

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**BUDGET ESTIMATES 2013-2014**

Finance and Deregulation Portfolio

**Department/Agency: Department of Finance and Deregulation**

**Outcome/Program:** 1/1.1- Budget, Financial Management, Better Regulation and Procurement Framework

**Topic: Clean Energy Finance Corporation**

**Senator: Cormann**

**Question reference number: F18**

**Type of question:** Hansard, F&PA Committee, Page 76, 29 May 2013

**Date set by the committee for the return of answer:** Friday 12 July 2013

**Number of pages: 1**

**Question:**

**Senator CORMANN:** Is the Clean Energy Finance Corporation permitted to make concessional loans at a required rate equivalent to an average of the five-year bond rate?

**Mr Tune:** We will have to take that on notice.

**Answer:**

The *Clean Energy Finance Corporation Investment Mandate Direction 2013* – jointly issued by the Treasurer and the Minister for Finance and Deregulation – requires the CEFC Board to adopt a benchmark rate of the portfolio based on a weighted average of the five-year Australian Government bond rate.

While the Board is permitted to enter into loan arrangements on a concessional basis, it must seek to achieve the mandated benchmark rate of return across its portfolio of investments as a whole. It is up to the CEFC Board to determine the terms and conditions of the concessional loans that it provides.

The Investment Mandate also limits the concessionality provided by the CEFC in any one financial year to \$300 million.

Further information on this matter should be sought from the Department of the Treasury as the Treasurer is the Nominated Minister under the *CEFC Act 2012*.