

AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT

SECTION 1: ENTITY OVERVIEW AND RESOURCES	101
1.1 Strategic direction statement	101
1.2 Entity resource statement	104
1.3 Budget measures.....	105
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	106
2.1 Budgeted expenses and performance for Outcome 1.....	107
SECTION 3: BUDGETED FINANCIAL STATEMENTS.....	111
3.1 Budgeted financial statements.....	111
3.2. Budgeted financial statements tables.....	112

AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Office of Financial Management (AOFM) is responsible for the management of Australian Government debt and certain financial assets. It issues Treasury Bonds, Treasury Indexed Bonds and Treasury Notes, manages the government's cash balances and invests in high quality financial assets.

The AOFM aims to meet the government's financing needs in a cost effective manner subject to acceptable risk and to meet the government's policy objectives of maintaining liquid and efficient Treasury Bond and Treasury Bond futures markets. Treasury Bonds are the main issuance instrument used by the AOFM to meet the Australian Government's financing needs and to support bond markets.

The AOFM primarily manages the cost structure of the debt portfolio through the choice of Treasury Bond series when issuing debt. An annual debt issuance strategy is informed by qualitative and quantitative factors to achieve an interest rate profile that appropriately balances cost and cost variability, the refinancing task and the promotion of financial market efficiency. In recent years the AOFM has lengthened the duration of its Treasury Bond portfolio through longer term issuance and by extending the yield curve as a means of reducing risk. Given low yields, the high degree of uncertainty about the extent of the impact of the coronavirus pandemic on the Australian economy, and the government's fiscal position the AOFM will retain (subject to investor demand) a long-dated issuance bias. In July 2020 the AOFM again extended the Treasury Bond yield curve to maintain a 30 year benchmark with the syndicated issuance of a new series - the June 2051 Treasury Bond. Since 2016, as a means of reducing refinancing risk the AOFM conducted regular buy-backs of short dated bonds. This program was suspended in March 2020 and continues to be suspended indefinitely so as not to increase the already elevated current and forecast financing needs.

The use of Treasury Indexed Bonds facilitates diversification of the investor base by tapping into additional sources of investor demand. The development of this market has also, at times, been used to facilitate the development of the Treasury Bond market.

In managing the government's cash balances, the AOFM aims to ensure that the government is able to meet its financial obligations when they fall due, while seeking to minimise the net cost of funding. The use of deposits and issuance of Treasury Notes is used to manage cash flow variability arising from the governments' within year financing task. The heightened liquidity risks due to the level of the financing task, potential further downside risks to the Budget position and the potential for market volatility, means that the AOFM will continue to adopt a conservative approach to liquidity management.

In 2018-19, the Government announced the establishment of the Australian Business Securitisation Fund (ABSF). In 2019-20, the Government announced the establishment of the Structured Finance Support Fund (SFSF). The AOFM is responsible for the administration of these funds.

Australian Business Securitisation Fund

The ABSF is a \$2 billion investment fund established in April 2019 by the *Australian Business Securitisation Fund Act 2019*. The policy aims to enhance access to finance for SMEs through targeted investments in the securitisation market. Investments from the ABSF will allow for smaller lenders to compete more effectively against the major banks, and to fill niche gaps in the lending market that are otherwise underserved in Australia.

The securitisation market for residential mortgages in Australia is considered to be well developed. However, at present, the Australian SME securitisation market is constrained by a lack of scale, while low issuance creates a situation whereby potential investors are unwilling to conduct the due diligence needed to enter the market. The AOFM is aiming for the ABSF to invest in SME loan securitisations that will help to establish a track record in lending against the type of collateral new to the securitisation market, and where the ability to obtain credit ratings and attract broad investor interest is severely limited.

Structured Finance Support Fund

Through the Structured Finance Support (Coronavirus Economic Response Package) Bill 2020 the Government established the Structured Finance Support Fund (SFSF). It provides for up to \$15 billion to ensure continued access to funding markets by SME lenders impacted by the economic effects of the COVID-19 pandemic. In particular, the policy aim is to compensate for where smaller lenders lose access to funding from markets during the period of pandemic disruption. This is achieved through targeted government investments in structured finance markets.

