

Response to question on notice

Questions on Notice Paper No 16

3 March 2026

Question No. 870

FIONA CARRICK MLA: To ask the Treasurer

In relation to the 2025-26 Budget Review, (a) how does the debt refinancing in table 3.5.7 match with the maturities in Table 3.8.10 in the 2025-26 Budget Outlook, given that the 2025-26 Budget Outlook has bond information in Table 3.8.10, and the maturities match with Table 3.8.13, while in the 2025-26 Budget Review, Table 3.5.7 includes debt financing and does not match with the maturities in Table 3.8.10 in the 2025-26 Budget Outlook and (b) what interest rate did the refinancing of \$525 million in 2024-25 attract.

CHRIS STEEL MLA - The answer to the Member's question is as follows:

Part (a)

The purpose of 2025-26 Budget Review Table 3.5.7 ("Table 3.5.7") and 2025-26 Budget Outlook Table 3.8.13 ("Table 3.8.13") is to show the estimated total gross borrowings to be sourced in the relevant year from the issuance of debt securities. The new total borrowing estimate is for new cash requirements and/or advance funding for the refinancing of future maturing bonds.

The annual change in the estimated total gross borrowing requirements from Table 3.8.13 to Table 3.5.7 reflects changes in underlying cash flows and revised liquidity provisioning. Refer table 1 reconciliation.

Table 1

	2024-25 Outcome	2025-26 Budget	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
Table 3.8.13	3,000,000	2,165,000	3,055,000	2,540,000	2,090,000
Table 3.5.7	3,000,000	2,965,000	3,855,000	3,540,000	2,260,000
Total	-	800,000	800,000	1,000,000	170,000
Comprising					
New cash		300,000	50,000	-100,000	170,000
Debt refinancing		500,000 ¹	750,000 ²	1,100,000 ²	-
		800,000	800,000	1,000,000	170,000

Notes:

- ¹ maturing short-term (6-month) electronic promissory notes
² increase in advanced provisioning of future maturing bonds, being new borrowings completed on 13 August 2025 and 13 November 2025

The 2025-26 Budget Outlook Table 3.8.10 (“Table 3.8.10”) reflected the outstanding Territory nominal fixed rate bonds issued at the time of the preparation of the 2025-26 Budget. Since then, new borrowing transactions in relation to the 2025-26 borrowing requirement have been completed, with those transactions reflected in the 2025-26 Budget Review estimates.

- 13 August 2025, new borrowing of \$750 million (face value), issue yield 3.655 per cent, being an **increase** to the outstanding 18 April 2028 maturity bond line from \$1.250 billion (face value) to a total outstanding volume of \$2 billion (face value); and
- 13 November 2025, new borrowing of \$1.1 billion (face value), issue yield 4.06 per cent, being an **increase** to the outstanding 22 May 2029 maturity bond line from \$900 million (face value) to a total outstanding volume of \$2 billion (face value).

The updated summary of outstanding Territory nominal fixed rate bonds after the completion of those two transactions is set out below in Table 2:

Table 2

Coupon %	Issue Yield %	Maturity	Face value \$'000
2.50	2.645	May 2026	525,000
3.00	note 1	Apr 2028	2,000,000
2.25	note 2	May 2029	2,000,000
1.75	1.790	May 2030	1,000,000
4.75	4.840	Oct 2030	1,500,000
1.75	1.845	Oct 2031	1,000,000
2.50	2.575	Oct 2032	1,250,000
5.25	5.300	Oct 2033	1,250,000
4.50	4.730	Oct 2034	1,250,000
5.00	5.275	Oct 2035	1,000,000
5.25	5.390	Oct 2036	1,250,000

Notes:

1. Bond issued in three tranches:
 - tranche 1 face value \$550 million, issued 18 April 2018, issue yield 3.235 per cent
 - tranche 2 face value \$700 million, issued 31 May 2022, issue yield 3.430 per cent
 - tranche 3 face value \$750 million, issued 13 August 2025, issue yield 3.655 per cent
2. Bond issued in three tranches:
 - tranche 1 face value \$675 million, issued 22 May 2019, issue yield 2.360 per cent
 - tranche 2 face value \$225 million, issued 17 April 2020, issue yield 1.785 per cent
 - tranche 3 face value \$1.1 billion, issued 13 November 2025, issue yield 4.06 per cent.

Part (b)

The \$525 million (face value) referred to, is the 21 May 2026 maturing bond, maturing in 2025-26.

As shown in Table 3.5.7 this amount formed part of the total 2024-25 total borrowings of \$3 billion.

This is because the forthcoming maturing bond was pre-funded in 2024-25 to meet liquidity provisioning requirements (S&P Global Rating’s liquidity assessment expects to see the next 12-months debt repayments funded in advance).

The total 2024-25 borrowings of \$3 billion (face value) comprised:

- 19 October 2024, new fixed rate nominal bond borrowing of \$1.5 billion (face value), issue yield 4.84 per cent, coupon 4.75 per cent, maturity date 23 October 2030;

- 28 April 2025, new fixed rate nominal bond borrowing of \$1 billion (face value), issue yield 5.275 per cent, coupon 5 per cent, maturity date 23 October 2035; and
- 16 June 2025, new electronic promissory note borrowing of \$500 million (face value), issue yield 3.76 per cent, maturity date 16 December 2025

Approved for circulation to the Member and incorporation into Hansard.



Chris Steel MLA
Treasurer

Date: 23/3/26

This response required 1Hr 30mins to complete, at an approximate cost of \$223.11.