

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2017 - 2018

**Division/Agency:** Macroeconomic Modelling and Policy Division

**Question No:** 242

**Topic:** 'Repo Eligible' (Repurchase Eligible) scheme

**Reference:** Written

**Senator:** Pratt, Louise

**Question:**

With respect to the Reserve Bank's 'Repo Eligible' (Repurchase Eligible) scheme, will the Minister please advise with regard to a recent date or dates, as follows:

- a) When was this scheme commenced?
- b) What statutory authority established it?
- c) How many lenders or similar parties have lodged claims under it?
- d) In aggregate how many individual mortgages were involved
- e) With respect to a recent date, will the Minister provide:
  - i. A list of all corporations or trading or other entities that have been recipients of payments made under said scheme?
  - ii. The number of claims made and number paid
  - iii. The total value in aggregate paid out to each of the largest four banks, and all other claimants?
  - iv. The source of the funds paid out.
- f) What is the average amount of money paid out in respect of each claim (relating to an assertion of Default in respect of an individual Borrowing entity) under the scheme to recent date?
- g) What is the total amount of money paid out in respect of the scheme to date?
- h) What audits or other safeguards are in place to ensure that each claim is for the correct amount?
- i) What processes are in place to ensure that monies claimed are directly linked in the particular case to the quantum of:
  - i. The monies remaining owing under the client loan agreement?
  - ii. The quantum of the sworn valuation related to the granting of the loan, or any subsequent sworn valuation?
- j) Overall, in the aggregate of all claims paid pursuant to said Repo Eligible Scheme, expressed in Australian dollar values, what is the total of all money paid pursuant to said scheme, and all money allegedly owed by the borrowers whose dealings and directly related alleged default precipitated the claims at the time of the Repo Eligible claim, or at the time of the default being asserted by the lender or its assignee.
- k) With respect to Australian securitisation schemes generally, which government or semi government departments or statutory entities have invested in Securitisation in Australia, in total, in respect of each entity, in Australian dollar values
  - i. What is the quantum of monies so invested
  - ii. What is the source of said funds invested
  - iii. What is the quantum of monies paid back as a refund and or 'return' or yield (howsoever characterised) to those investors
  - iv. Generically, in respect of discrete, general headings, where have the monies paid back as in (iii), above, been saved or utilised

- v. What quantum of the monies referred to in (iv), above, have been applied to the purposes of said government or semi government authorities AND
- vi. What quantum of the monies referred to in (iv), above (in aggregate) appear as income in the balance sheets or periodic reports to Parliament of the respective entities referred to.

**Answer:**

Treasury is not aware of a 'Repo Eligible' (Repurchase Eligible) scheme operated by the Reserve Bank of Australia (RBA).

As part of the RBA's open market operations, repurchase agreements are conducted with a wide range of financial institutions to manage liquidity in the financial system.

A list of securities eligible for repurchase agreements is available here:

<http://www.rba.gov.au/mkt-operations/resources/tech-notes/eligible-securities.html#purchase>

If you would like to enquire further about the operational details of repurchase agreements entered into by the RBA, you may wish to contact the Domestic Market Operations area at the RBA on +61 2 9551 8321 or at [dealingroom@rba.gov.au](mailto:dealingroom@rba.gov.au)