



Australian Government

Australian Office of Financial Management

INFORMATION MEMORANDUM

TREASURY NOTES

DESCRIPTION

Treasury Notes are a short-term discount security denominated in Australian Dollars and redeemable at Face Value on maturity.

ISSUER

The Commonwealth of Australia.

27 January 2023

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1. IMPORTANT INFORMATION

Terms used in this Information Memorandum have the meaning given to them in section 9 (*Glossary of Terms*) below.

1.1. DESCRIPTION

Treasury Notes are a short-term discount security denominated in Australian Dollars and redeemable at their Face Value on the Maturity Date.

1.2. ISSUER

The issuer is the Commonwealth.

1.3. AUTHORITY TO ISSUE

Section 4 of the Inscribed Stock Act provides for the creation of Treasury Notes for the raising of money by way of loan. Treasury Notes are issued in accordance with section 3A of the Inscribed Stock Act and other Acts containing specific borrowing authority.

Treasury Notes are issued in such amounts and in such a manner as the Treasurer directs. The Treasurer has authorised certain officers of the AOFM to exercise this power on the Treasurer's behalf.

The AOFM is the Australian Government agency responsible for the management and administration of Treasury Notes.

In accordance with section 13AA of the Inscribed Stock Act, principal money secured by any stock and interest on that principal (if any) shall be payable out of the Consolidated Revenue Fund of the Commonwealth, which is appropriated to the extent necessary for such payments.

1.4. FORM OF TREASURY NOTES

Treasury Notes will be issued on the terms and conditions set out in this Information Memorandum. Subject to these terms and conditions, Treasury Notes may be issued from time to time by tender or by any other method deemed appropriate. Other methods of issue are referred to in section 4 (*Other Methods of Issue*).

Treasury Notes shall be issued with a Face Value of \$5,000 provided that the minimum aggregate amount issued to any Person shall be \$1,000,000 and in multiples of \$1,000,000 thereafter. The Commonwealth expects that the Treasury Notes will be lodged into and traded in the Austraclear System in accordance with the Austraclear System Regulations.

Treasury Notes will be governed by the laws of the Australian Capital Territory.

1.5. REGISTRAR

The Registrar is Computershare Investor Services Pty Limited (ABN 48 078 279 277) ('CIS').

The Commonwealth reserves the right to appoint another Person as its Registrar and/or paying agent, or for the AOFM to perform those functions. In such circumstances, Noteholders will be given notice of any such change promptly after it takes effect.

1.6. CURRENCY OF INFORMATION

The information in this Information Memorandum is correct and complete as at the Effective Date. The distribution of this Information Memorandum or any offer or issue of Treasury Notes after the Effective Date does not imply that there has been no change since that date in the affairs or financial condition of the Commonwealth or any other relevant Person or entity, or that the information in this Information Memorandum is correct at any time after the Effective Date.

This Information Memorandum may be withdrawn, supplemented, modified or replaced by the Commonwealth at any time. Any Series of Treasury Notes will be taken to be issued on the basis of the Information Memorandum that is in effect as at the date of issue of such Series of Treasury Notes and those terms will continue to apply in relation to that Series of Treasury Notes except to the extent that the Information Memorandum is subsequently amended in relation to that Series of Treasury Notes as described in section 8.8 (*"Modification of the Information Memorandum"*).

1.7. AUTHORISED MATERIAL

Only information contained in this Information Memorandum or as otherwise authorised in writing by the Commonwealth may be relied on as having been authorised by or on behalf of the Commonwealth.

1.8. INDEPENDENT INVESTMENT DECISIONS AND ADVICE

Neither the information contained in this Information Memorandum nor any other information supplied in connection any Treasury Notes should be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by the Issuer that any recipient of this Information Memorandum or any other information supplied in connection with any Treasury Notes should acquire, subscribe for, purchase or otherwise deal in any Treasury Notes.

Each investor contemplating acquiring, subscribing for, purchasing or otherwise dealing in any Treasury Notes should rely upon their own independent investigation of the Issuer and an investment in Treasury Notes (including any associated risks) and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary.

