



Commonwealth Inscribed Stock Amendment Act 2013

No. 135, 2013

**An Act to remove the limit on stock and securities
on issue, and for other purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

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An Act to remove the limit on stock and securities on issue, and for other purposes

[Assented to 10 December 2013]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Commonwealth Inscribed Stock
Amendment Act 2013*.

2 Commencement

This Act commences on the day this Act receives the Royal Assent.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendment of the Commonwealth Incribed Stock Act 1911

1 Section 5

Repeal the section.

2 Subsection 51JA(2)

Omit “, disregarding stock and securities of the kind mentioned in subsection 5(2).”.

3 After subsection 51JA(2)

Insert:

- (2A) In working out the total face value of stock and securities for the purposes of subsection (2), disregard:
- (a) stock and securities issued in relation to money borrowed under the *Loan (Temporary Revenue Deficits) Act 1953*; and
 - (b) stock and securities loaned by the Treasurer under a securities lending arrangement under section 5BA of the *Loans Securities Act 1919*, or held by or on behalf of the Treasurer for the purpose of such an arrangement; and
 - (c) stock and securities invested under subsection 39(2) of the *Financial Management and Accountability Act 1997*; and
 - (d) stock and securities on issue as at the start of 13 July 2008, other than Treasury Fixed Coupon Bonds.

Note: The time referred to in paragraph (d) is when item 4 of Schedule 1 to the *Commonwealth Securities and Investment Legislation Amendment Act 2008* commenced.

4 At the end of section 51JA

Add:

- (5) For the purposes of this section:
- (a) the *face value* of a Treasury Indexed Bond is taken to be its face value at the time it was issued; and
 - (b) the *loan* of stock or a security is taken to include an arrangement under which it is sold and repurchased.

Schedule 2—Amendment of the Charter of Budget Honesty Act 1998

1 At the end of clause 2 of Schedule 1

Add:

Additional statements about Commonwealth stock and securities

- (7) In certain cases where the face value of Commonwealth stock and securities on issue has increased by \$50 billion or more since a previous report or statement under the Charter of Budget Honesty, the Treasurer is to table a statement setting out reasons for the increase (see Part 9).

2 Subclause 3(1) of Schedule 1

Insert:

Commonwealth stock and securities means stock and securities on issue under the *Commonwealth Inscribed Stock Act 1911* (the *CIS Act*) or the *Loans Securities Act 1919* (disregarding stock and securities of the kind mentioned in subsection 51JA(2A) of the CIS Act).

debt statement, for a report under Part 5 or 7, means a statement that includes:

- (a) the following information about Commonwealth stock and securities on issue, at the time of the report and for the financial year to which the report relates and the following 3 financial years:
- (i) the value of the stock and securities (including their market and face value, and their value as a proportion of gross domestic product);
 - (ii) the total expected interest expenses relating to the stock and securities; and
- (b) a breakdown, by maturity and timing of interest payments, of Commonwealth stock and securities on issue at the time of the report.

3 At the end of subclause 12(1) of Schedule 1

Add:
; (f) a debt statement.

4 At the end of subclause 16(1) of Schedule 1

Add:
; and (c) contain a debt statement.

5 At the end of subclause 24(1) of Schedule 1

Add:
; (e) a debt statement.

6 At the end of paragraph 26(a) of Schedule 1

Add:
(v) the information required by paragraph 24(1)(e); and

7 At the end of Schedule 1

Add:

**Part 9—Additional statements about
Commonwealth stock and securities**

33 Additional statements about Commonwealth stock and securities

- (1) This clause applies when the actual face value of Commonwealth stock and securities on issue has increased by \$50 billion or more since whichever of the following last occurred:
 - (a) a budget economic and fiscal outlook report, a mid-year economic and fiscal outlook report or a pre-election economic and fiscal outlook report was publicly released;
 - (b) a statement under this clause was tabled.
- (2) The Treasurer is to table in each House of the Parliament, within 3 sittings days of that House after the increase referred to in subclause (1), a statement setting out the reasons for the increase, including the extent to which any of the following contributed to the increase:
 - (a) lower than expected revenue;

- (b) higher than expected spending;
- (c) capital purchases;
- (d) grants to State and Territory governments for infrastructure.

8 Application—statements under clause 33 of the Charter of Budget Honesty

Clause 33 of Schedule 1 to the *Charter of Budget Honesty Act 1998* applies in relation to a report referred to in paragraph (1)(a) of that clause that is publicly released on or after the commencement of this item.

*[Minister's second reading speech made in—
House of Representatives on 13 November 2013
Senate on 14 November 2013]*

(202/13)
