



T R E A S U R E R

MEDIA RELEASE

NSW takes up Commonwealth borrowing guarantee

Treasurer Eric Roozendaal today announced NSW will take up the Commonwealth's guarantee of state borrowings.

"Taking up this guarantee ensures the cost of borrowing for NSW will be as low as possible," Mr Roozendaal said.

'This is about protecting the long-term interests of NSW and supporting jobs and infrastructure.

"The NSW Government is investing \$62.9 billion in job-creating infrastructure over the next four years – a record for NSW which will support up to 160,000 jobs a year.

"This massive investment in infrastructure will be partially funded by borrowings."

After last week's NSW Budget, Standard & Poors lifted its outlook to stable for the NSW AAA credit rating, and Moody's noted the NSW AAA credit rating is stable.

In 2009-10, the NSW Treasury Corporation expects to complete a \$10.4 billion funding program to underpin the NSW infrastructure program.

The guarantee provides more certain access to long-term investors, the lowest possible cost of funds and increases the potential investor base.

NSW will take up the guarantee for both new debt and existing debt which matures beyond 2012.

The cost of the guarantee has been fully provided for in the 2009-10 NSW Budget.