

## Document 9

**From:**  
**Sent:** Thursday, 14 March 2013 2:18 PM  
**To:**  
**Cc:**  
**Subject:** FW: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]  
**Attachments:** RE: EM 2012/38 - Foreign Exchange Risk Management - Annual Report for 2012-13 [SEC=UNCLASSIFIED]; EM 2012\_38 Templates 1.1, 1.2, 2 and 3.xlsx

Hi ,

I'm referring to the email I sent you in December last year in regards to the Forex annual report. Please note that we have entered the amounts in thousands instead of millions.

We received a query from (Finance – refer below email) to confirm amounts.

Thanks.

---

**From:**  
**Sent:** Thursday, 14 March 2013 2:11 PM  
**To:**  
**Subject:** FW: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

Can you please let and know about the error and get them to pass it onto the relevant people in finance?

Thanks,

---

**From:**  
**Sent:** Thursday, 14 March 2013 2:11 PM  
**To:**  
**Cc:**  
**Subject:** RE: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

It's probably best that we do both. I will get our AAU to inform the Forex people, it would be good if you could also let them know directly.

Thanks,

---

**From:**  
**Sent:** Thursday, 14 March 2013 2:05 PM  
**To:**  
**Cc:**  
**Subject:** RE: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

Will you let the Finance FOREX people know directly, or would you like us to pass this correction on to them when we give them broader comments on the FOREX Annual Report?

Thanks,

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**From:**  
**Sent:** Thursday, 14 March 2013 2:04 PM  
**To:**  
**Cc:**  
**Subject:** RE: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

Yes, the decimal was in the wrong spot. These figures were entered in the thousand, instead of the million.

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**From:**  
**Sent:** Thursday, 14 March 2013 2:03 PM  
**To:**  
**Cc:**  
**Subject:** RE: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

Is that consistent across all years? See highlighted text in red.

Actual IMF related exposures at 30 June 2012 (\$m)	Estimated IMF related exposures at 30 June 2013 (\$m)	Estimated IMF related exposures at 30 June 2014 (\$m)	Estimated IMF related exposures at 30 June 2015 (\$m)	Estimated IMF related exposures at 30 June 2016 (\$m)
0.973	1.682.000	1.677.000	1.670.000	1.664.000

---

**From:**  
**Sent:** Thursday, 14 March 2013 2:00 PM  
**To:**  
**Cc:**  
**Subject:** RE: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

Hi ,

There is an error. It should be 1.68m, the decimal was incorrectly entered. Let me know if you need me to do anything.

Thanks,

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**From:**  
**Sent:** Thursday, 14 March 2013 1:40 PM  
**To:**  
**Cc:**  
**Subject:** RE: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

Hi ,

As discussed over the phone, I just wanted to check with you to see if the amounts for the IMF charges are corrected as there seems to be a large increase in charges after 30 June 2012. Please see table below.

**Table 7: IMF related exposures managed by the Department of the Treasury**

	Actual IMF related exposures at 30 June 2012 (\$m)	Estimated IMF related exposures at 30 June 2013 (\$m)	Estimated IMF related exposures at 30 June 2014 (\$m)	Estimated IMF related exposures at 30 June 2015 (\$m)	Estimated IMF related exposures at 30 June 2016 (\$m)
IMF Charges	0.973	1,682.000	1,677.000	1,670.000	1,664.000

Regards

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**From:**

**Sent:** Thursday, 14 March 2013 11:03 AM

**To:**

**Cc:**

**Subject:** RE: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

Hi ,

I spoke to about this. He said that his area provided the Treasury relevant numbers (e.g. those related the IMF), and that has signed off on these, and doesn't need to see the report again.

Thanks,

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**From:**

**Sent:** Wednesday, 13 March 2013 5:51 PM

**To:**

**Subject:** RE: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

do you know if this has gone to the area to check the Treasury numbers.

---

**From:**

**Sent:** Tuesday, 12 March 2013 10:55 AM

**To:**

**Cc:**

**Subject:** FW: Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

Hi ,

We've received the draft 2011-12 Forex report from finance for comment. If BEAU has any comments could you let me know by midday Friday.

Thanks,

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**From:** FOREX

**Sent:** Thursday, 7 March 2013 2:43 PM

**To:**

**Subject:** Draft Annual Foreign Exchange Annual Report [SEC=PROTECTED, DLM=Sensitive]

PROTECTED, Sensitive

Hello ,

Following on from our meeting held earlier this year, please find attached a draft copy of this year's annual forex report that has been prepared for the Finance Minister.

As you are aware, under the Australian Government Foreign Exchange Risk Management Guidelines, the Finance Minister provides a copy of the report to the Prime Minister and Treasurer.

