Journal of Financial Crises

Volume 2 | Issue 3

2020

The Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding (Australia GFC)

Ariel Smith
Yale School of Management

Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding[1]

Ariel Smith[2]

Yale Program on Financial Stability Case Study
January 16, 2019, revised: October 10, 2020

Abstract

The Australian Guarantee Scheme for Large Deposits and Wholesale Funding was developed in 2008 shortly after the failure of Lehman Brothers. It was designed to foster financial-system stability and confidence and to help depository institutions continue to access funding during a period of volatility. In addition to a guarantee for large deposits, the scheme allowed institutions to apply for a government guarantee for newly issued wholesale liabilities with maturities of up to five years; in return, the institutions paid the government a monthly fee based on their credit rating and the value of the debt guaranteed. The entire Guarantee Scheme became operational in November 2008 and closed to new issuance in March 2010, by which time 16 institutions had issued about A$166 billion ($108.7 billion) of guaranteed securities. The Guarantee Scheme's wholesale funding component formally ended in October 2015, a few months after the final guaranteed instrument matured. It incurred no losses, no claims were made against it, and it earned A$4.5 billion ($2.95 billion) in fees for the support provided.

Keywords: wholesale funding, government guarantee, ADIs, guaranteed instruments, Australia

---

[1] This case study is part of the Yale Program on Financial Stability (YPFS) selection of New Bagehot Project modules considering the responses to the global financial crisis that pertain to credit guarantee programs.

Cases are available from the *Journal of Financial Crises* at https://elischolar.library.yale.edu/journal-of-financial-crises/.

[2]Ariel Smith — Research Associate, YPFS, Yale School of Management.

Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding

At a Glance

In October 2008, the adverse effects of the burgeoning global financial crisis were limiting the ability of Australian depository institutions to access global long-term wholesale markets, "and what funding occurred was at spreads that were significantly wider than normal," according to a later analysis by Australian central bank officials (Schwartz and Tan 2016).

On October 12, 2008, the Australian government announced the creation of a scheme that included guarantee arrangements for depository institution funding: the Australian Guarantee Scheme for Large Deposits and Wholesale Funding. It became operational on November 28, 2008. Eligible institutions could access a government guarantee for their wholesale liabilities with maturities of up to five years (less in the case of foreign bank branches). In exchange for the government guarantee, institutions paid the government a monthly fee based on their credit rating and the value of the debt guaranteed (Reserve Bank of Australia 2013; Schwartz 2010; Schwartz and Tan 2016).

Summary of Key Terms	
Purpose: Promote financial system stability by supporting confidence and assisting institutions in accessing funding during a period of extreme market stress	
Announcement Date	October 12, 2008
Operational Date	November 28, 2008
Date of First Guaranteed Loan Issuance	November 28, 2008
Issuance Window Expiration Date	Closed to new issuances March 31, 2010
Program Size	No explicit cap
Usage	A$166 billion AUD ($108.7 billion)
Outcomes	No defaults; A$4.5 billion ($3.0 billion) in fees generated
Notable Features	Open-ended issuance window and no cap on program size or institutions' participation

As similar schemes were simultaneously being implemented worldwide, the Guarantee Scheme was designed as a response to ensure that Australian institutions remained on equal footing with other institutions that had access to similar programs (Schwartz and Tan 2016). The Guarantee Scheme was designed to support confidence in institutions and "ensure that an otherwise sound institution would not experience financial distress due to a shortage of funding."

The Guarantee Scheme's wholesale funding component closed to new issuance on March 31, 2010, by which time beneficiaries had issued approximately A$166 billion ($108.7 billion) of guaranteed securities, the majority of which was long-term wholesale funding. The final guaranteed security matured in March 2015, and the scheme formally closed on October 24, 2015 (Reserve Bank of Australia 2013, Schwartz 2010). It incurred no losses and earned A$4.5 billion ($3.0 billion) in fees in return for the support provided (Schwartz and Tan 2016).

Summary Evaluation

The Guarantee Scheme is seen as successful, given that it allowed institutions to continue to access funding markets and effectively supported the Australian financial system and economy through the crisis.

