

Interstate Debt Comparisons: 2024-25 Budgets



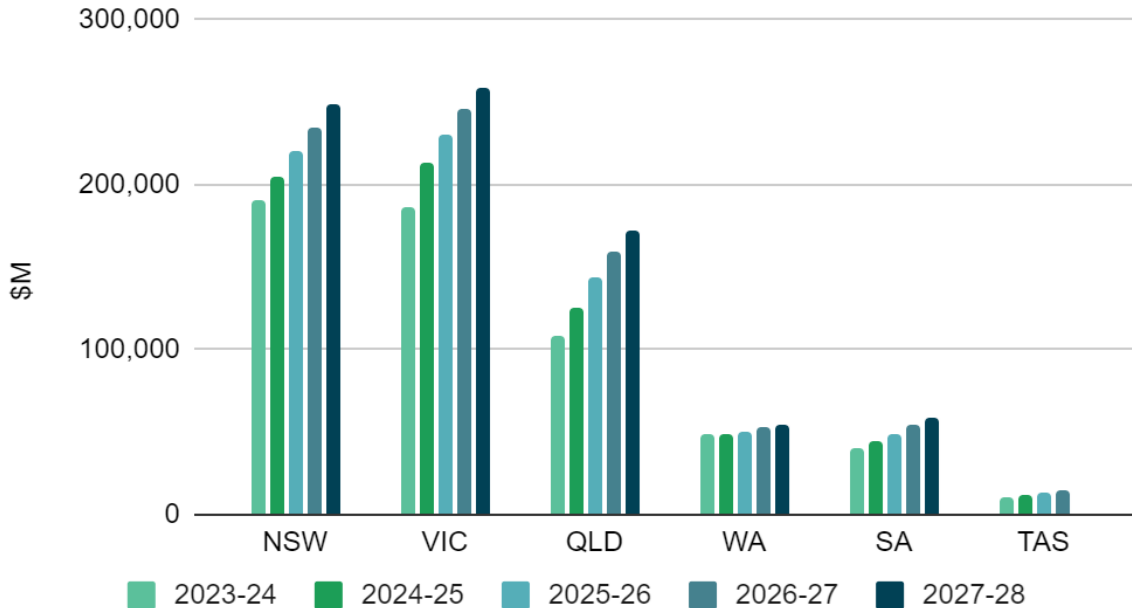
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To conduct our interstate debt analysis, we have collated data from the 2024-25 state budgets. For Tasmania, where this year's budget has not been released yet, we used the pre-election budget update. Population projections were sourced from the federal Budget 2024–25: population projections, states and territories. Here are the highlights:

- Debts are projected to climb substantially across the states with the exception of WA.
- The statistics for VIC are most concerning. VIC leads in total public sector net debt and gross debt per capita and ranks worst in the debt to Gross State Product (GSP) ratio and all debt to revenue ratios.
- The statistics for WA are most favourable, partly due to a highly favourable GST distribution top up. Across a range of metrics, they have a much lower debt burden than the larger states.
- By most metrics, QLD generally ranks in the middle of the states. But QLD has the largest share of Government Owned Corporations' (GOCs) interest expenses relative to total expenses by a strong margin, due to a relatively high debt load on its GOCs.

VIC and NSW lead in Total Public Sector Gross Debt*

Total Public Sector Gross Debt



QLD maintains a total public sector gross debt below that of VIC and NSW and significantly above that of WA, SA and TAS.

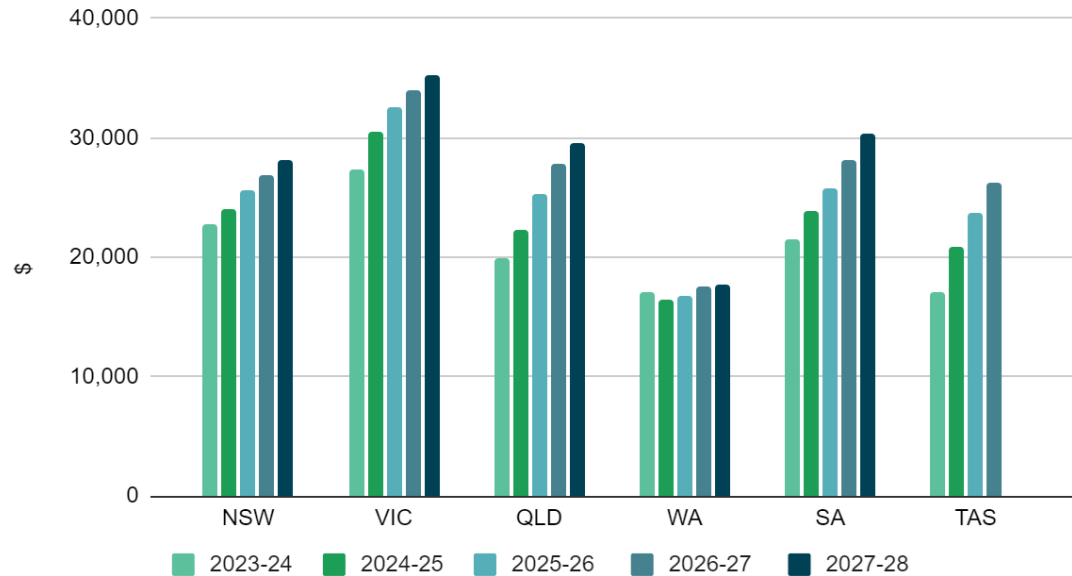
*For brevity, we refer to the non-financial public sector (NFPS) as the total public sector in this slide deck.

