

Australian Business Economists 

Budget 2012
New South Wales

Briefing and Discussion, 13 June 2012, Sydney



Australian Business Economists 

Mr Stephen Knight
Chief Executive, NSW TCorp

The borrowing program 2012-13






2012/13 Funding Programme

Stephen Knight
Chief Executive

June 2012



New South Wales Treasury Corporation



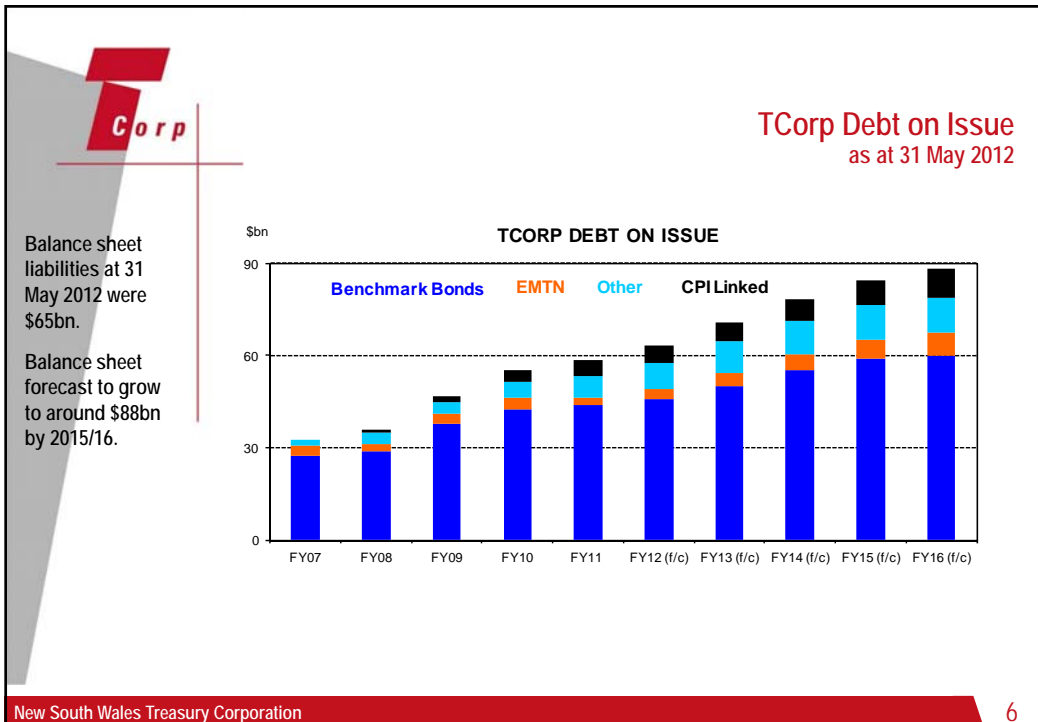
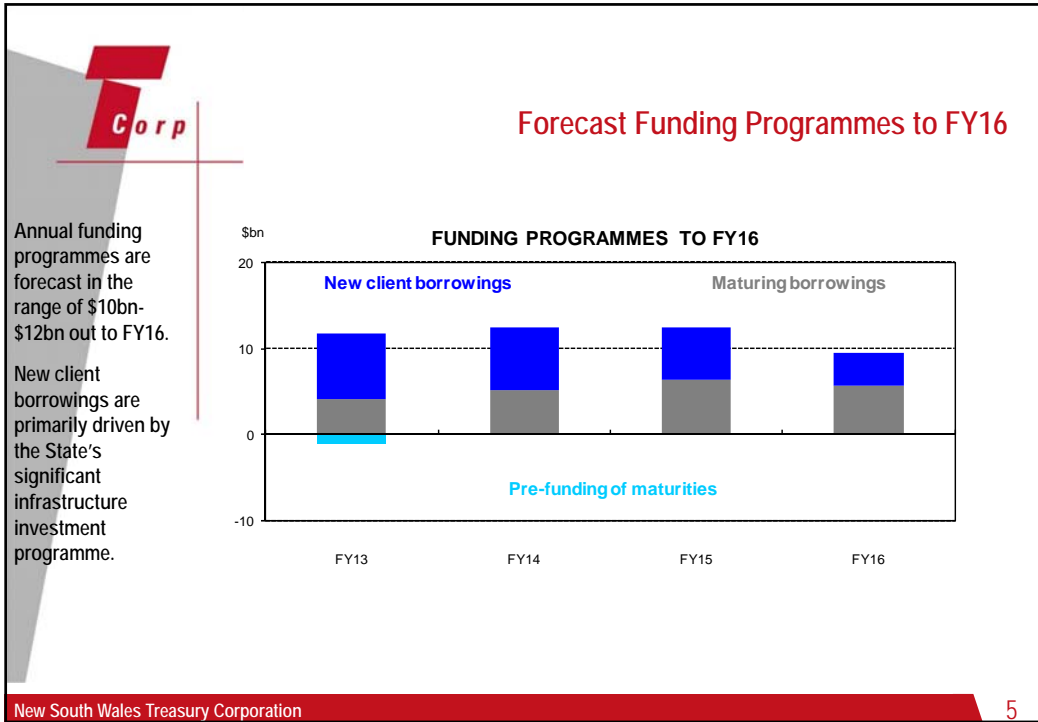
FY13 Annual Borrowing Programme


Forecast funding need for FY13 of \$10.7bn, to meet new client borrowing and the refinancing of maturities.