There are three key elements to the SFSF implementation strategy:

1. support new issuance of public securitisations sponsored by smaller lenders. This has included the AOFM purchasing existing securities through the secondary market, with the proceeds used by investors to facilitate participation in new primary transactions;
2. invest in revolving warehouse facilities of small lenders (primarily to fill the gaps in existing facilities arising from investors exiting these arrangements; and/or being unable to meet additional funding calls; and/or being required to elevate the level of credit enhancement within the facilities they finance ostensibly to meet prudential regulation requirements); and
3. establish a 'forbearance trust' to enable the SFSF to invest in trust-issued securities, the proceeds of which are advanced to eligible small lenders against capitalised interest on loans that are in COVID-19 related hardship, via their existing warehouse and public securitisation vehicles.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses for Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Office of Financial Management resource statement — Budget estimates for 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	25,003	27,465
Departmental appropriation (b)	13,808	16,499
s74 External Revenue (c)	384	394
Departmental capital budget (d)	359	366
Total departmental annual appropriations	39,554	44,724
Total departmental resourcing	39,554	44,724
Administered		
Total administered special appropriations (e)	1,913,352,633	1,573,814,413
Special accounts (f)		
Opening balance	42	13,551,374
Appropriation receipts (g)	15,250,000	250,000
Non-appropriation receipts	28,159	656,928
Adjustments	-	-
Total special account receipts	15,278,201	14,458,302
Total administered resourcing	1,928,630,834	1,588,272,715
Total resourcing for AOFM	1,928,670,388	1,588,317,439
	2019-20	2020-21
Average staffing level (number)	40	50

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

- (a) Appropriation Bill (No. 1) 2020-21.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Special Appropriations comprise funding to meet estimated operating expenditures such as interest on Australian Government Securities (AGS), investing expenditures such as acquisition of term deposits, and financing expenditures such as maturity of AGS.
- (f) The AOFM administers three special accounts - the Debt Retirement Reserve Trust Account (DRRTA), the Australian Business Securitisation Fund Special Account and the Structured Finance Support Fund Special Account. Figures include all special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (g) Includes amounts credited to the Australian Business Securitisation Fund Special Account under section 14 of the *Australian Business Securitisation Fund Act 2019* and the Structured Finance Support Fund Special Account under section 13 of the *Structured Finance Support (Coronavirus Economic Response Package) Act 2020*.

1.3 BUDGET MEASURES

The AOFM has no new budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports - to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for AOFM can be found at:

<https://www.aofm.gov.au/publications/corporate-plan-2020-2021>

The most recent annual performance statement can be found at:

<https://www.aofm.gov.au/publications/annual-reports/part-2-performance-and-outcome>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, investing in financial assets and managing debt, investments and cash for the Australian Government.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Commonwealth Debt Management					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	-	-	-	-	-
Other services (Appropriation Bill No. 2)	-	-	-	-	-
Special appropriations					
<i>Commonwealth Inscribed Stock Act 1911</i>	16,773,371	16,803,656	17,365,016	17,774,435	17,812,026
<i>Financial Agreement Act 1994</i>	8	8	8	8	8
Special accounts					
Special account - ABSF	-	-	-	-	-
Special account - SFSF	-	-	-	-	-
Special account - DRRTA	-	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)					
	543,062	51,915	55,653	66,764	40,199
Administered total	17,316,441	16,855,579	17,420,677	17,841,207	17,852,233
Total expenses for program 1.1	17,316,441	16,855,579	17,420,677	17,841,207	17,852,233

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.2: AOFM - Departmental - Outcome 1					
Departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	9,993	16,274	16,150	16,169	16,220
s74 External Revenue (a)	350	394	406	418	418
Expenses not requiring appropriation in the Budget year (b)	986	1,162	1,112	1,112	1,112
Departmental total	11,329	17,830	17,668	17,699	17,750
Total expenses for program 1.2	11,329	17,830	17,668	17,699	17,750
Total expenses for Outcome 1	17,327,770	16,873,409	17,438,345	17,858,906	17,869,983

