the strength of a government's financial position. Australian Government net debt, which is expected to peak at 6.4 per cent of GDP in 2011-12, is lower than any of the major advanced economies, whose collective net debt is expected to reach 90 per cent of GDP in 2015.