

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

21 – 22 October 2009

Question: sbt 69

Topic:

Hansard Page: E107 (22/10/09)

Senator BUSHBY asked:

Senator BUSHBY—What are the recent trends in yields on the bonds and notes that we are issuing?

Mr Bath—Over the last couple of years yields have fallen. They bottomed about January or February this year. The yield on our then long bond got down to about four per cent per annum. Since then yields have risen. Yesterday we issued a 2020 bond—so the same bond that was down at four per cent at the beginning of the calendar year—at around 5.65 per cent, I believe.

Senator BUSHBY—Do you maintain records of yields in a graphical form?

Mr Bath—We keep records in a tabular form. Certainly we keep records of where we issue the bonds, the yield that we issue them at. We can obtain information from Reuters or Bloomberg as to where they traded in the market each day—so, yes, effectively.

Senator BUSHBY—I was just wondering, if you had something like that that you produced, whether you could provide that on notice.

Mr Bath—Yes, say 10-year bond yields—

Senator BUSHBY—Yes, for all the different variations of—

Mr Dodgson—The Reserve Bank of Australia on their website publish each day the yields for all

Commonwealth government bonds on issue and Treasury notes.

Senator BUSHBY—I have actually signed up to utilise that. I get an email.

Senator JOYCE—What did you say?

Mr Dodgson—The Reserve Bank of Australia on their website publish each day the yields for all

Commonwealth government bonds on issue and also Treasury notes.

Senator BUSHBY—Are you basically saying, ‘Go off and draw your own graph’?

Mr Dodgson—That is right. The information is readily available to the public.

Senator BUSHBY—I am not actually specifically asking you to go off and do it. I was just wondering whether you had that in that form.

Mr Bath—We have got the information. I am happy to draw you a graph.

Senator BUSHBY—I have really been meaning to ask my staff to do it because I am aware that the information is out there, but I have not done it. I do not necessarily want to belabour this point.

Mr Bath—If we can just be a bit more specific: there are 13 bond lines—

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Senator BUSHBY—I would be interested in all the bond lines.

Mr Bath—Each bond line?

Senator BUSHBY—Yes.

Mr Bath—And you would like the daily yields going back how far?

Senator BUSHBY—Probably about two years.

Mr Bath—For those that have been around two years, we can do that.

Senator BUSHBY—Thank you.

Answer:

Nominal CGS Yields