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

(b) Expenses not requiring appropriation in the Budget year include depreciation expenses, amortisation expenses, make good expenses, audit fees, net losses on asset revaluations, provisions for credit losses and accounting losses on repurchases of debt prior to maturity.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, investing in financial assets and managing debt, investments and cash for the Australian Government.		
Program 1.1 – Australian Office of Financial Management		
Delivery	The AOFM issues AGS debt and makes investments and manages the debt and investments in accordance with policy objectives.	
Performance information		
Performance criteria	Targets for 2019-20 and beyond	2019-20 Actual Achievement
Meet the budget financing task in a cost-effective manner subject to acceptable risk		
<u>Term issuance</u> - Shortfall in volume (\$) between actual Treasury Bond issuance and planned issuance announced at the Budget and subsequent releases.	Zero	Met
<u>Financing cost (portfolio)</u> - The cost of the long-term debt portfolio compared to the 10-year average of the 10-year bond rate.	Lower	Met
<u>Financing cost (issuance)</u> - The cost of Treasury Bond issuance over the past 12 months compared to the average 10-year bond rate over the same period.	Lower	Met
<u>Tender issuance yields</u> - Weighted average issue yield at Treasury Bond and Treasury Indexed Bond tenders compared to prevailing mid-market secondary yields.	Issuance yields at or below the market rate	Met
Facilitate the government's cash outlay requirements as and when they fall due		
<u>Use of the overdraft facility</u> - Number of instances the RBA overdraft facility was utilised to the extent that it required Ministerial approval during the assessment period.	Zero	Met
A credible custodian of the Australian Government Securities market and other portfolio responsibilities		
<u>A liquid and efficient secondary market</u> - Annual turnover in the secondary market for Treasury Bonds and Treasury Indexed Bonds.	Greater than previous year	Met for Treasury Bonds but not for Treasury Indexed Bonds
<u>Market commitments</u> - Number of times the AOFM failed to take actions consistent with public announcements.	Zero	Met

Australian Office of Financial Management Budget Statements

Performance criteria (continued)	Targets for 2019-20 and beyond	2019-20 Actual Achievement
Efficiently and effectively implement the ABSF and the SFSF programs (a)		
<u>ABSF rate of return</u> – Accrual earnings (net of losses) divided by average drawn (invested) amount.	Greater than or equal to the investment mandate benchmark (Bloomberg AusBond Treasury 0-1 year index)	Not applicable for 2019-20
<u>SME loan level data template in use for securitisation sector investment analysis</u> – SME loan level data template: (i) was agreed to by the industry body; and (ii) populated by sponsor of ABSF investment.	(i) Agreement by 31 March 2021; (ii) data collection commenced by 30 June 2021	Not applicable for 2019-20
<u>SFSF warehouse proposals processed</u> – Number of warehouse proposals executed/declined from small lenders.	Up to 20 per quarter while there are, at any time, outstanding proposals with AOFM for consideration	Not applicable for 2019-20
<u>SFSF leverage ratio</u> – Private sector investment in primary transactions of small lenders, in which AOFM was engaged, divided by SFSF monies applied to public (primary plus secondary) investments.	> 4 for the year overall	Not applicable for 2019-20
Purposes	The AOFM's purpose is articulated through its objectives, which are to: <ul style="list-style-type: none"> • meet the Budget financing task while managing the trade-offs between cost and risks for the cash and debt portfolios over the medium-long term; • facilitate government cash outlay requirements as and when they fall due; and • be a credible custodian of the Australian Government Securities (AGS) market and other portfolio responsibilities, including the Australian Business Securitisation Fund (ABSF) and the Structured Finance Support Fund (SFSF). (b) 	

(a) New performance criteria added for the first time.

(b) Updated purposes that are reflected in the 2020-21 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year and three forward years, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Departmental

The comprehensive income statement (Table 3.1) includes resources received free of charge from the Australian National Audit Office for audit services. Departmental entity receipts as recorded in the entity resource statement (Table 1.1) exclude the estimated value of these services received free of charge.

The AOFM estimated departmental expenses as shown in Table 2.1 are itemised in the departmental comprehensive income statement (Table 3.1).

Administered

The AOFM receives administered appropriations to meet operating expenditures and for capital expenditure purposes arising from managing a portfolio of debt and assets. This is reflected in the entity resource statement (Table 1.1). The schedule of budgeted administered cash flows (Table 3.9) itemises these expenditures and classifies them into operating, investing and financing activities.

The AOFM's estimated administered expenses as shown in Table 2.1 are itemised in the schedule of budgeted administered income and expenses (Table 3.7).

