

# **Inquiry into the Debt Retirement Fund**

**NSW TREASURY**

**QUESTIONS ON NOTICE**

**Response due: Monday, 31 July 2023**

## QUESTION (TRANSCRIPT PAGE 17)

**The Hon DAMIEN TUDEHOPE:** Ms Van der Walt, can I ask you this. Can you provide an itemised list of the state's current debts and the cost of servicing, that is the interest expense, in respect of each debt?

**MARINA VAN DER WALT:** Of the whole state?

**The Hon DAMIEN TUDEHOPE:** Yes

## CLARIFICATION

A clarification was sought from the Hon. Mr Tudehope's office, and the following response was received.

"In response to your request for clarification, Mr Tudehope is seeking a summary of General Government sector debt that, grouped as convenient, gives a picture of the total debt broken into 3-year debt; 10-year debt and other relevant categories by time of maturity and corresponding interest rates.

The purpose of the question is to get a picture of what debts could potentially be retired if a decision was made to use funds in the DRF for that purpose.

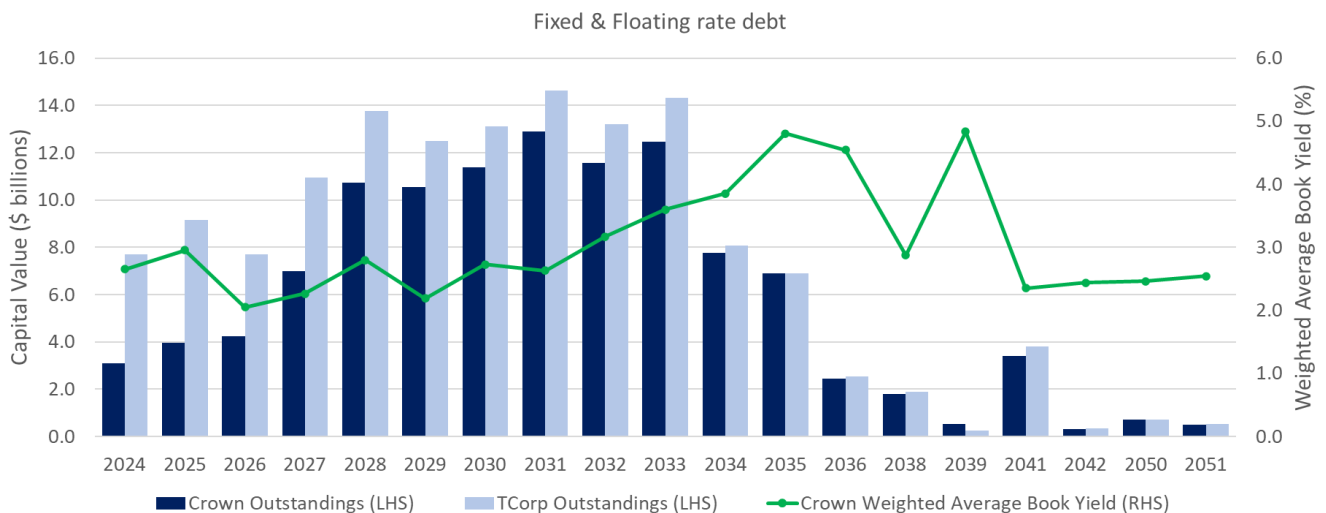
We are not interested in lists of thousands of individual debts."

## ANSWER

General Government debts include borrowings from TCorp (by far the largest category of debt), leases (and lease like debts, such as service concessions and PPP debt), accounts payable and various smaller categories.

Borrowings from TCorp are considered the borrowings that are appropriate for consideration for early repurchase or repayment at maturity.

The Crown's TCorp debt portfolio was just under \$120 billion as at 30 June 2023, and is primarily in the form of fixed rate borrowings (over 80 per cent is fixed rate). The maturity profiles of the Crown's debt portfolio and TCorp's debt portfolio (which includes its borrowings on behalf of the Crown) are shown below, as well as the weighted average book yield of the Crown's borrowings maturing in each year.



For the Crown's floating rate borrowings, the current yield is used. This is because the yield on floating rate notes is reset each quarter.