No accounting, regulatory, investment, legal, tax or other professional advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Treasury Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

1.9. COMPLIANCE WITH LAWS

The distribution and use of this Information Memorandum, any supplement or other offering material, and the offer or sale of Treasury Notes may be restricted by law or directive in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Treasury Notes, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to any Treasury Notes except if the offer or invitation, or distribution or publication, complies with all applicable laws and directives.

1.10. LIMITED RESPONSIBILITY FOR INFORMATION

The Issuer has prepared and has authorised the issue of this Information Memorandum and accepts responsibility for the information contained and incorporated by reference in it.

2. FEES AND TAXATION

2.1. FEES

Face Value repayments will be made free of any fees, charges, deductions or levies of the Australian Government, except to the extent required by law.

2.2. TAXATION

Investors should obtain their own advice regarding the taxation consequences of investing in the Treasury Notes.

3. TENDER PROCEDURES

The following is a summary of the key details of the procedures for Treasury Notes issued via a tender. Further information on these procedures is available in the AOFM Tender System Conditions of Operation, available at www.aofm.gov.au.

3.1. ANNOUNCEMENT OF PERIODIC TENDERS

Invitations to Tender will be made by from time to time. Each invitation will include details of:

- each Series of Treasury Notes for which bids will be invited;
- the amount to be offered of each Series;
- the closing time and date for bids; and
- the settlement date.

All Invitations to Tender and all tenders of Treasury Notes shall be made on the terms of and pursuant to this Information Memorandum.

3.2. ELIGIBILITY TO TENDER

Bids for Treasury Notes offered for sale by competitive tender via the AOFM Tender System may only be submitted by parties that are registered with the AOFM. Details of the registration process are contained in the AOFM Tender System Conditions of Operation.

3.3. TENDER BASIS AND BID FORMAT

Bids for Treasury Notes must be submitted in accordance with the AOFM Tender System Conditions of Operation.

Bids for Treasury Notes will be received on a competitive tender basis.

The Yield bid or offered may be expressed to a maximum of four decimal places (e.g. 3%, 3.0%, 3.00%, 3.000%, or 3.0000%). Yield bids or offers must be a whole multiple of 0.0050% (e.g. 3.0000%, 3.0050% or 3.0100%). Yields submitted that are not a whole multiple of 0.0050% will not be accepted.

3.4. SIZE OF BIDS

Each bid for Treasury Notes must be for a minimum parcel of \$1,000,000 in aggregate Face Value and in multiples of \$1,000,000 in aggregate Face Value thereafter.

3.5. COMMISSION

No commission will be paid on Treasury Notes sold by tender.

3.6. BID SUBMISSION AND MODIFICATION

Bids for Treasury Notes may be submitted by either:

- transmitting and committing a bid via the AOFM Tender System;
or
- any other method specified in the AOFM Tender System Conditions of Operation.

Bids submitted via the AOFM Tender System are subject to the conditions outlined in the AOFM Tender System Conditions of Operation.

A bid which has been committed within the AOFM Tender System may be altered or revoked by the bidder prior to elapse of the time announced for closure of the tender according to the clock in the AOFM Tender System.

A bid which has been committed within the AOFM Tender System cannot be altered or revoked by the bidder after the time announced for closure of the tender has elapsed according to the clock in the AOFM Tender System.

A bid cannot be committed within the AOFM Tender System after the time announced for closure of the tender has elapsed according to the clock in the AOFM Tender System.

The AOFM may alter or revoke a bid it considers having been submitted in error, at any time.

3.7. TENDER CANCELLATION OR POSTPONEMENT

The Commonwealth reserves the right to cancel or postpone a tender by reason of any circumstance including a circumstance beyond the control of the AOFM and, without limitation, partial or total failure, malfunction or overload of the AOFM Tender System, industrial action or other emergency.

3.8. UNDERISSUANCE

The Commonwealth reserves the right to accept bids for the full amount of an Invitation to Tender or any part thereof and to reject any bid or part thereof on any grounds whatsoever, notwithstanding that the full

amount of Treasury Notes in an Invitation to Tender has not been taken up.