(A\$ Billion)	2011/12 Budget	2011/12 June Forecast	2012/13 Budget Forecast
New Lending to Clients	4.0	4.5	7.6
Projected Maturities			
Long Term	6.0	6.0	0.5
Short Term	3.2	3.2	3.6
Pre-funding	(3.0)	(3.0)	(1.0)
Funding Requirement	10.2	10.7	10.7
Projected Funding to 30 June 2012		11.7	

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Sources of Funding


TCorp will respond to changing market conditions as it looks for funding opportunities in FY13.

These estimates reflect an ongoing commitment to a range of programmes and investors.

Funding Source	Projected Funding to 30 June 2012 \$bn	Range for FY13 \$bn
Benchmark Bonds	8.6	5.0 – 7.0
Capital Indexed Bonds	0.5	0.5 – 1.5
Non-Benchmark Bonds*	0.6	0.5 – 1.5
Promissory Notes/ECP**	2.0	2.0 – 4.0
Total	11.7	10.7

* Non-Benchmark Bonds include EMTN, other Offshore Programmes and Waralah Bonds.
 ** Promissory Note and ECP expected outstandings as of 30 June 2013.

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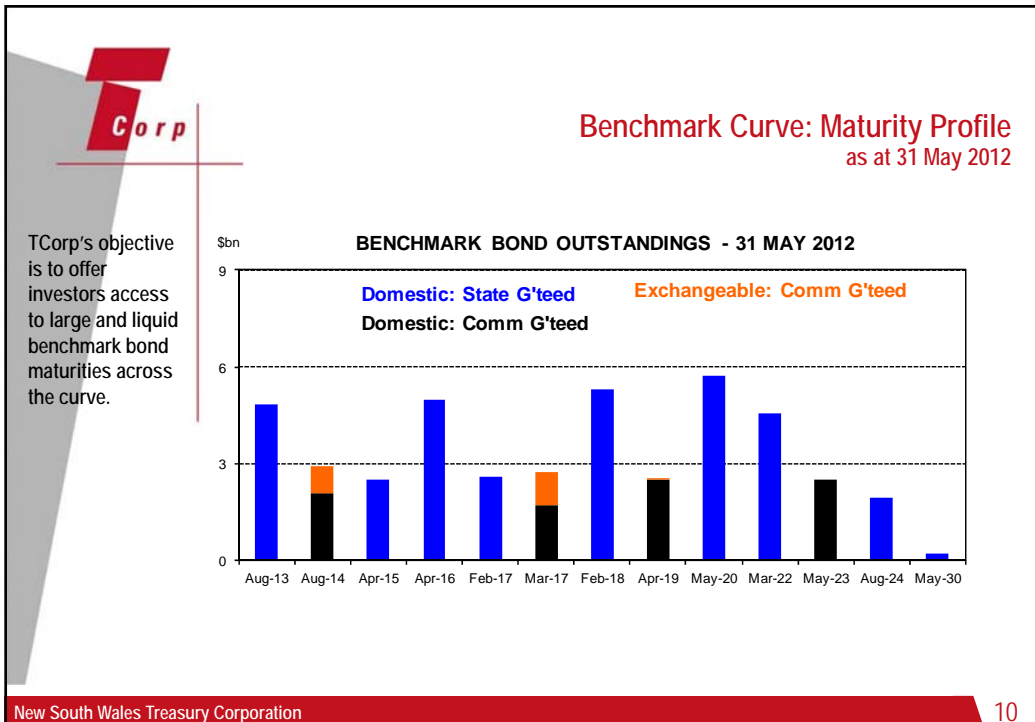
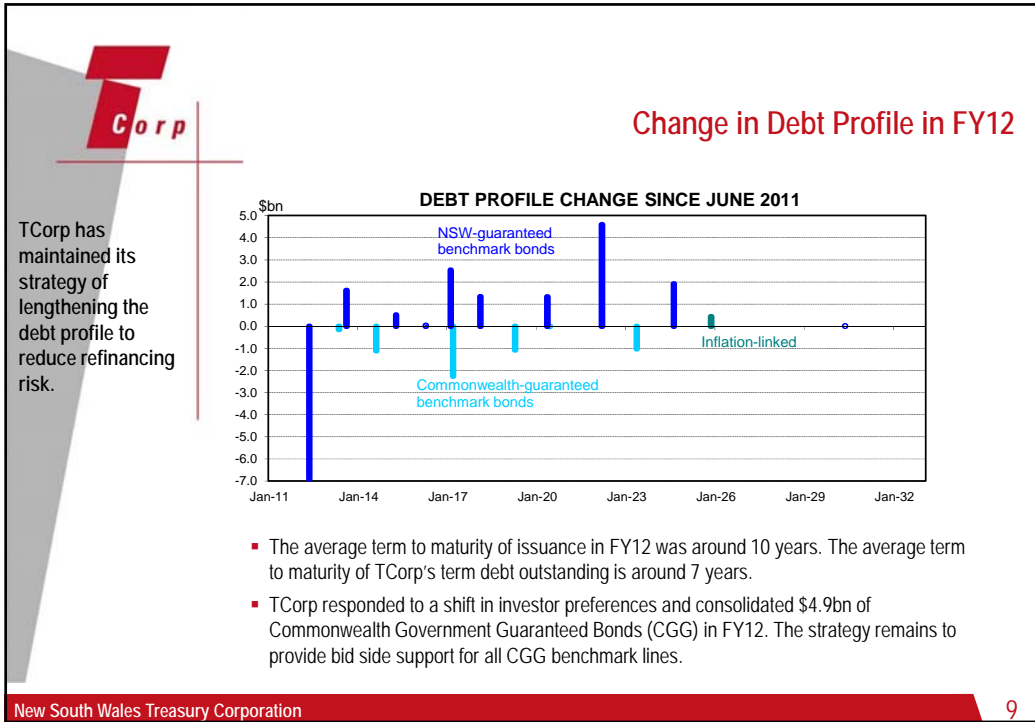