Guarantee Scheme for Large Deposits and Wholesale Funding: Australia Context	
GDP (SAAR, Nominal GDP in LCU converted to USD)	$948.6 billion in 2007 $1,050.1 billion in 2008 *Source: Bloomberg*
GDP per capita (SAAR, Nominal GDP in LCU converted to USD)	$40,960 in 2007 $49,602 in 2008 *Source: Bloomberg*
Sovereign credit rating (5-year senior debt)	As of Q4, 2007: Fitch: AAA Moody's: Aaa S&P: AAA As of Q4, 2008: Fitch: AAA Moody's: Aaa S&P: AAA *Source: Bloomberg*
Size of banking system	$1,042.2 billion in total assets in 2007 $1,224.1 billion in total assets in 2008 *Source: Bloomberg*
Size of banking system as a percentage of GDP	109.9% in 2007 116.7% in 2008 *Source: Bloomberg*
Size of banking system as a percentage of financial system	Banking system assets equal to 90% of financial system in 2007 Banking system assets equal to 91% of financial system in 2008 *Source: World Bank Global Financial Development Database*
5-bank concentration of banking system	83.6% of total banking assets in 2007 85.9% of total banking assets in 2008 *Source: World Bank Global Financial Development Database*
Foreign involvement in banking system	7% of total banking assets in 2007 5% of total banking assets in 2008 *Source: World Bank Global Financial Development Database*

Government ownership of banking system	0% of banks owned by the state in 2007 0% of banks owned by the state in 2008 *Source: World Bank, Bank Regulation and Supervision Survey*
Existence of deposit insurance	0% insurance on deposits up to $0 (depositor preference system) in 2007 100% insurance on deposits up to $704,225.35 by the end of 2008 (temporary measure due to the policy detailed in this document) *Source: World Bank Deposit Insurance Dataset*

I. Overview

Background

One of the international effects of the global financial crisis was a dearth of liquidity at the end of 2008 and an enormous perceived risk for large banks. As a result, "international long-term wholesale funding markets essentially closed to non-sovereign borrowers," according to Australian authorities (Schwartz 2010). Australia's banking system was robust at the time of the global financial crisis; however, as institutions experienced restricted access to funding, especially in international long-term wholesale funding markets, investors became reluctant to buy long-term bank debt, and the lack of access had "potentially serious implications for liquidity and lending activity" (Reserve Bank of Australia 2012; Schwartz 2010).

It was against this backdrop and coupled with similar announcements in a number of other countries that the Australian government created the Government Guarantee Scheme for Large Deposits and Wholesale Funding as part of its other measures created in response to the global financial crisis (Reserve Bank of Australia 2013).

Program Description

The Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding, also known as the Guarantee Scheme, was announced by the government on October 12, 2008, and began on November 28, 2008 (Reserve Bank of Australia 2012). It was administered by the Reserve Bank of Australia on behalf of the Australian government (Reserve Bank of Australia 2013). The government announced that the Guarantee Scheme would remain open until markets normalized, rather than establishing a set expiration date (Schwartz 2010). This case will deal only with the wholesale funding component of the scheme.[3]

The wholesale funding component of the Guarantee Scheme allowed Australian depository institutions (known in Australia as authorized deposit-taking institutions, or ADIs) to issue securities with maturities of up to five years (less in the case of foreign bank branches)[4] that were fully guaranteed by the Australian government (Reserve Bank of Australia 2013; Schwartz 2010). The government did not establish minimum maturity requirements for eligible debt or place a limit on the total value of liabilities it would cover (Schwartz and Tan 2016).

There were two processes for institutions issuing securities based on maturity: one for short-term liabilities (with maturities of less than 15 months)[5] and the second for long-term liabilities (with maturities of 15 to 60 months)[6] (Australian Government 2012). Institutions eligible for the scheme included banks, building societies, and credit unions. To apply for the

---

[3] The Guarantee Scheme had two components: a wholesale funding guarantee and a deposit guarantee. The deposit guarantee covered deposits up to A$1 million at no cost and amounts above that for a fee. It was replaced in 2012 with a cap of A$250,000 (Reserve Bank of Australia 2012).