3.9. ALLOTMENT OF TENDER STOCK

Acceptance of bids will be made in ascending order of Yield bid, that is, from the lowest Yield bid to the highest Yield accepted. Allotments will be made at the Yields bid.

At the highest Yield accepted, the amount of Treasury Notes allotted to each bidder will, in the first instance, be calculated proportionately to the amount of bids at that Yield and rounded down to the nearest \$1,000,000 in aggregate Face Value. If following this the total amount allotted is lower than the total amount offered, bids at the highest accepted Yield will be rounded up to the nearest \$1,000,000 in aggregate Face Value, firstly in order of the amount by which they were initially rounded down (largest amount first) and then in the time order in which they were committed in the AOFM Tender System (earliest first), until the total amount offered is reached. No bidder will be allotted an amount greater than the amount bid.

The Commonwealth reserves the right to accept any bid for the full amount of a tender or any part thereof and to reject any bid or part thereof.

Notice of acceptance or rejection of a bid or any part thereof will be made available to each bidder as soon as possible after allotment.

4. OTHER METHODS OF ISSUE

4.1. OFFICIAL SUBSCRIPTION

The RBA and certain other agencies, entities or bodies of the Commonwealth may, from time to time, purchase Treasury Notes.

Amounts to be taken up in this manner will be indicated in the Invitation to Tender and will be additional to the amount offered to the public. Allotments will be at the weighted average issue Yield(s) announced for the relevant tender.

4.2. OTHER ISSUANCE METHODS

The Commonwealth reserves the right to issue Treasury Notes in any manner deemed appropriate.

5. SETTLEMENT FOLLOWING ISSUE

5.1. SETTLEMENT PRICE

Following the issue of Treasury Notes the settlement price per \$100 Face Value shall be calculated on the basis of the following formula:

$$\text{SETTLEMENT PRICE PER \$100 FACE VALUE} = \frac{3650000}{ni+36500}$$

Where:

n = days to maturity; and

i = the Yield bid (for example, where Treasury Notes are to be allotted at a Yield of 1.05% per annum, $i = 1.05$).

The settlement amount will be rounded to the nearest cent (0.5 cent being rounded up).

5.2. SETTLEMENT FOLLOWING TENDER

Unless otherwise specified in the Invitation to Tender, settlement in the Austraclear System is to take place before the End of Day (as defined in the Austraclear System Regulations) on the Business Day following the tender.

Failure to make due payment of any amount payable in respect of any allotment pursuant to a bid will render the allotment liable to cancellation.

6. REGISTRATION AND TRANSFER

6.1. THE REGISTER

The issue of Treasury Notes will be effected and evidenced by particulars of the Treasury Notes being entered into the Register by the Registrar.

The Registrar shall enter into the Register the following particulars:

- name and address of the Noteholder;
- Face Value of the Treasury Notes held;
- Maturity Date of the Treasury Notes;
- such other particulars as may, from time to time, be required by the Commonwealth; and
- such other particulars as may, from time to time, be considered necessary by the Registrar (after consultation with the Commonwealth).

The Registrar may correct errors and remedy omissions in the Register.

6.2. REGISTER IS CONCLUSIVE

Entry of the name of a Person in the Register in respect of a Treasury Note (including Austraclear Ltd, as discussed below in section 6.3 (*“Lodgement of Notes within the Austraclear System”*)) constitutes the obtaining or passing of title and is conclusive evidence that the Person so entered is the Registered owner of such Treasury Note, subject to rectification for fraud or manifest or proven error, and all rights and entitlements vest absolutely in that Person. No notice of any trust in respect of any Treasury Notes will be entered in the Register or receivable by the Registrar. In accordance with Division 2 of the Inscribed Stock Act, each Person so Registered is to be regarded as the absolute owner of the Treasury Notes Registered in its name and the Commonwealth and the Registrar shall not be affected by any trust or other equity affecting any Treasury Note, whether or not it is aware of the same

6.3. LODGEMENT OF NOTES WITHIN THE AUSTRACLEAR SYSTEM

It is expected that Treasury Notes will be lodged into the Austraclear System. Where Treasury Notes are lodged in the Austraclear System, Austraclear Ltd (ABN 94 002 060 773) as the operator of the Austraclear System will be the sole Registered holder of those Treasury Notes.

