

LOAN BILL 2015

Introduction and First Reading

Bill introduced, on motion by **Dr M.D. Nahan (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

Second Reading

DR M.D. NAHAN (Riverton — Treasurer) [1.39 pm]: I move —

That the bill be now read a second time.

This bill seeks a new loan act authorisation of \$8 billion to meet planned general government purposes borrowing requirements until 30 June 2017. Borrowing for general public purposes, as distinct from borrowing by statutory authorities with borrowing powers in enabling acts, must be authorised by loan acts. The last authorisation for consolidated account general purpose borrowing was provided in the Loan Act 2012. Based on current estimates, after 2014–15 around \$1.6 billion of loan act authorisations remain available to be utilised in 2015–16. Current indications for the 2015–16 budget estimates of borrowings to meet consolidated account requirements will be in the region of \$4.5 billion, and \$3.6 billion in 2016–17. Consequently, further loan act authorisation is required. The \$8 billion sought in this bill aims to cover the two-year period until 30 June 2017, taking into account the remainder of the existing borrowing authorisation. It also includes the projected borrowing requirements of the consolidated account and a margin for any further unforecast changes to the cash outlook, particularly continued revenue volatility. Consequently, further loan act authorisation is required. The \$8 billion sought in this bill aims to cover the two-year period until 30 June 2017.

In accordance with clause 4 of the bill, the proceeds of all loans raised under this authority will be paid into the consolidated account. The moneys will then be advanced to agencies by appropriations in the budget. Details of the asset investment program are laid out in the budget papers to be tabled in this house. In accordance with clause 5 of the bill, in addition to seeking the authority for loan raisings, the bill also permanently appropriates moneys from the consolidated account to meet principal repayments, interest and other expenses of borrowings under this authority. I commend the bill to the house.

Debate adjourned, on motion by **Ms R. Saffioti**.