[4] Foreign branches had restricted access to the Guarantee Scheme (Schwartz 2010).

[5] For specific information on this process, refer to the Guarantee Scheme Rules (Australian Government 2012).

[6] Australian Government 2012.

scheme, an institution had to complete an eligibility certificate provided by the Reserve Bank of Australia (acting as the program's "scheme administrator"). Further, after an institution had been approved for a guarantee, it had to provide a separate certificate for each type of liability (Schwartz 2010).

Eligible short-term liabilities took the form of senior unsecured debt instruments in any currency with maturities of less than 15 months. The instruments could be issued in bearer, registered, or dematerialized form. They could not be complex and had to fall in the categories of bank bills, certificates of deposit/transferable deposits, debentures, or commercial paper, and applications could be made for issuance programs (Australian Government 2012).

Eligible long-term liabilities took the form of senior unsecured debt instruments in any currency with maturities of 15 to 60 months. The instruments could be issued in bearer, registered or dematerialized form. They could not be complex and had to fall in the categories of bonds, notes, or debentures, and applications could be made for issuance programs (Australian Government 2012).

All guaranteed liabilities were subject to a monthly fee for eligible debt issued on or after November 28, 2008. The issuing institution was required to pay this fee within seven business days of the last calendar day of each month in arrears (Australian Government 2012; Reserve Bank of Australia 2012). The amount of the fee depended on both the credit rating of the institution (lower-rated institutions had to pay a higher fee to access the guarantee) and the value of the guaranteed liabilities. The same fee applied regardless of the term of the debt (Reserve Bank of Australia 2012). The fee ranged from 70 to 150 basis points (bps) per annum depending on the credit rating of the institution.[7]

Last, "all Australian institutions were required to have systems in place to identify separately guaranteed liabilities and other liabilities. For wholesale liabilities, systems had to be in place before the guaranteed liabilities were issued" (Australian Government 2012).

There were several safeguards built into the Guarantee Scheme. Any institution seeking involvement had to have approval from the Australian Prudential Regulation Authority (APRA), Australia's bank regulator. Foreign bank branches, which were subject to less Australian supervisory oversight, had multiple additional restrictions for participation, including shorter maturity limits and caps on the amount that could be issued. Last, the Council of Financial Regulators, an agency that served in an advisory capacity during the Guarantee Scheme's creation and operation, required monitoring of exposures and regular reports on both individual bank exposures and foreign branch activities (Schwartz and Tan 2016).

Outcomes

The Guarantee Scheme's wholesale funding component had an immediate effect on Australian institutions. They had only issued bonds worth A$2 billion ($1.31 billion)[8] in the three months before the Guarantee Scheme's introduction, but in the program's first three months, they issued A$73 billion of bonds, of which A$70 billion was guaranteed through the program (Schwartz and Tan 2016).

---

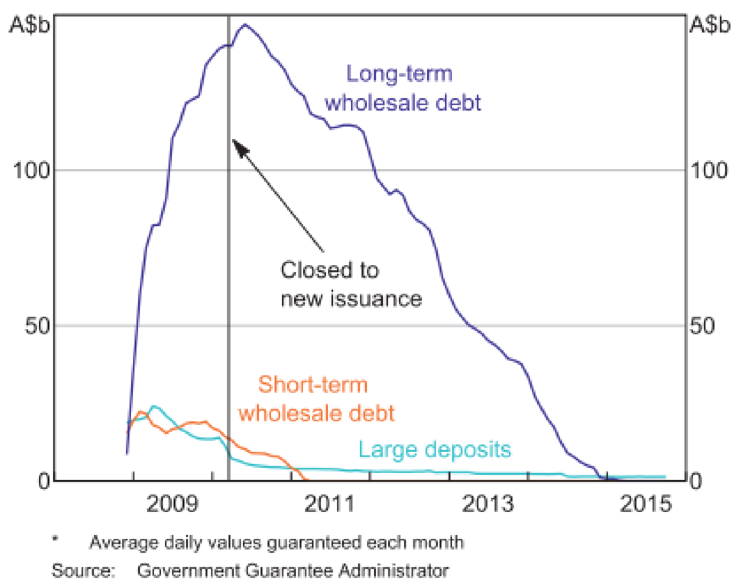
[7] For short-term liabilities only, the following applied: in calculating the value of these liabilities, the gross proceeds of the fund raising were to be used (Australian Government 2012).
[8] The monthly average spot rate in November 2008 was $1 = A$1.5266.