Could you please circulate the draft report to the relevant areas within Treasury who may have an interest.

We would be grateful to receive any comments, including a nil response **by cob Friday 15 March 2013**. This would enable us to progress our briefing for our Minister.

In the meantime should you wish to discuss any aspect of the report please let me know.

Kind regards,

| Policy Officer

Special Appropriations and Banking Policy Section

Appropriations and Cash Management Branch

Governance & Resource Management Group

Department of Finance and Deregulation

T: 02 6215 | E: [@finance.gov.au](mailto:finance.gov.au)

A: John Gorton Building, King Edward Terrace, PARKES ACT 2600

The *Special Appropriations and Banking Policy Section* can assist you with advice on policies related to special appropriations, Special Accounts, banking, retained Agency receipts, repayments and foreign exchange risk management, and on certain related provisions of the [FMA Act](#) and the [FMA Regulations](#) (namely ss. 8-11, 20-22, 28, 30, 31 and rr. 15, 17-19).

PROTECTED, Sensitive

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Finance Australian Business Number (ABN): 61 970 632 495

Finance Web Site: [www.finance.gov.au](http://www.finance.gov.au)

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If responding to this email, please send to the appropriate person using the suffix .gov.au.

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Entity Name:					
	Actual Forex Exposure at 30 June 2012 in AUD m	Estimated Forex Exposure at 30 June 2013 in AUD m	Estimated Forex Exposure at 30 June 2014 in AUD m	Estimated Forex Exposure at 30 June 2015 in AUD m	Estimated Forex Exposure at 30 June 2016 in AUD m
Departmental Receivable					
Departmental Payable					
<b>Total Departmental Exposures</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Top 5 currencies in which the above <b>Departmental Receivable</b> Exposures are held (balance entered against Other)					
1. _____					
2. _____					
3. _____					
4. _____					
5. _____					
6. Other					
<b>Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<i>Balance check</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>
Top 5 currencies in which the above <b>Departmental Payable</b> Exposures are held (balance entered against Other)					
1. _____					
2. _____					
3. _____					
4. _____					
5. _____					
6. Other					
<b>Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<i>Balance check</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>

- Notes:
1. Exposures are amounts payable or receivable in a foreign currency, and Australian dollar amounts payable or receivable, which are calculated based on a foreign currency.
  2. Exposures are always positive.
  3. For estimated forex exposures, please use the most recent BERs as provided by your AAU in Finance.
  4. All amounts are in AUD millions.

Entity Name: Department of the Treasury					
	Actual Forex Exposure at 30 June 2012 in AUD m	Estimated Forex Exposure at 30 June 2013 in AUD m	Estimated Forex Exposure at 30 June 2014 in AUD m	Estimated Forex Exposure at 30 June 2015 in AUD m	Estimated Forex Exposure at 30 June 2016 in AUD m
Administered Receivable	5,447.368	10,564.052	10,715.167	10,871.951	10,977.831
Administered Payable	4,689.523	6,430.388	6,484.557	6,539.416	6,548.669
<b>Total Administered Exposures</b>	<b>10,136.891</b>	<b>16,994.440</b>	<b>17,199.724</b>	<b>17,411.367</b>	<b>17,526.500</b>
Top 5 currencies in which the above <b>Administered Receivable</b> Exposures are held (balance entered against Other)					
1. SDR _____					
2. USD _____					
3. EUR _____					
4. _____					
5. _____					
6. Other	5,447.368	10,564.052	10,715.167	10,871.951	10,977.831
<b>Total</b>	<b>5,447.368</b>	<b>10,564.052</b>	<b>10,715.167</b>	<b>10,871.951</b>	<b>10,977.831</b>
<i>Balance check</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>
Top 5 currencies in which the above <b>Administered Payable</b> Exposures are held (balance entered against Other)					
1. SDR _____					
2. USD _____					
3. EUR _____					
4. _____					
5. _____					
6. Other	4,689.523	6,430.388	6,484.557	6,539.416	6,548.669
<b>Total</b>	<b>4,689.523</b>	<b>6,430.388</b>	<b>6,484.557</b>	<b>6,539.416</b>	<b>6,548.669</b>
<i>Balance check</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>

- Notes:
1. Exposures are amounts payable or receivable in a foreign currency, and Australian dollar amounts payable or receivable, which are calculated based on a foreign currency.
  2. Exposures are always positive.
  3. For estimated forex exposures, please use the most recent BERs as provided by your AAU in Finance.
  4. All amounts are in AUD millions.

