

Question on Notice

No. 194

Asked on 19 February 2020

MR S ANDREW ASKED DEPUTY PREMIER, TREASURER AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON J TRAD)—

QUESTION:

With reference to Figure 3J (Share of borrowings from QTC to other government sectors) on page 17 of the Auditor-General of Queensland Report into Queensland Government state finances: 2018-19: results of financial audit—

Will the Treasurer provide an itemised breakdown of the Water (17 percent) and Energy (30 percent) sector debt showing (a) financial details on the major components of the residual debts incurred by each sector and (b) growth in debt per sector itemised out by financial year and back-dated to 1980?

ANSWER:

By keeping public assets in public hands, the Palaszczuk Government can deliver lower prices for Queenslanders on utilities including electricity and water.

While other states have privatised their electricity generators, electricity distribution networks and water service providers, Queensland operates these services as Government-owned corporations (GOCs).

GOCs manage their finances in order to meet the performance targets and commercial service obligations set by the Palaszczuk Government on behalf of Queenslanders. Borrowing is an integral part of the financial management of GOCs, as it facilitates investment in vital infrastructure, including the electricity and water networks on which millions of Queenslanders depend.

As at the 2019-20 Mid Year Fiscal and Economic Review, the capital investment pipeline for the Government businesses over the forward estimates is \$12.264 billion. It includes key job creating projects in the regions such as:

- \$380 million over five years to maintain and improve the Mt Isa rail line;
- Port of Townsville Channel Capacity Upgrade project – the largest expansion/investment in the Port's history; and
- over \$500 million overhauling and upgrading our electricity generating assets including the Stanwell, Tarong, Kogan Creek, Callide B, Callide C, Kareeya and Barron Gorge Power Stations.

Figure 3J of the Auditor-General of Queensland Report into Queensland Government State Finances: 2018-19 Results of Financial Audits (Report 11: 2019-20) provides the share of borrowings from Queensland Treasury Corporation (QTC) to other government sectors.

For the energy sector, this comprises the Government-owned electricity generators (Stanwell, CS Energy and CleanCo), as well as the electricity distribution and transmission networks (Energy Queensland and Powerlink).

The water sector comprises the State-owned bulk water service providers (Seqwater and Sunwater), Council-owned distribution-retail businesses in South East Queensland, and numerous Category 1 and Category 2 water boards.

Since 2015-16, QTC's annual reports have provided breakdowns of its onlendings on a sectoral basis only. QTC borrowings relating to the energy and water sectors from 2015-16 to present are detailed in the table below.

	2015-16	2016-17	2017-18	2018-19
Energy (\$b)	26.0	25.0	24.6	26.2
Water (\$b)	14.6	14.0	13.9	14.9

For the period 1989-90 to 2014-15, I am advised QTC's annual reports contain breakdowns of each sector's borrowings, itemised by borrowing entity. These reports are publicly available on QTC's website or by request for years prior to 2011-12. QTC was established on 1 July 1988 and its first annual report (1988-89) does not provide a breakdown by sector or borrower.

The Government maintains its commitment to strong fiscal management while keeping income-generating assets in public hands and managing borrowings at sustainable levels.