Victoria has the most debt in per capita terms

Total public sector gross debt per capita is comparable between NSW, QLD, SA and TAS in terms of both magnitude and trajectory.

WA has a smaller total public sector gross debt which is forecasted to remain relatively constant.

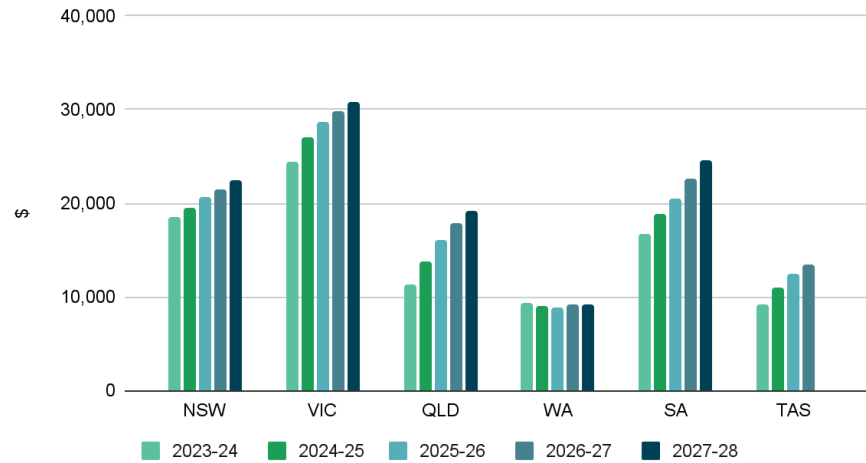
Total Public Sector Gross Debt per Capita



The composition of Gross Debt differs between states

QLD, WA and TAS have a comparatively large GOCs gross debt per capita and small general government gross debt per capita. Conversely, NSW, VIC and SA has a comparatively large general government gross debt per capita and small GOC's gross debt per capita.