The Guarantee Scheme's peak use came during its initial period of operation, "when risk aversion among investors was highest" (Schwartz and Tan 2016, Schwartz 2010).

As markets began to reopen, use of the Guarantee Scheme eased (see Figure 1). In late 2008, guaranteed bonds represented 100 percent of total bond issuance; by late 2009, they only represented about 30 percent. Guaranteed short-term wholesale funding peaked in February 2009 at A$22.4 billion, but quickly fell to around A$17.1 billion by January of the next year (Schwartz 2010; Schwartz and Tan 2016).

Australia's four main banks—Commonwealth Bank, Westpac Banking Corporation, National Australia Bank, and Australia and New Zealand Banking Group—represented the Guarantee Scheme's largest users, accounting for about two-thirds of total guaranteed issuance. However, issuance as a share of liabilities was higher among non-major Australian banks. Before the crisis, these non-major banks chose not to issue many bonds and instead operated in residential mortgage-backed securities markets. When the crisis made these markets unpalatable, the non-major banks responded by making significant use of the Guarantee Scheme and issuing large amounts of guaranteed bonds (Schwartz and Tan 2016). This pattern can be seen in Figure 2.

Figure 1: Guarantee Scheme Usage



Source: Schwartz and Tan 2016.

Figure 2: Bank-Issued Government-Guaranteed Debt, March 2010

	Outstanding long-term bond issuance	Share of total liabilities	Memo item: Guaranteed wholesale liabilities as a share of wholesale liabilities
	A$ billion	Per cent	Per cent
Major banks	94.9	4.1	14.2
Non-major banks	45.2	8.3	18.1
Australian-owned	32.1	11.7	42.2
Foreign-owned	13.1	4.8	10.3
Total	140.1	4.9	15.5

Sources: Government Guarantee Administrator; RBA

Source: Schwartz and Tan 2016.

Institutions predominantly used the Guarantee Scheme's wholesale funding component for long-term liabilities. The majority of short-term debt issuance came from non-major institutions, which is partly explained by the fact that, as part of the Guarantee Scheme's slew of safeguards, foreign-owned branches were not allowed to issue guaranteed debt with maturities of greater than 15 months (Schwartz and Tan 2016).

By June 2009, as global markets became healthier, banks began issuing unguaranteed bonds. Issuance of guaranteed bonds, which had accounted for almost all bond issuance following the Guarantee Scheme's implementation, fell to close to zero in early 2010. "This reflected that the sharp compression in bank bond spreads over 2009 was more pronounced for unguaranteed bonds than for guaranteed bonds, particularly for higher-rated issuers. As a result, it was generally advantageous for the double-A-rated banks to issue unguaranteed rather than issuing guaranteed and incurring the associated fee" (Schwartz 2010).

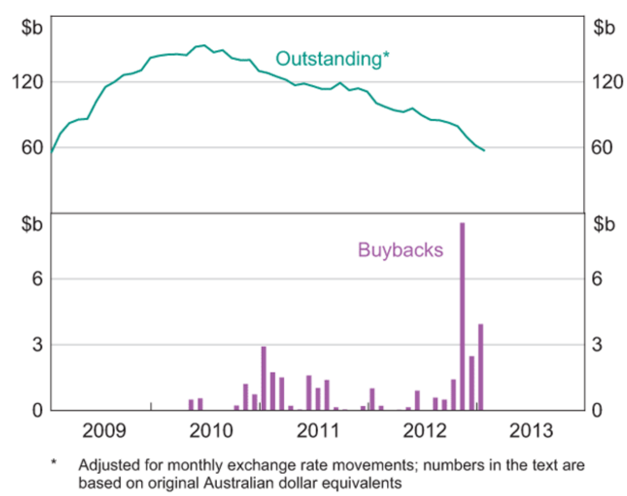
On February 7, 2010, the government announced that the Guarantee Scheme's wholesale funding component would close to new issuance on March 31, 2010. Any institution that wished to apply for the program had until March 24, 2010, to do so, and institutions could issue guaranteed liabilities up to and including March 31, 2010. After March 31, any liabilities already covered under the Guarantee Scheme "would remain guaranteed until either they matured or were bought back and extinguished by the issuer," and institutions were required to keep paying monthly fees on these guaranteed liabilities (Schwartz 2010, Schwartz and Tan 2016).

