

Australian Business Economists



Budget 2013
New South Wales

Briefing and Discussion, 19 June 2013, Sydney



Australian Business Economists



Mr Stephen Knight
Chief Executive, NSW TCorp

The borrowing program 2013-14





2013/14 Funding Programme

Stephen Knight, Chief Executive

JUNE 2013

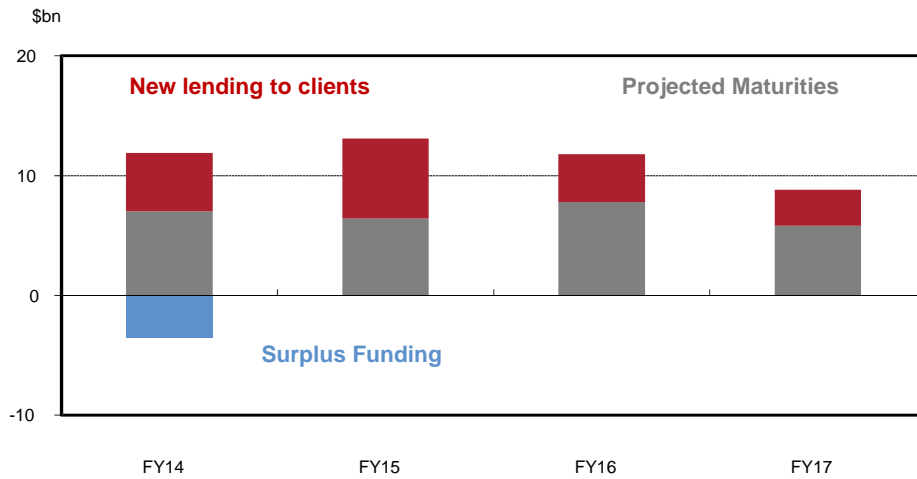
New South Wales Treasury Corporation

FY14 Annual Borrowing Programme

AUD\$ billion	2012/13 Mid-Year Budget AUD \$ billion	2012/13 Final June 30 Forecast AUD \$ billion	2013/14 Budget Forecast AUD \$ billion
New Lending to Clients	6.8	3.4	4.9
Projected Maturities			
Long Term	0.5	0.5	4.0
Short Term	3.6	3.0	3.0
Surplus funding	(1.0)	(1.0)	(3.6)
Funding Requirement	9.9	5.9	8.3
Projected Funding to 30 June 2013		9.5	
Short Term Funding Requirement			3.0
Term Funding Requirement			5.3