# Foreign Exchange Gains and Losses in 2011-12

Template 2

Entity Name:			
		Resources from Government* AUD m	Please identify the reason for any significant gains/losses or adjustments.
Departmental resourcing foreign exchange realised gains and losses in 2011-12			
A	Identify the total gain (+) or loss (-) realised from foreign exchange transactions which occurred in the period 1 July 2011 to 30 June 2012.		
B	Identify the total adjustments (+) made to resourcing estimates to reflect the 2011-12 forex loss		
C	Identify the total reduction request (-) required to resourcing (provided in the 2011-12 annual appropriation Acts) to reflect 2011-12 forex gain.		
Reconciliation of departmental resourcing for foreign exchange transactions in 2011-12			
D	Adjustment required to reconcile entity resourcing with realised loss.  <i>Please do not enter an amount for this row and let this spreadsheet calculate the amount. If you disagree with the calculated amount, then please enter a comment and discuss it with your AAU.</i>	0.000	

- Notes:**
- \* means Departmental appropriation for FMA Agencies and Commonwealth payments to CAC bodies. All amounts are in AUD millions.
  - See the Estimates Memorandum for explanations of gain, loss and exposures and guidance on applying the most recent Budget Exchange Rates (BERs) to calculate exposures.
  - A A *gain* should be entered as a positive figure and a *loss* as a negative figure.
  - B The amount should be entered as a positive figure for an estimates adjustment to provide supplementation, or as a negative figure for a reduction request.



# Foreign Exchange Adjustments for 2012-13 and Forward Years

Template 3

Entity Name:

		Resources from Government* AUD m	Please identify the reason for any significant adjustments.
<b>Adjustment for Foreign Exchange for 2012-13</b>			
<b>A</b>	Identify the <b>actual forex gain (+) or loss (-)</b> from foreign exchange transactions that occurred between 1 July 2012 and the most recent estimates update		
<b>B</b>	Identify <b>adjustments made</b> to resourcing estimates <b>to reflect the actual forex loss</b> in A above		
<b>C</b>	Identify <b>the amount to be included in an appropriation item reduction request</b> (to be made post 30 June 2013) <b>to reflect the actual forex gain</b> in A above		
<b>D</b>	Identify the overall <b>adjustments made to reflect updated exposures</b> immediately after the most recent estimates update, to 30 June 2013		
<b>E</b>	Identify the overall <b>adjustments required to reflect updated exposures</b> immediately after the most recent estimates update, to 30 June 2013		
<b>F</b>	Any <b>adjustment required to reconcile</b> entity resourcing  <i>Do not enter an amount for this row; let it be calculated by spreadsheet. If you disagree with the calculation, then enter a comment and discuss it with your AAU.</i>	0.000	
<b>Adjustment for Foreign Exchange for 2013-14</b>			
<b>G</b>	Identify adjustments made to reflect updated exposures for 2013-14		
<b>Adjustment for Foreign Exchange for 2014-15</b>			
<b>H</b>	Identify adjustments made to reflect updated exposures for 2014-15		
<b>Adjustment for Foreign Exchange for 2015-16</b>			
<b>I</b>	Identify adjustments made to reflect updated exposures for 2015-16		

- Notes**
- \* means Departmental appropriation for FMA Agencies and Commonwealth payments to CAC bodies. All amounts are in AUD millions.
  - See the Estimates Memorandum for explanations of gain, loss and exposures and guidance on applying the most recent Budget Exchange Rates (BERs) to calculate exposures.
  - A A *gain* should be entered as a positive figure and a *loss* as a negative figure.
  - B-I The amount should be entered as a positive figure for an estimates adjustment to provide supplementation, or as a negative figure for a reduction request.

**From:**  
**Sent:** Monday, 17 December 2012 9:04 AM  
**To:**  
**Cc:**  
**Subject:** RE: EM 2012/38 - Foreign Exchange Risk Management - Annual Report for 2012-13 [SEC=UNCLASSIFIED]  
**Attachments:** 20121217080047886.pdf.pdf

Hi ,

Please find attached Treasury's return for the Foreign Exchange Risk Management.

If you need further information, please contact me.

Thanks.

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**From:**  
**Sent:** Friday, 7 December 2012 12:24 PM  
**To:**  
**Cc:**  
**Subject:** FW: EM 2012/38 - Foreign Exchange Risk Management - Annual Report for 2012-13 [SEC=UNCLASSIFIED]

UNCLASSIFIED

Dear all

Just a friendly reminder. Please note that your agency needs to provide a return:

- 1) Parliamentary Budget Office
- 2) Department of the Treasury
- 3) Clean Energy Finance Corporation
- 4) Australian Competition and Consumer Commission
- 5) National Competition Council
- 6) Australian Securities and Investments Commission

Greatly appreciate if your team can submit the return (both electronic copy and scanned CFO-signed copy) by **21 December 2012**.