By the time the Guarantee Scheme's wholesale funding component closed to new issuance on March 31, the beneficiaries had issued about A$166 billion of guaranteed liabilities. At that time, the amount of guaranteed wholesale funding represented about 15 percent of all wholesale liabilities. Ultimately, the monthly fees generated by the Guarantee Scheme totaled A$4.5 billion in government revenue (Reserve Bank of Australia 2013, Schwartz 2010, Schwartz and Tan 2016).

After the closure of the Guarantee Scheme, previously issued guaranteed bonds matured and the amount of guaranteed bonds began to fall. This fall in supply was compounded by buybacks: as the markets improved, and the maturity profiles of the remaining guaranteed debt shortened (approximately 12 and 18 months remaining to maturity), the cost of maintaining government-guaranteed debt became more expensive than issuing unguaranteed debt. Thus, institutions began repurchasing their debt, at first in small amounts, but increasing as conditions improved[9] (Schwartz 2010, Schwartz and Tan 2016).

Institutions repurchased about A$16 billion of guaranteed bonds by mid-2012. Some of the biggest issuers of guaranteed bonds began large-scale repurchases in late 2012 and early 2013, during which time they bought back about A$15 billion of guaranteed bonds. These buybacks contributed to a decline in the supply of guaranteed bonds to about A$57 billion, as seen in Figure 3 (Reserve Bank of Australia 2013).

Figure 3: Australian Government-Guaranteed Debt



Source: Reserve Bank of Australia 2013.

Non-major institutions bought back a larger share of their guaranteed debt than did major institutions, even though major institutions accounted for more than half of total buybacks in absolute terms. While major institutions bought back A$33 billion (about 33 percent of their issuance under the Guarantee Scheme), non-major institutions bought back about A$25 billion of guaranteed debt, which represented slightly more than 50 percent of their issuance (Schwartz 2010, Schwartz and Tan 2016).

The scheme's final bond matured in early 2015, and the scheme formally ended in October 2015 (Reserve Bank of Australia 2012).

II. Key Design Decisions

1. The Guarantee Scheme represented one piece in a comprehensive response to the global financial crisis.

[9] The first buyback of guaranteed debt occurred early in mid-2009, but buyback activity was not prominent until 2011 (Schwartz and Tan 2016).

This included a cut in interest rates and multiple stimulus packages (Kennedy 2009).

2. **The Guarantee Scheme derived its legal authority from the Financial Claims Scheme.**

This authority allowed for the establishment of the Guarantee Scheme without the need for additional legislation.

3. **There was no cap on the program's size.**

Australian authorities intended the lack of a cap to demonstrate their commitment to offer as much support as necessary to the banking system.

4. **Only authorized deposit-taking institutions were eligible to have their liabilities guaranteed by the Guarantee Scheme's wholesale funding component.**

The Reserve Bank of Australia supplied a list of eligible institutions, and these included: Australian-owned banks; Australian-incorporated institutions that were subsidiaries of foreign banks; branches of foreign banks; building societies; credit unions; and a small category for four "other" institutions. For a complete list of eligible institutions by name, see "Eligible Institutions" in Key Program Documents.

Any institution seeking involvement in the scheme had to have approval from the Australian Prudential Regulation Authority.