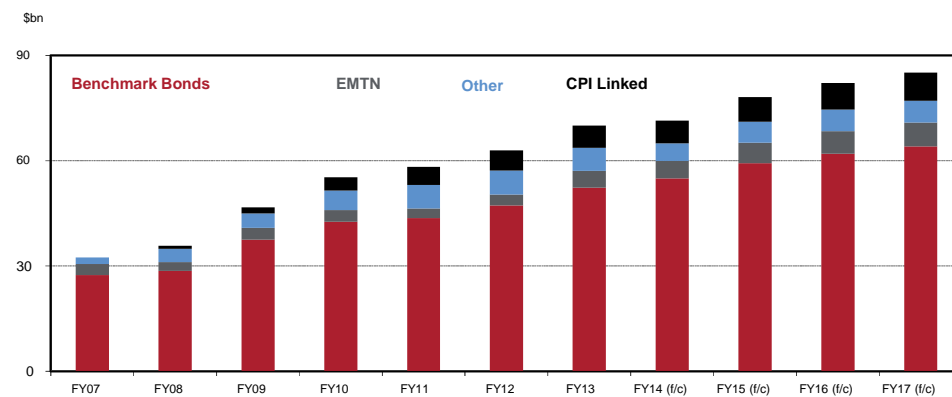
Forecast Funding Programmes to FY17



5 / 2013/14 Budget



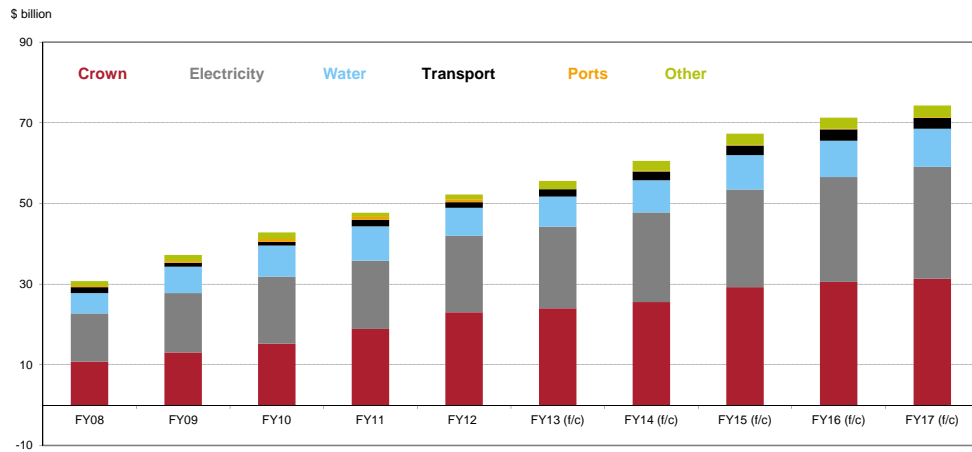
TCorp Debt on Issue



6 / 2013/14 Budget



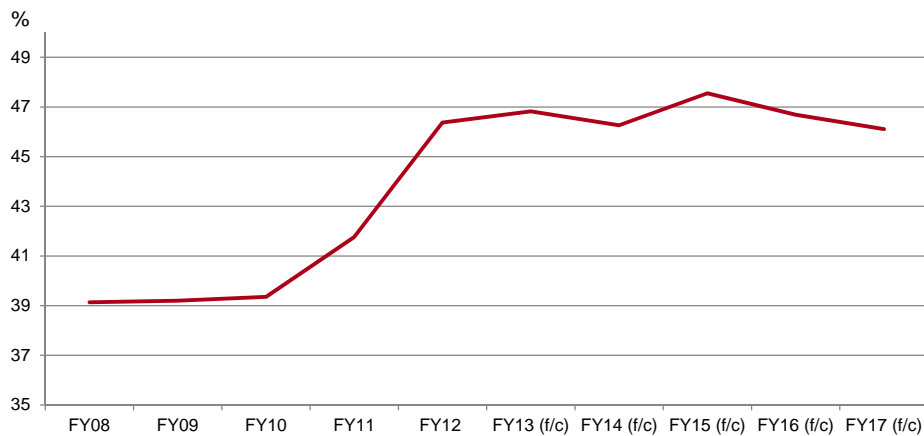
Loans by Sector



7 / 2013/14 Budget



General Government Loans as Percentage of Total Loans



8 / 2013/14 Budget



TCorp Funding Policy – Consistent with AAA

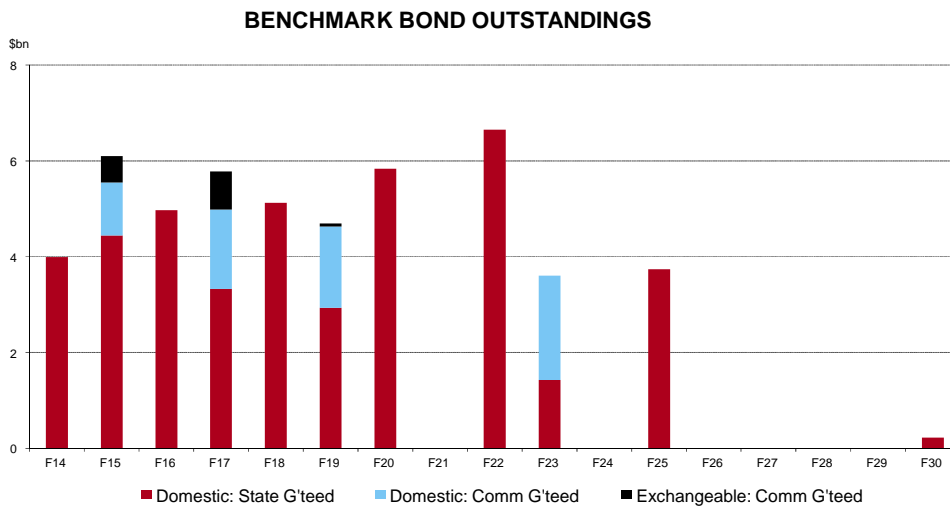
- **Match the duration of borrowing clients' loans**
 - Long dated issuance strategy
 - Low reliance on short term funding (currently 5% of total debt)
- **Maintaining liquidity through large benchmark bond lines**
 - TCorp issued new 2014, 2019 and 2023 benchmark bond lines during FY13
 - Nominal Benchmark bond outstandings over \$50 billion
- **Diversity of funding**
 - Inflation linked issuance increase to over \$5.5 billion in outstandings.
 - New \$2.5 billion 3 year Floating Rate Note issued.

Sources of Term Funding

Funding Source	Projected Term Funding to 30 June 2013 \$ billion	Range for FY14 \$ billion
Benchmark Bonds	5.1	3.0 – 6.0
Capital Indexed Bonds	0.4	0.2 – 0.8
Non-Benchmark Bonds*	1.0	0.2 – 1.2
Total	6.5	5.3

* Non-Benchmark Bonds include EMTN, other Offshore Programmes and Waratah Bonds.

Benchmark Curve: Maturity Profile



CPI Linked Funding Programme

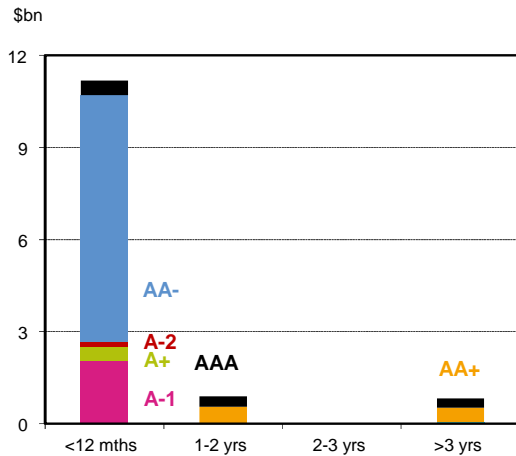
Maturity	Coupon	Issue \$bn
20 November 2020	3.75%	1.73
20 November 2025	2.75%	2.87
20 November 2035	2.50%	0.97
Total		5.57

Inflation linked funding is used by a range of borrowers, including clients in the regulated utility sector.

TCorp aims to maintain its quarterly issuance in F14.



TCorp Liquidity Assets



TCorp currently holds \$12.9 billion of liquid financial assets. Liquidity is held for prudential requirements, to fund upcoming client requirements and to prefund maturities.

Of the \$12.9 billion, \$3.6 billion is surplus to these requirements.

This is considered surplus funding and reduces the call on markets in F14.



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Australian Business Economists



Dealing with the crisis: impacts on firms and markets

Adrian Blundell-Wignall

Deputy Director, Financial and Enterprise Affairs
Organisation for Economic Co-operation and Development
Thursday 25 July - Radisson Blu Sydney

Anika Foundation Fundraiser

Current issues in economic policy

Glenn Stevens, Governor, Reserve Bank of Australia
Tuesday 30 July - Four Seasons Sydney

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