

Australian Office of Financial Management

Entity resources and planned performance

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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 managing Australian Government debt and certain financial assets. It issues Treasury Bonds, Treasury Indexed Bonds and Treasury Notes (collectively called Australian Government Securities), manages the government's cash balances and invests in financial assets as directed by government policy.

The government requires that the AOFM finance budget deficits and maturing debt in a cost-effective manner subject to acceptable risk; ensure government cash outlay requirements are always met; and conduct its financing operations in a way that supports a well-functioning Australian Government Securities market. The AOFM's main financing instrument is Treasury Bonds but Treasury Indexed Bonds and Treasury Notes also play a role.

The AOFM influences the cost structure of the debt portfolio chiefly through the maturity profile of Treasury Bonds that are issued. Issuance is undertaken according to an annual debt management strategy that aims to balance portfolio risks (such as future interest rate volatility and funding risks) and borrowing costs. Through its issuance and associated activities, the AOFM also aims to support domestic financial market integrity, stability and liquidity. The AOFM has lengthened the duration of its Treasury Bond portfolio over the last decade through longer term issuance, and by extending the yield curve. Most issuance is achieved using competitive tenders. Where appropriate, the AOFM also undertakes issuance through syndications (large volume point-in-time transactions using a 'book building' process conducted by a panel of banks appointed by the AOFM).

Between mid-2016 and early 2020 the AOFM conducted regular buy-backs of short-dated (up to 3 years) Treasury Bonds. This program aimed to reduce the size of bond lines ahead of their maturity dates; it was suspended in March 2020 when the RBA commenced its own large bond buying operations. The AOFM regularly reviews relevant market and financial system considerations to determine the appropriateness of restarting this program.

Issuing Treasury Indexed Bonds facilitates diversification of the investor base. It has a heavy domestic (Australian based) investor focus. The AOFM aims to issue sufficient volumes to meet demand, and to support the liquidity and functioning of the market.

As part of its sustainable financing agenda the Australian Government will introduce a Sovereign Green Bonds Program to drive Australia's net zero transformation and to boost the Australian green finance market. The AOFM will work with the Treasury and other relevant agencies with the aim of establishing a green bond framework and to launch the first green bond issue in mid-2024 with ongoing issuance thereafter. The AOFM will manage the issuance of green bonds.

The AOFM manages the government's cash balances to ensure it can meet all financial obligations when they fall due. Treasury Bonds and Treasury Indexed Bonds issuance tends to be at a relatively steady rate throughout the year. Therefore, fluctuations in the cash balances through the year are managed using deposits with the RBA and the issuance of Treasury Notes. Cash balance fluctuations arise from the difference in timing of revenue collections and outlays. The AOFM also maintains a 'cash buffer' to cover unforeseen circumstances, such as a large unanticipated change to forecasts or a temporary deterioration in financial market conditions that could impact the ability to issue Australian Government Securities at any time.

In April 2019 the then Government established the Australian Business Securitisation Fund. The Structured Finance Support Fund was established as part of the *Structured Finance Support (Coronavirus Economic Response Package) Bill 2020*, in response to the COVID-19 pandemic. The AOFM is responsible for the administration of both funds.

Australian Business Securitisation Fund

The Australian Business Securitisation Fund is a \$2 billion investment fund established by the *Australian Business Securitisation Fund Act 2019*. The policy aim is to enhance access to finance for small and medium-sized enterprises (SMEs) through targeted securitisation market investments. This will promote more competition between smaller lenders and the major banks and other lenders; and fill niche gaps in the lending market that are otherwise underserved in Australia.

While the securitisation market for residential mortgages in Australia is well developed, the Australian SME securitisation market is constrained by a lack of scale. Low volumes of capital raisings tend to deter potential investors from committing to the task of due diligence needed to enter the market. The Australian Business Securitisation Fund is used to invest in SME loan securitisations and over time this will help to establish a track record in lending against the type of collateral new to the securitisation market. It will also help SME lenders to obtain credit ratings and in turn promote broader investor interest.

Structured Finance Support Fund

This Fund provides for up to \$15 billion to facilitate continued access to funding markets by SME lenders impacted by the economic effects of the COVID-19 pandemic. In particular, smaller lenders were assessed as vulnerable to loss of access to funding from markets during the period of pandemic disruption. These smaller lenders did not have access to the RBA's term funding facility. The policy aim of the Structured Finance Support Fund has been achieved through targeted government investments in structured finance markets.