TCorp Funding Developments

TCorp's funding strategy seeks to closely align with the NSW Government's commitment to maintaining the AAA credit rating.

- **Matching the duration of borrowing clients' loans**
 - Long dated issuance strategy
 - TCorp's average maturity of debt on issue approaching 7 years
- **Maintaining liquidity through large benchmark bond lines**
 - TCorp issued new 2017, 2022 and 2024 bond lines during FY12
 - Nominal Benchmark bond outstandings over \$45 billion
 - FY12 has been the highest turnover year on record; benchmark bonds turned over around 4 times
- **Diversity of funding**
 - Inflation linked issuance increased to over \$5 billion in outstandings

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CPI Linked Funding Programme

TCorp is a committed issuer – funding is used by a range of borrowers, including clients in the regulated utility sector.

Maturity	Coupon	Issue \$bn
20 November 2020	3.75%	1.60
20 November 2025	2.75%	2.65
20 November 2035	2.50%	0.97
Total		5.22

- Outstandings now total \$5.2bn
- Issuance strategy:
 - Regular quarterly issuance maintained
 - Potential placements in response to identified investor demand

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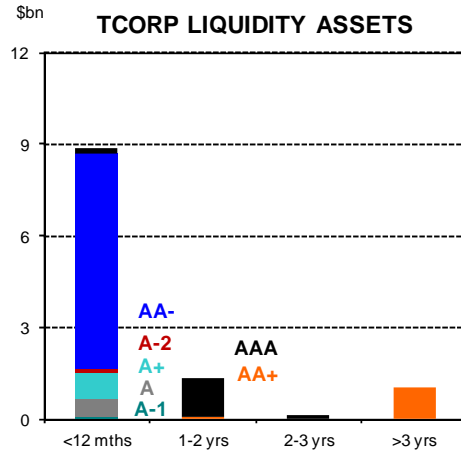
TCorp Liquidity Assets

as at 31 May 2012

TCorp currently holds \$11.4bn of liquid financial assets. Liquidity is held for prudential requirements, to fund upcoming client requirements and to refinance maturities.

Forecast surplus liquidity held as pre-funding at 30 June 2012 will be \$1.0bn.

TCORP LIQUIDITY ASSETS




Maturity	Approximate Value (\$bn)	Rating
<12 mths	8.8	AA-, A-2, A+, A, A-1
1-2 yrs	1.5	AAA, AA+
2-3 yrs	0.2	AAA, AA+
>3 yrs	1.0	AAA, AA+

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NSW Treasury Corporation



Level 22, Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000
AUSTRALIA

Tel: +61 2 9325 9325
Fax: +61 2 9325 9333

www.tcorp.nsw.gov.au

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Organisation for Economic Co-operation and Development
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Anika Foundation Fundraiser
Current Issues in Economic Policy
Glenn Stevens, Governor, Reserve Bank of Australia
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