3.1.2 Explanatory notes and analysis of budgeted financial statements

Administered

The AOFM produces budget estimates of Australian Government Securities (AGS) debt and certain financial assets. The projections of AGS debt are a consequence of the expenditure, investment and revenue decisions and assumptions made by the government in producing its estimates. Annual debt servicing costs on AGS debt are largely determined after taking into account changes in the volume of AGS debt over the projection period, yields on existing debt and assumptions about yields on new debt issuance over the projection period.

The estimated budgeting impacts of the ABSF and the SFSF are incorporated in the administered budgeted financial statements.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	7,026	8,419	8,643	8,875	9,044
Suppliers	3,554	8,505	8,172	7,975	7,860
Depreciation and amortisation (a)	671	842	792	792	792
Finance costs	61	64	61	57	54
Write-down and impairment of assets	17	-	-	-	-
Total expenses	11,329	17,830	17,668	17,699	17,750
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	350	394	406	418	418
Other	298	320	320	320	320
Total own-source revenue	648	714	726	738	738
Gains					
Other	10	-	-	-	-
Total gains	10	-	-	-	-
Total own-source income	658	714	726	738	738
Net (cost of)/contribution by services	(10,671)	(17,116)	(16,942)	(16,961)	(17,012)
Revenue from Government	13,808	16,499	16,382	16,410	16,473
Surplus/(deficit) attributable to the Australian Government	3,137	(617)	(560)	(551)	(539)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	338	-	-	-	-
Total other comprehensive income	338	-	-	-	-
Total comprehensive income/(loss)	3,475	(617)	(560)	(551)	(539)
Total comprehensive income/(loss) attributable to the Australian Government	3,475	(617)	(560)	(551)	(539)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	3,926	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	378	550	500	500	500
less: depreciation/amortisation expenses for ROU assets (b)	293	292	292	292	292
add: Principal repayments on leased assets (b)	220	225	232	241	253
Total comprehensive income/(loss) - as per the statement of comprehensive income	3,475	(617)	(560)	(551)	(539)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

(b) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Trade and other receivables	27,448	27,494	27,542	27,593	27,593
Total financial assets	27,548	27,594	27,642	27,693	27,693
Non-financial assets					
Property, plant and equipment	6,478	6,152	5,833	5,521	5,029
Intangibles	619	469	362	252	324
Other non-financial assets	152	152	152	152	152
Total non-financial assets	7,249	6,773	6,347	5,925	5,505
Total assets	34,797	34,367	33,989	33,618	33,198
LIABILITIES					
Payables					
Suppliers	177	177	177	177	177
Personal benefits	117	118	118	118	118
Total payables	294	295	295	295	295
Interest bearing liabilities					
Leases	4,600	4,375	4,143	3,902	3,649
Total interest bearing liabilities	4,600	4,375	4,143	3,902	3,649
Provisions					
Employee provisions	2,556	2,601	2,650	2,701	2,701
Other provisions	460	460	460	460	460
Total provisions	3,016	3,061	3,110	3,161	3,161
Total liabilities	7,910	7,731	7,548	7,358	7,105
Net assets	26,887	26,636	26,441	26,260	26,093
EQUITY*					
Parent entity interest					
Contributed equity	(8,556)	(8,190)	(7,825)	(7,455)	(7,083)
Reserves	338	338	338	338	338
Retained surplus (accumulated deficit)	35,105	34,488	33,928	33,377	32,838
Total parent entity interest	26,887	26,636	26,441	26,260	26,093
Total equity	26,887	26,636	26,441	26,260	26,093

Prepared on Australian Accounting Standards basis

*'Equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020-21)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	35,105	338	-	(8,556)	26,887
Adjusted opening balance	35,105	338	-	(8,556)	26,887
Comprehensive income					
Surplus/(deficit) for the period	(617)				(617)
Total comprehensive income	(617)	-	-	-	(617)
of which:					
Attributable to the Australian Government	(617)	-	-	-	(617)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	366	366
Sub-total transactions with owners	-	-	-	366	366
Estimated closing balance as at 30 June 2021	34,488	338	-	(8,190)	26,636
Closing balance attributable to the Australian Government	34,488	338	-	(8,190)	26,636

