

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 235-239

Topic: Commonwealth Government Securities

Hansard Page: Written

Senator JOYCE asked:

235. On the AOFM website you have Commonwealth Government Securities on issue at \$229.426 billion. However, only \$224.839 billion of these securities are subject to the limit under the *Commonwealth Inscribed Stock Act*. Under what authority are the other \$4.6 billion of securities issued?
236. How much Aussie Infrastructure Bonds do you expect to issue in 2012-13?
237. Can you provide what will be the expected face value of Commonwealth Government Securities on 30 June for every year of the forward estimates?
238. Can you explain the need for the AOFM to acquire a Treasury system?
239. Why was the tender process to acquire a Treasury system terminated?

Answer:

235. The \$4.6 billion of securities currently on issue not subject to the limit under the *Commonwealth Inscribed Stock Act 1911* were issued prior to commencement of the limit. In the main these securities were issued under borrowing authority provided by annual loan acts or by section 4 of the *Loans Redemption and Conversion Act 1921*.
236. It is expected that around \$5.8 billion of Aussie Infrastructure Bonds will be issued in 2012-13.
- 237.

Date	Projected face value amount of Commonwealth Government Securities on issue subject to CIS Act cap	Projected face value amount of Commonwealth Government Securities on issue not subject to CIS Act cap
30 June 2013	\$239.0 billion	\$4.6 billion
30 June 2014	\$246.4 billion	\$4.6 billion
30 June 2015	\$247.1 billion	\$4.6 billion
30 June 2016	\$249.7 billion	\$2.5 billion

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

238. The AOFM currently uses a treasury system under a term license to support its debt management operations. With the term license for the existing system due to expire over the next few years, in June 2010 the AOFM initiated an open tender process to assess the capability of the market for meeting its current and future treasury system needs.
239. The tender process was terminated as no tender was assessed to represent a satisfactory value for money proposition to the AOFM due to technical, commercial and/or legal considerations.