The rights of a Person who holds an interest in a Treasury Note which is lodged in the Austraclear System are subject at all times to the Austraclear System Regulations. For so long as Treasury Notes remain in the Austraclear System (a) title to such Treasury Notes and (b) all matters relating to payments on, and redemption of, such Treasury Notes will be determined or made in a manner that is in accordance with the Austraclear System Regulations.

The Commonwealth is not responsible for the operation of the Austraclear System.

6.4. TRANSFER OF NOTES WITHIN THE AUSTRACLEAR SYSTEM

Interests in Treasury Notes which are lodged in the Austraclear System may be transferred to other Persons in parcels that are a multiple of their \$5,000 Face Value.

A Noteholder may effect the transfer of Treasury Notes through the Austraclear System in accordance with the Austraclear System Regulations.

6.5. OTHER CLEARING SYSTEMS

Where Treasury Notes are lodged in the Austraclear System, interests in those Treasury Notes may also be traded on the settlement systems operated by Euroclear Bank SA/NV and/or Clearstream Banking, S.A. The rights of a holder of interests in a Treasury Note held through such clearing systems are subject to the respective rules and regulations for accountholders of those clearing systems and the Austraclear System Regulations.

7. REDEMPTION ON THE MATURITY DATE

Treasury Notes are not redeemable prior to the Maturity Date.

Redemption of Treasury Notes is made from the Consolidated Revenue Fund of the Commonwealth under standing appropriations.

Where the Treasury Notes are lodged in the Austraclear System the Treasury Notes will be redeemable at their Face Value on the Maturity Date in the manner described in the Austraclear System Regulations.

If the Maturity Date is not a Business Day, payment will be made on the next Business Day without payment of any additional interest.

8. OTHER

8.1. FUNGIBILITY

The Commonwealth may, from time to time, issue Treasury Notes which are intended to be fungible with any outstanding Series of Treasury Notes, and whether by Invitation to Tender or otherwise. Any such new issuance shall be issued on the same terms and conditions (including as to Maturity Date) as the outstanding Series.

8.2. PURCHASE AND CANCELLATION

The Commonwealth or its agents, agencies or related Persons may, at any time, offer to purchase Treasury Notes from any Person. Any Treasury Notes so purchased may be lent, retained, sold or cancelled at the discretion of the Commonwealth.

8.3. CORPORATIONS ACT 2001

Treasury Notes are not securities for the purposes of Chapter 6D of the *Corporations Act 2001* and consequently no Prospectus is required to be prepared under Part 6D.2 in respect of the issue and sale of Treasury Notes. In addition, the issue and sale of Treasury Notes does not require the production of a Product Disclosure Statement in accordance with section 1010A of the *Corporations Act 2001*.

8.4. TRUSTEES

Treasury Notes are authorised investments under trustee legislation applying in Australia.

8.5. ASX QUOTATION

The Commonwealth intends to apply for the quotation of Treasury Notes on the ASX promptly after issue.

8.6. USE OF INFORMATION MEMORANDUM

This Information Memorandum is intended for use only in connection with the offer of Treasury Notes in Australia and must not be sent to any Person outside Australia in any jurisdiction in circumstances in which the offer of Treasury Notes or use of this Information Memorandum would be unlawful.

8.7. PRIVACY

The AOFM, the Registrar and any paying agent appointed by the AOFM in respect of the Treasury Notes collect and hold personal information about Noteholders for the purposes of administering Treasury Notes. Noteholders may request access to any personal information held about them by contacting the Registrar (see contact details in section 10) or the relevant paying agent whose details will be notified to Noteholders at the time of their appointment. Noteholders may also request correction of any personal information held about them.