General Government Gross Debt per Capita

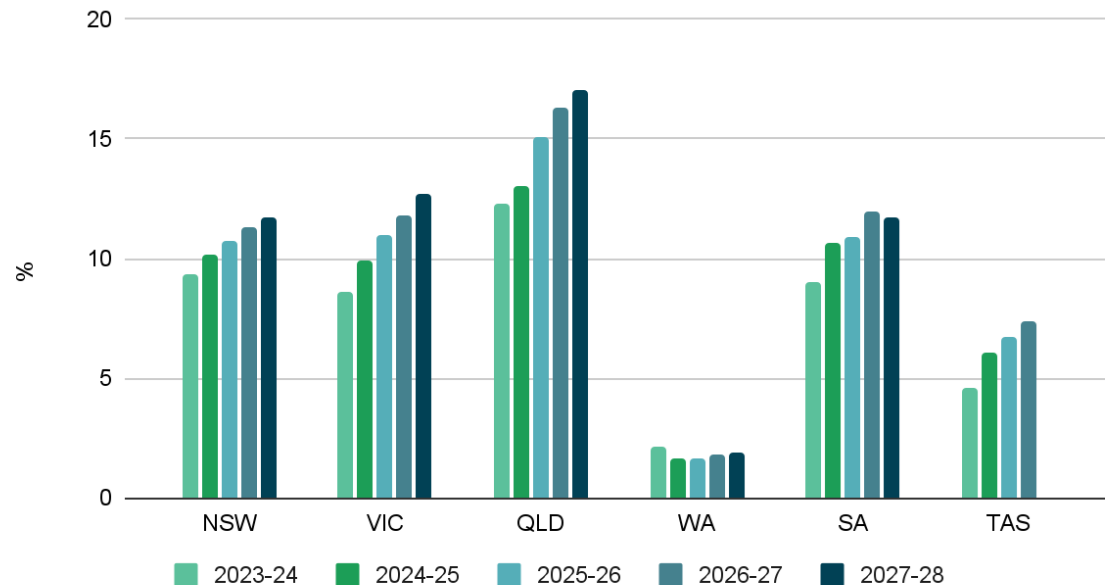


GOCs Gross Debt per Capita



QLD has the largest ratio of GOCs' Interest Expenses to Total Expenses

GOCs Interest Expenses to Total Expenses Ratio



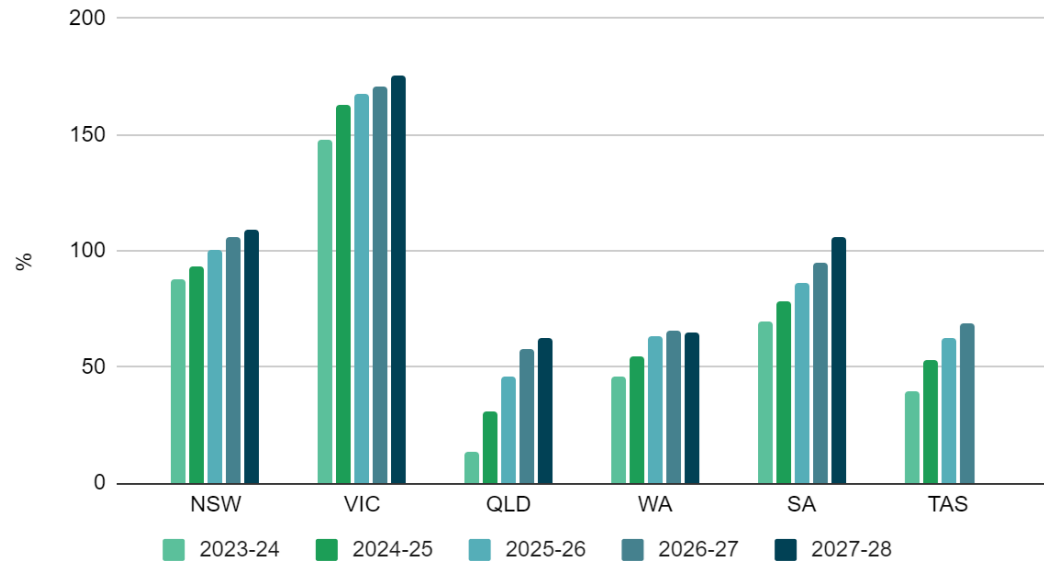
GOCs interest expenses to total expenses ratio is comparable between NSW, VIC and SA and noticeably smaller in TAS and WA.

QLD goes from best performer on general government net debt to middle of the pack

QLD, WA and TAS have the smallest general government net debt to revenue ratio throughout the forecasted period.

VIC already has greater general government net debt than revenue, whilst the general government net debt of NSW and SA are projected to exceed revenue by the end of the forecasted period.

General Government Net Debt to Revenue Ratio



Victoria has a very high Net Debt to Revenue ratio for the total public sector

Total Public Sector Net Debt to Revenue Ratio



WA maintains the smallest total public sector net debt to revenue ratio throughout the forecasted period.

VIC and NSW already have greater total public sector net debt than revenue, whilst the total public sector net debt of QLD, SA and TAS are projected to exceed revenue during the forecasted period.

WA and TAS currently have the most favourable General Government Gross Debt to Revenue Ratio, QLD closely follows

WA and TAS have the smallest general government gross debt to revenue ratio throughout the forecasted period.

