

# TCV Funding Update

## Friday 24 April 2020

Treasury Corporation of Victoria (TCV) is the central financing authority for the State of Victoria and issues Victorian Government guaranteed debt for on-lending to the State and Victorian Government Business Enterprises. TCV and the State are rated AAA (outlook negative) by Standard & Poor's Corporation and Aaa (stable) by Moody's Investors Service.

## TCV Funding Update

TCV has now completed the expected 2019-20 funding task through existing pre financing transactions and recent market issuance.

As previously announced and in line with the Commonwealth and all other states and territories, the Victorian Government has deferred its Budget until later in the year to enable the full impact of the coronavirus pandemic to be considered.

For the 2020-21 year, a comprehensive forecast of the full funding impact of the pandemic responses and associated economic downturn will not be available until the 2020-21 Budget is released in October 2020. However, TCV anticipates a funding requirement of between \$20-24 billion. This represents a combination of \$10-14 billion in additional funding and the previously advised 2020-21 funding task of \$10.2 billion.

The additional forecast funding provides for additional health expenditure along with initiatives to assist businesses and households and the impact of revenue downturns from a slowing economy.

Continuing market issuance by TCV over the remainder of this financial year will be applied to prefunding the 2020-21 task.

The delay to the budget means that emergency funding plus the funding required for the general operations of government in 2020-21 has been made available through the passing of the Supply Bills by the Victorian Parliament yesterday.

Prior to the release of the budget, TCV will keep markets informed as the Government makes further decisions and the impacts on funding requirements are quantified.

TCV would like to thank our investors and dealer panel intermediaries for their continued support during these challenging times. We look forward to successfully working with our dealer intermediaries and investors to navigate these difficult times and support the Victorian Government in managing the COVID-19 crisis.

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