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	11,070	16,848	16,739	16,777	16,891
Sale of goods and rendering of services	382	394	406	418	418
Net GST received	5	-	-	-	-
Total cash received	11,457	17,242	17,145	17,195	17,309
Cash used					
Employees	7,378	8,374	8,594	8,824	9,044
Suppliers	3,384	8,185	7,852	7,655	7,540
Net GST paid	3	-	-	-	-
Interest payments on lease liability	61	64	61	57	54
s74 External Revenue transferred to the OPA	384	394	406	418	418
Total cash used	11,210	17,017	16,913	16,954	17,056
Net cash from/(used by) operating activities	247	225	232	241	253
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	10	366	365	370	372
Total cash used	10	366	365	370	372
Net cash from/(used by) investing activities	(10)	(366)	(365)	(370)	(372)

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June) (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	10	366	365	370	372
Total cash received	10	366	365	370	372
Cash used					
Principal payments on lease liability	220	225	232	241	253
Total cash used	220	225	232	241	253
Net cash from/(used by) financing activities	(210)	141	133	129	119
Net increase/(decrease) in cash held	27	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	73	100	100	100	100
Cash and cash equivalents at the end of the reporting period	100	100	100	100	100

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	359	366	365	370	372
Total new capital appropriations	359	366	365	370	372
<i>Provided for:</i>					
Purchase of non-financial assets	10	366	365	370	372
Total items	10	366	365	370	372
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	10	366	365	370	372
TOTAL	10	366	365	370	372
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	10	366	365	370	372
Total cash used to acquire assets	10	366	365	370	372

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2020-21)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020			
Gross book value	2,279	1,520	3,799
Gross book value - ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(328)	(901)	(1,229)
Accumulated depreciation/amortisation and impairment - ROU assets	(293)	-	(293)
Opening net book balance	6,478	619	7,097
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services (a)	166	200	366
Total additions	166	200	366
Other movements			
Depreciation/amortisation expense	(200)	(350)	(550)
Depreciation/amortisation on ROU assets	(292)	-	(292)
Total other movements	(492)	(350)	(842)
As at 30 June 2021			
Gross book value	2,445	1,720	4,165
Gross book value - ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(528)	(1,251)	(1,779)
Accumulated depreciation/amortisation and impairment - ROU assets	(585)	-	(585)
Closing net book balance	6,152	469	6,621

(a) Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020-21.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Grants	1	1	1	1	1
Finance costs	16,742,074	16,723,663	17,334,023	17,743,442	17,781,033
Write-down and impairment of assets	143,741	51,915	55,653	66,764	40,199
Other expenses	31,304	80,000	31,000	31,000	31,000
Total expenses administered on behalf of Government before re-measurement	16,917,120	16,855,579	17,420,677	17,841,207	17,852,233
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Interest	259,065	265,625	335,136	412,921	457,693
Total non-taxation revenue	259,065	265,625	335,136	412,921	457,693
Total own-source revenue administered on behalf of Government before re-measurement	259,065	265,625	335,136	412,921	457,693
Gains/(losses)					
Net losses on debt repurchase	(399,321)	-	-	-	-
Total gains/(losses) administered on behalf of Government before re-measurement	(399,321)	-	-	-	-
Total own-sourced income administered on behalf of Government	(140,256)	265,625	335,136	412,921	457,693
Net (cost of)/contribution by services	(17,057,376)	(16,589,954)	(17,085,541)	(17,428,286)	(17,394,540)
Surplus/(deficit) before income tax	(17,057,376)	(16,589,954)	(17,085,541)	(17,428,286)	(17,394,540)