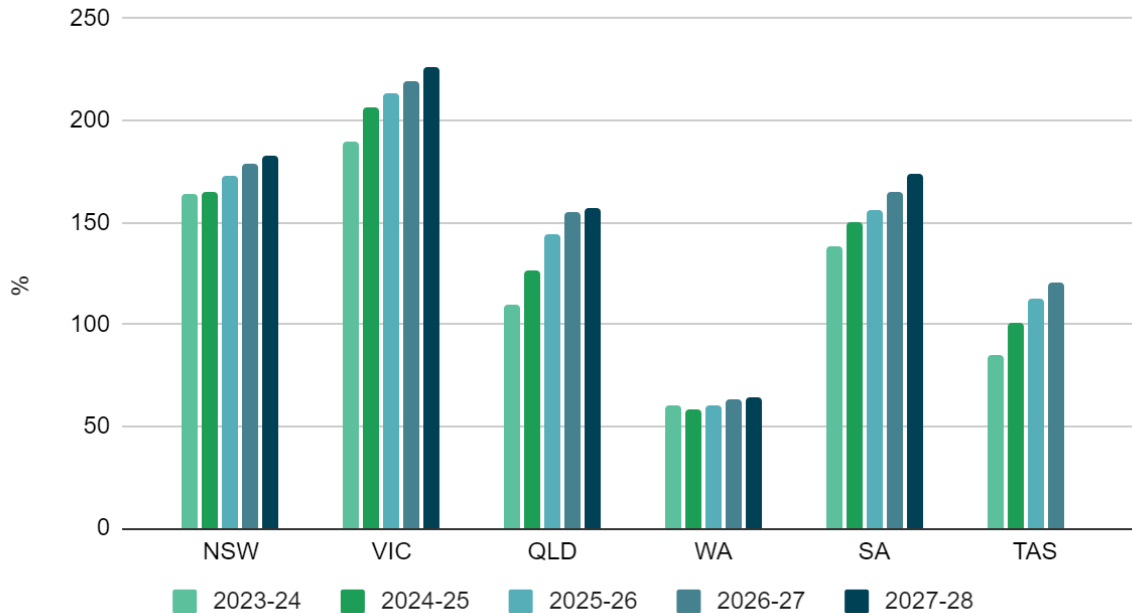
VIC, NSW and SA already have greater general government gross debt than revenue, whilst the general government gross debt of QLD is projected to exceed revenue during the forecasted period.

General Government Gross Debt to Revenue Ratio



QLD's Total Public Sector Net Debt to Revenue Ratio is more significant than its general government ratio

Total Public Sector Gross Debt to Revenue Ratio



WA maintains the smallest total public sector gross debt to revenue ratio throughout the forecasted period.

NSW, VIC, QLD and SA already have greater total public sector gross debt than revenue, whilst the total public sector gross debt of TAS is projected to exceed revenue during the forecasted period.

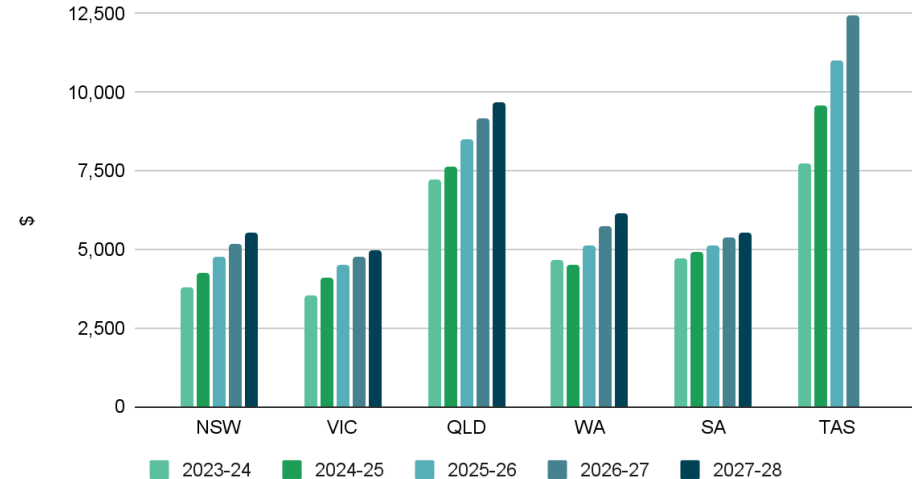
The composition of Net Debt differs between states

QLD and TAS have a comparatively large GOC net debt per capita and small general government net debt per capita. Whereas, VIC has a comparatively large general government net debt per capita and small GOC net debt per capita.

General Government Net Debt per Capita



GOCs Net Debt per Capita



VIC leads in Total Public Sector Net Debt per Capita

Total Public Sector Net Debt per Capita



Total public sector net debt per capita is increasing in all states.

Victoria has the highest and WA has the lowest total public sector net debt per capita.

VIC leads in Total Public Sector Net Debt to GSP Ratio

WA maintains the smallest total public sector debt to revenue ratio throughout the forecasted period.

Total public sector net debt to GSP ratio is comparable between SA and TAS. QLD begins with a comparatively small total public sector net debt to GSP ratio, but is expected to reach a ratio similar to that of NSW by the end of the forecast period.

Total Public Sector Net Debt to GSP Ratio