8.8. MODIFICATION OF THE INFORMATION MEMORANDUM

The Commonwealth may withdraw, modify or supplement this Information Memorandum at any time. Except as set out below, any modification of this Information Memorandum will not alter the terms of Treasury Notes that have been issued before that modification ('Existing Notes'). Where a modification is to apply to Existing Notes, the modification must, in the Commonwealth's opinion, satisfy one or more of the following conditions:

- a) the modification is of a formal, minor or technical nature or is made to correct a manifest error;
- b) the modification is made to comply with mandatory provisions of law; or
- c) such modification is not in the opinion of the Commonwealth materially prejudicial to the interests of holders of Existing Notes.

Any such amendment takes effect on the publication of the amendment on the AOFM website, or such later date as the Commonwealth may specify in the amendment.

9. GLOSSARY OF TERMS

The following definitions apply to this Information Memorandum:

AOFM Tender System	The system used by the AOFM to conduct tenders for the issue of Commonwealth Inscribed Stock.
AOFM Tender System Conditions of Operation	The conditions from time to time existing and published on the AOFM website entitled 'Australian Office of Financial Management Tender System - Conditions of Operation'.
ASX	The Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).
Austraclear System	The system for the clearance and settlement of debt securities operated by Austraclear Limited.
Austraclear System Regulations	The rules and regulations issued by Austraclear Ltd from time to time governing the operation of the Austraclear System.
Australian Office of Financial Management or AOFM	The Commonwealth of Australia acting through and represented by the Australian Office of Financial Management.
Business Day	A day not being a Saturday or Sunday on which banks are generally open for business in Sydney.
Commonwealth	The Commonwealth of Australia.
Dollars or \$	The lawful currency of Australia.
Effective Date	The date of this Information Memorandum.
Face Value	The principal, nominal or par value amount of a Treasury Note.
Information Memorandum	This Information Memorandum as may be supplemented, modified or replaced.
Inscribed Stock Act Invitation to Tender	The <i>Commonwealth Inscribed Stock Act 1911</i> . An invitation issued by the Commonwealth pursuant to this Information Memorandum specifying the details of the Treasury Notes to be offered by way of tender.

Issuer	The Commonwealth of Australia.
Maturity Date	The date, as specified in the Invitation to Tender on which the Treasury Notes are to be repaid.
Noteholder	In respect of any Treasury Note, the Person whose name from time to time is entered into the Register as the holder of that Treasury Note.
Person	Includes an individual, firm, company, corporation or unincorporated body of Persons or any state or government or any agency thereof (in each case, whether or not having separate legal personality).
RBA	The Reserve Bank of Australia.
Register	The register of holdings of Treasury Notes maintained by the Registrar and 'Registered' has a corresponding meaning.
Registrar	Computershare Investor Services Pty Limited (ABN 48 078 279 277) or such other Person appointed by the Commonwealth to maintain a Register in respect of Treasury Notes and perform such payment and other duties specified in that agreement.
Series	A series of Treasury Notes which may be issued in multiple tranches but which have identical terms and conditions, except that the issue date and date of the first payment of interest may be different in respect of different tranches of a Series.
Tax	Any tax, levy, duty, rate or tariff of any nature, including withholding taxes, which is imposed or collected by a government agency.
Treasurer	The Treasurer of the Commonwealth..
Yield	The rate of return on a Treasury Note (expressed as an annual percentage) for a given purchase price, assuming the Treasury Note is held until the Maturity Date.

10. DIRECTORY

For issuer information, bidding and tender information and to register as a bidder contact:

Mail

Head of Funding and Liquidity
Australian Office of Financial Management
Treasury Building
Newlands Street
PARKES ACT 2600

Telephone

+61 2 6263 1135

Email

enquiries@aofm.gov.au

For settlements information contact:

Mail

Settlements Manager
Australian Office of Financial Management
Treasury Building
Newlands Street
PARKES ACT 2600

Telephone

+61 2 6263 1147

Email

settlements@aofm.gov.au

For the Registrar contact:

Mail

Computershare Investor Services Pty
Limited
GPO Box 2237

MELBOURNE VIC 3001

Telephone

+61 3 9415 4390

1800 674 996 (inside
Australia)

Email

cgs@computershare.com.au

For Austraclear contact:

Telephone

1300 362 257

Email

cad@asx.com.au