Kind Regards

UNCLASSIFIED

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**From:** Budget Advice  
**Sent:** Friday, 7 December 2012 11:26 AM  
**To:**

**Subject:** EM 2012/38 - Foreign Exchange Risk Management - Annual Report for 2012-13 [SEC=UNCLASSIFIED]

UNCLASSIFIED

Please find attached: **EM 2012/38 - Foreign Exchange Risk Management - Annual Report for 2012-13**

This EM will be placed in the Knowledge Management section of the CBMS.

EM Coordinator  
Budget Policy and Coordination Division  
Department of Finance and Deregulation

7 December 2012

UNCLASSIFIED

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Finance Australian Business Number (ABN): 61 970 632 495  
Finance Web Site: [www.finance.gov.au](http://www.finance.gov.au)

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If responding to this email, please send to the appropriate person using the suffix .gov.au.

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**ATTACHMENT A****ENTITY FOREIGN EXCHANGE REPORT FOR 2012-13**

Entity Name: Department of the Treasury
---

Please complete the following questions by ticking the appropriate boxes:

**1. Entities that have opted back into the forex reporting process**

Such entities should note that consistent with the policy, information provided in the templates should cover new exposures only, which have arisen after opting back in.

**2. Foreign Exchange Exposures**

Does the entity have any foreign exchange exposure to report?

Forex exposures are calculated as the Australian dollar amounts that are expected to be paid or received in a foreign currency. This calculates the entity's exposure to losses or gains as a result of movements in exchange rates. Exposures represent expected transactions and therefore, are not realised gains or losses.

☐ If no, go to question 3.

☒ If yes, please complete Templates 1.1 and 1.2 – Foreign Exchange Exposures.

**3. Foreign Exchange Gain or Loss for the Previous Year**

In 2011-12, did the entity make an overall foreign exchange gain/loss in excess of A\$5 million, or 1 per cent of its departmental appropriation for FMA Agencies, or revenue from government for CAC bodies?

☒ If no, go to question 4.

☐ If yes, please complete Template 2 – Foreign Exchange Gain or Loss for the Previous Year.

**4. Foreign Exchange Adjustments**

Did the entity make any adjustments to resourcing, for the foreign exchange component of transactions, for 2012-13 and/or the forward years?

☒ If no, go to question 5.

☐ If yes, please complete Template 3 – Foreign Exchange Adjustments.

**5. Does the entity seek to apply to opt out of future annual foreign exchange reporting requirements?**

☒ If no, please sign off.

☐ If yes

- please complete Templates 1.1 and 1.2 – Foreign Exchange Exposures, as this will be used by Finance to assess applications; and
- please confirm that the entity has advised its Minister of this application to opt out of foreign exchange reporting.
  - Date Minister was advised: \_\_\_\_\_

Further background information on opting out of foreign exchange reporting is available in Estimates Memorandum 2006/37.

**Sign-off by the CFO**

I **Chief Financial Officer** of Department of the Treasury

certify that the information provided is complete and accurate and that it, and all relevant management practices, complies with the *Australian Government Foreign Exchange Risk Management Guidelines*.

Signature of CFO:

Date: 17/12/12

**Forward all documentation to your AAU in the Department of Finance and Deregulation. If you have any queries, please contact your AAU for assistance.**

Entity Name: Department of the Treasury					
	Actual Forex Exposure at 30 June 2012 in AUD m	Estimated Forex Exposure at 30 June 2013 in AUD m	Estimated Forex Exposure at 30 June 2014 in AUD m	Estimated Forex Exposure at 30 June 2015 in AUD m	Estimated Forex Exposure at 30 June 2016 in AUD m
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Top 5 currencies in which the above Administered Receivable Exposures are held (balance entered against Other)					
1. SDR					
2. USD					
3. EUR					
4.					
5.					
6. Other	5,447.368	10,564.052	10,715.167	10,871.951	10,977.831
<b>Total</b>	<b>5,447.368</b>	<b>10,564.052</b>	<b>10,715.167</b>	<b>10,871.951</b>	<b>10,977.831</b>
Balance check	0.000	0.000	0.000	0.000	0.000
Top 5 currencies in which the above Administered Payable Exposures are held (balance entered against Other)					
1. SDR					
2. USD					
3. EUR					
4.					
5.					
6. Other	4,689.523	6,430.388	6,484.557	6,539.416	6,548.669
<b>Total</b>	<b>4,689.523</b>	<b>6,430.388</b>	<b>6,484.557</b>	<b>6,539.416</b>	<b>6,548.669</b>
Balance check	0.000	0.000	0.000	0.000	0.000

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1. Exposures are amounts payable or receivable in a foreign currency, and Australian dollar amounts payable or receivable, which are calculated based on a foreign currency.
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  4. All amounts are in AUD millions.