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)
(continued)**

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OTHER COMPREHENSIVE INCOME					
Re-measurements					
Net market revaluation gains/(losses)	(9,192,805)	5,814,856	6,269,601	4,926,700	4,308,497
Total other comprehensive income	(9,192,805)	5,814,856	6,269,601	4,926,700	4,308,497
Total comprehensive income/(loss)	(26,250,181)	(10,775,098)	(10,815,940)	(12,501,586)	(13,086,043)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	624	624	624	624	624
Loans to state and territory governments	1,492,504	1,413,975	1,333,794	1,252,024	1,170,243
Term deposits with RBA	69,951,510	35,707,464	65,138,924	35,062,739	35,234,205
Structured finance securities	1,815,491	7,395,695	11,755,341	16,114,615	16,460,006
Total financial assets	73,260,129	44,517,758	78,228,683	52,430,002	52,865,078
Total assets administered on behalf of Government	73,260,129	44,517,758	78,228,683	52,430,002	52,865,078
LIABILITIES					
Payables					
Suppliers	50	50	50	50	50
Other payables	120,701	120,701	120,701	120,701	120,701
Total payables	120,751	120,751	120,751	120,751	120,751
Interest bearing liabilities					
Australian Government Securities (at fair value)					
Treasury Bonds	673,729,443	875,987,421	1,032,639,258	1,104,130,530	1,158,541,508
Treasury Indexed Bonds	52,499,710	52,291,148	46,472,431	50,693,412	54,991,846
Treasury Notes	58,737,747	49,998,671	44,998,804	36,499,138	29,999,203
Other government securities	5,905	5,849	5,849	5,849	5,849
Total interest bearing liabilities	784,972,805	978,283,089	1,124,116,342	1,191,328,929	1,243,538,406
Provisions					
Other provisions	965	965	965	965	965
Total provisions	965	965	965	965	965
Total liabilities administered on behalf of Government	785,094,521	978,404,805	1,124,238,058	1,191,450,645	1,243,660,122
Net assets/ (liabilities)	(711,834,392)	(933,887,047)	(1,046,009,375)	(1,139,020,643)	(1,190,795,044)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	271,070	240,633	314,930	397,692	444,353
Net GST received	2,275	-	-	-	-
Total cash received	273,345	240,633	314,930	397,692	444,353
Cash used					
Grants	1	1	1	1	1
Suppliers	33,557	80,000	31,000	31,000	31,000
Borrowing costs	18,646,791	21,324,206	23,249,172	24,289,249	23,717,625
Total cash used	18,680,349	21,404,207	23,280,173	24,320,250	23,748,626
Net cash from/ (used by) operating activities	(18,407,004)	(21,163,574)	(22,965,243)	(23,922,558)	(23,304,273)
INVESTING ACTIVITIES					
Cash received					
Proceeds from investments	1,777,515,550	1,099,039,590	493,377,594	453,854,870	429,867,439
Repayments of advances and loans	91,202	92,462	93,672	94,784	94,284
Structured finance securities	26,246	569,918	1,595,148	2,782,449	3,953,362
Total cash received	1,777,632,998	1,099,701,970	495,066,414	456,732,103	433,915,085
Cash used					
Investment	1,816,365,550	1,064,794,880	522,807,263	423,780,414	430,038,996
Structured finance securities	1,726,297	6,191,642	6,005,524	7,204,543	4,338,024
Total cash used	1,818,091,847	1,070,986,522	528,812,787	430,984,957	434,377,020
Net cash from/(used by) investing activities	(40,458,849)	28,715,448	(33,746,373)	25,747,146	(461,935)

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	228,637,304	690,224,378	753,933,714	659,102,176	501,390,769
Other	53,617	54,000	54,000	54,000	54,000
Total cash received	228,690,921	690,278,378	753,987,714	659,156,176	501,444,769
Cash used					
Net repayments of borrowing	77,731,725	486,498,640	595,915,711	580,417,082	438,936,203
Other	53,617	54,000	54,000	54,000	54,000
Total cash used	77,785,342	486,552,640	595,969,711	580,471,082	438,990,203
Net cash from/(used by) financing activities	150,905,579	203,725,738	158,018,003	78,685,094	62,454,566
Net increase/ (decrease) in cash held	92,039,726	211,277,612	101,306,387	80,509,682	38,688,358
Cash at beginning of reporting period	622	13,551,953	8,267,239	4,558,541	928,648
Cash from Official Public Account for:					
- Appropriations	1,928,630,792	1,574,064,413	1,143,441,286	1,029,825,239	893,788,234
Total cash from Official Public Account	1,928,630,792	1,574,064,413	1,143,441,286	1,029,825,239	893,788,234
Cash to Official Public Account for:					
- Receipts	(2,007,119,187)	(1,790,626,739)	(1,248,456,371)	(1,113,964,814)	(932,016,089)
Total cash to Official Public Account	(2,007,119,187)	(1,790,626,739)	(1,248,456,371)	(1,113,964,814)	(932,016,089)
Cash at end of reporting period (a)	13,551,953	8,267,239	4,558,541	928,648	1,389,151

Prepared on Australian Accounting Standards basis.

(a) Includes balances of special accounts.