Foreign bank branches, "which were subject to less Australian supervisory oversight," had multiple additional restrictions for participation. The liabilities guaranteed by foreign branches had shorter maturity limits (initially set until December 31, 2009, and later extended to a rolling 15-month maturity); "total guaranteed liabilities could not exceed 110 percent of the average daily value of short-term liabilities and deposits in the 30 days prior to the announcement of the scheme; and their guaranteed liabilities could not be used to directly support the foreign branch outside Australia or the obligations of its parent or any related entity" (Schwartz and Tan 2016).

This restricted access reflected that, "unlike the foreign bank subsidiaries, foreign bank branches were not separate entities incorporated and independently capitalized in Australia—they were part of a foreign bank incorporated overseas" (Schwartz 2010).

5. **Eligible debt took the form of senior unsecured debt instruments.**

Subordinated debt was not eligible for the program.

6. **The scheme's wholesale funding component allowed for the issuance of debt with maturities of up to five years.**

Australian institutions could issue securities with maturities of up to five years (foreign bank branches were limited to 15 months) that were guaranteed in full by the Australian government (Reserve Bank of Australia 2013, Schwartz 2010).

This maximum maturity "allowed ADIs more flexibility to lengthen maturities and avoid bunching of refinancing risk" (Schwartz and Tan 2016). The government did not establish minimum maturity requirements for eligible debt.

The Guarantee Scheme employed two different participation processes based on the maturity of the issued debt. The processes were identical except for differences in the long-term liability process. For a complete breakdown of these differences, refer to the government guarantee scheme rules in "Implementation Documents" section of the "Key Documents."

All currencies were eligible for the scheme's wholesale funding component.

7. For the most part, there does not appear to have been a cap on any individual institution's participation in the scheme's wholesale funding component.

Foreign branches were limited to 110% of the average daily value of their short-term liabilities and deposits in the 30 days prior to the Scheme's announcement

8. A monthly fee was payable to the government based on the credit rating of the issuer.

All guaranteed liabilities were subject to a monthly fee, which applied to eligible liabilities issued on or after November 28, 2008. The institution was required to pay this fee within seven business days of the last calendar day of each month in arrears (Reserve Bank of Australia 2012, Australian Government 2012). The amount of the fee depended on both the credit rating of the institution (lower-rated institutions had to pay a higher fee to access the guarantee) and the value of the guaranteed liabilities. The same fee applied regardless of the term of the debt (Reserve Bank of Australia 2012).

The fee was calculated by using the following formula[10]:

Fee payable = Guaranteed liabilities x relevant fee x number of calendar days in month/365.

The relevant fee was prescribed as follows:

Long-Term Credit Rating of ADI	Fee (in basis points per annum)
AAA to AA-	70
A+ to A–	100
BBB+ and below and Unrated	150

The guarantee fees were designed around multiple variables. These variables included fees charged by other countries with guarantee schemes, the appropriate pricing of risk, and a desire for institutions to return to non-guaranteed issuance once conditions improved. The fees were due monthly rather than up front to avoid putting additional pressure on

[10] For short-term liabilities only, the following applied: in calculating the value of these liabilities, the gross proceeds of the fund raising were to be used (Australian Government 2012).

institutions that were already experiencing liquidity issues (Schwartz 2010; Schwartz and Tan 2016).

The fees were set between the risk spreads at the time of the Guarantee Scheme's creation (a time of extreme market stress) and spreads seen to be likely during normal market conditions. The fee structure was "designed to act as a natural exit mechanism, so that when pricing of risk improved, the yield spread between unguaranteed and guaranteed debt would narrow to below the guarantee fee and it would become cost-effective for issuers to return to unguaranteed issuance," thus also reducing the government's liability (Schwartz 2010; Schwartz and Tan 2016).

As such, the fee encouraged institutions to buy back their debt. As markets improved, and the maturity profiles of the remaining guaranteed debt shortened (approximately 12 and 18 months remaining to maturity), the cost of issuing government-guaranteed debt became more expensive than issuing unguaranteed debt. Thus, institutions began repurchasing their debt, at first in small amounts, but increasing as conditions improved (Schwartz 2010; Schwartz and Tan 2016).

9. The Council of Financial Regulators required participants to regularly report their exposures and activities.

The Council of Financial Regulators, an agency that served in an advisory capacity during the Guarantee Scheme's creation and operation, required monitoring of exposures and regular reports on both individual bank exposures and foreign branch activities. This was a safeguard (Schwartz and Tan 2016).

10. No deadline for issuing guaranteed debt was established at the outset of the program, and authorities ultimately closed the issuance window on March 31, 2010.

The government announced that the Guarantee Scheme would remain open until markets normalized. In making this decision, the government and the Council of Financial Regulators considered whether to risk premature closure or "the longer-term costs of an extended period of government support." Eventually, when the Council of Financial Regulators recommended the government close the program at the end of March 2010, it was because market conditions had improved, and the Guarantee Scheme no longer appeared necessary. The institutions' use of the Guarantee Scheme "began to appear to be largely a response to small pricing advantages rather than a reflection of problems of market access" (Schwartz 2010).

III. Evaluation

Reviews of the effectiveness of the Guarantee Scheme's wholesale funding component by Australian authorities conclude that it was a successful program. Schwartz (2010) at the Reserve Bank of Australia concluded that it made "a positive and important contribution to the stability of the Australian financial system by ensuring that institutions continued to have access to capital markets during the most intense phase of the crisis. It also ensured that the overall availability of funding was not a material constraint on the capacity of Australian banks to lend and, for a time, served to mitigate the large increase in the cost of issuing debt."

According to Schwartz and Tan (2016), there are strong grounds for concluding that the Guarantee Scheme's wholesale funding component was successful. It was able to help stabilize the Australian financial system and allowed Australian institutions to remain on equal footing with their international peers who had access to similar schemes. It was heavily used by both major and non-major institutions and provided large amounts of funding to the financial sector and thus credit provision to the economy.

Further, Australian central bank officials argue that the Guarantee Scheme's wholesale funding component opened and closed at appropriate times, within a defined period of need. It opened quickly in response to a dire turn in global financial markets, and it closed about the time other similar international schemes had started to close and the Australian government believed market conditions had normalized. This "judgment-based closure of the Guarantee Scheme, as opposed to using a pre-announced closure date, successfully avoided potential market uncertainty over whether arrangements would be extended in the lead-up to the pre-announced closure dates" (Schwartz and Tan 2016). As discussed above, the design of the scheme's wholesale funding component encouraged institutions to repurchase their debt as market conditions normalized, and this feature "allowed for a faster return to standalone market-based funding and reduction in government contingent liabilities than would otherwise have been the case" (Schwartz 2010; Schwartz and Tan 2016).

No claims were made against the Guarantee Scheme, and it incurred no losses—partly reflected by the consideration given to risk during the design process. "It was judged preferable to err on the side of supporting the financial system with simple, easy to understand arrangements, than to impose greater control over exposures through features such as limits or institution-specific pricing" (Schwartz and Tan 2016).

At the time of the Guarantee Scheme's closure, banks had returned to more normal and stable measures of funding, such as increasing deposit and long-term funding and reducing the use of short-term wholesale funding. (Schwartz and Tan 2016).

IV. References

Australian Government. 2012. *Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding Rules.* Australia: Reserve Bank of Australia. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/scheme-rules-20042011%20(1).pdf

Australian Prudential Regulation Authority. n.d. "About the Financial Claims Scheme." https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/_%20APRA.pdf

Kennedy, Steven. 2009. "Australia's Response to the Global Financial Crisis." Speech, June 24, 2009. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Australia's%20response%20to%20the%20global%20financial%20crisis%20_%20Treasury.gov_.au_.pdf

Reserve Bank of Australia. n.d. "Historical Data: Exchange Rates, Daily, 2007 to 2009." https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Historical%20Data%20_%20RBA.pdf

Reserve Bank of Australia. 2012. "Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding."

https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Australian%20Government%20Guarantee%20Scheme_%20About%20the%20Scheme.pdf

Reserve Bank of Australia. 2013. "Box D: Buybacks of Government Guaranteed Securities." Statement on Monetary Policy. February 2013. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Box%20D_%20Buybacks%20of%20Government%20Guaranteed%20Securities%20_%20Statement%20on%20Monetary%20Policy%20%E2%80%93%20February%202013%20_%20RBA.pdf

Schwartz, Carl. 2010. "The Australian Government Guarantee Scheme." *Reserve Bank of Australia Bulletin*, March 2010: 19-26. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Schwartz_Bulletin%20March%20Quarter%202010.pdf

Schwartz, Carl, and Nicholas Tan. 2016. "The Australian Government Guarantee Scheme: 2008-15." *Reserve Bank of Australia Bulletin*, March 2016: 39-46. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/bu-0316-5.pdf

V. Key Program Documents

Summary of Program

Box A: Government guarantees on deposits and wholesale funding (Financial Stability Review, March 2009) – *Publication by the Reserve Bank of Australia detailing the Guarantee Scheme*.
https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/box-a.pdf

Implementation Documents

Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding Rules – *Formal document issued by the Reserve Bank of Australia detailing the scheme's operation and regulation*.
https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/scheme-rules-20042011%20(1).pdf

Eligible Institutions – *List of eligible institutions included in the formal implementation document; names all ADIs considered eligible to apply for the Guarantee Scheme*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/schedule-1.pdf

Notice of Final Application Date and Final Issuance Date (February 23, 2010) – *Formal notice of the closure of the Guarantee Scheme sent to eligible institutions*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/notice-fad-fid.pdf

Legal/Regulatory Guidance

Financial Claims Scheme – *Overview from the Council of Financial Regulators detailing the Financial Claims Scheme, which was the legal authority under which the Guarantee Scheme took place*.

https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/CFR_%20Financial%20Claims%20Scheme.pdf

Press Releases/Announcements

Global Financial Crisis (October 12, 2008) – *Media release of the Prime Minister of Australia's public announcement of the Guarantee Scheme*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Release-Trove.pdf

Government Announces Details of Deposit and Wholesale Funding Guarantees (Wayne Swan, October 24, 2008) – *Media release from the Treasury; an announcement of further details of the scheme's design and operational parameters*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Funding%20Guarantees%20_%20Treasury%20Ministers.pdf

Guarantee Scheme for Large Deposits and Wholesale Funding of Deposit-Taking Institutions (Wayne Swan, November 28, 2008) – *Media release from the Treasury announcing the commencement of the Guarantee Scheme*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Press%20Release%20-%20Guarantee%20Scheme.pdf

Government Withdraws Bank Funding Guarantee and State Guarantee (Wayne Swan, February 7, 2010) – *Media release from the Treasury announcing the government's intention to close the Guarantee Scheme to new liabilities*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Press%20Release%20-%20Government%20Withdraws.pdf

Key Academic Papers

The Design of Government Guarantees for Bank Bonds: Lessons from the Recent Financial Crisis (Levy and Schich 2010) – *OECD document examining government guarantee programs during the GFC*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Levy_and_Schich_2010_0.pdf

Banks' Funding Costs and Lending Rates (Deans and Stewart 2012) – *Reserve Bank of Australia publication examining lending rates and funding costs surrounding the financial crisis*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/bu-0312-5.pdf

Recent Developments in Banks' Funding Costs and Lending Rates (Brown et al. 2010) – *Reserve Bank of Australia publication examining the effects of the global financial crisis on the cost and composition of Australian banks' funding*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/bu-0310-6.pdf

The Impact of the Financial Crisis on the Bond Market (Black, Brassil, and Hack 2010) – *Reserve Bank of Australia publication examining the functioning of the Australian bond market during the financial crisis*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/bu-0610-8.pdf

Depositor Protection in Australia (Turner 2011) – *Reserve Bank of Australia publication reviewing depositor protection in Australia with a focus on the Guarantee Scheme*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/10.1.1.395.5209.pdf

The Australian Financial System in the 2000s: Dodging the Bullet (Davis 2011) – *Reserve Bank of Australia publication examining the ability of Australia to cope with the global financial crisis*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/davis.pdf

Reports/Assessments

Reserve Bank of Australia Annual Report 2009 – *Annual Report that mentions the setup required for the Guarantee Scheme*. https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/2009-report.pdf