1.2 Entity resource statement

Table 1.1 shows total funding from all sources available to the entity for its operations and for delivery of 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 is presented on a resourcing basis (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by 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 2023–24 as at Budget May 2023

	2022-23 <i>Estimated actual</i> \$'000	2023-24 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	32,646	35,157
Departmental appropriation (b)	16,379	19,121
s74 External Revenue (c)	25	25
Departmental capital budget (d)	377	395
Total departmental annual appropriations	49,427	54,698
Total departmental resourcing	49,427	54,698
Administered		
Total administered special appropriations (e)	224,571,005	324,987,499
Special accounts (f)		
Opening balance	15,289,647	15,694,731
Appropriation receipts (g)	500,000	500,000
Non-appropriation receipts	561,956	482,499
Total special account receipts	16,351,603	16,677,230
Total administered resourcing	240,922,608	341,664,729
Total resourcing for AOFM	240,972,035	341,719,427
	2022-23	2023-24
Average staffing level (number)	46	56

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) 2023–24.
- 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, investing expenditures such as acquisition of financial assets, and financing expenditures such as maturity of Australian Government Securities .
- f) The AOFM administers 3 special accounts – the Debt Retirement Reserve Trust Account (DRRTA), the ABSF Special Account and the SFSF Special Account. Figures include the ABSF and SFSF special accounts only. For further information on special accounts refer to *Budget Paper No. 4 – Agency Resourcing*. Table 2.1 has further information on outcome and program expenses broken down by various funding sources, that is, annual appropriations, special appropriations and special accounts.
- g) Comprises amounts credited to the ABSF Special Account under section 14 of the *Australian Business Securitisation Fund Act 2019*.

1.3 Budget measures

Budget measures relating to the AOFM are detailed in the Budget Paper No. 2 and are summarised below.

Table 1.2: Australian Office of Financial Management 2023–24 Budget measures

	Program	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
Payment measures						
Comprehensive Sustainable Finance Agenda (a)	1.1, 1.2					
Administered payment		-	-	2,460	-	-
Departmental payment		-	1,902	1,400	1,271	1,282
Total		-	1,902	3,860	1,271	1,282
Total payment measures						
Administered		-	-	2,460	-	-
Departmental		-	1,902	1,400	1,271	1,282
Total		-	1,902	3,860	1,271	1,282

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- a) The lead entity for the measure titled Comprehensive Sustainable Finance Agenda is the Australian Securities and Investments Commission. The full measure description and package details appear in *Budget Paper No.2, Budget Measures 2023–24*, under the Treasury portfolio.

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 intended outcome statement results. Entities are required to identify programs which contribute to government outcomes over the Budget and forward years.

The AOFM's outcome is described below, together with related programs. Detailed information on expenses for each outcome and program are 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 measure 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/corporate-plan>).

The most recent annual performance statement can be found at:
(<https://aofm.gov.au/publications/annual-reports>).

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, and investing in financial assets and managing debt, investments and cash for the Australian Government.

Budgeted expenses for Outcome 1

Table 2.1.1 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

	2023-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Program 1.1: Commonwealth Debt Management					
Administered expenses					
Special appropriations					
<i>Commonwealth Inscribed Stock Act 1911</i>	22,152,069	22,611,007	23,890,340	26,223,801	29,077,301
<i>Financial Agreement Act 1994</i>	6	4	4	4	4
Expenses not requiring appropriation in the Budget year (b)	1,360	3,010	2,792	2,568	3,276
Administered total	22,153,435	22,614,021	23,893,136	26,226,373	29,080,581
Total expenses for program 1.1	22,153,435	22,614,021	23,893,136	26,226,373	29,080,581

- a) Table 2.1: Budgeted expenses for Outcome 1 (continued) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
b) Administered expenses not requiring appropriation comprises provision for bad and doubtful debts. Departmental expenses not requiring appropriation are made up of depreciation expenses, amortisation expenses and ANAO audit fees.

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 provides performance measures for each program associated with Outcome 1. It also provides related key activities as expressed in the current Corporate Plan. Further detail is also provided on: the delivery of the activities related to the program; the context in which these activities are delivered; and how activity performance will be measured.

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 The AOFM issues Australian Government Securities debt, makes investments and manages debt and investments in accordance with policy objectives.		
Purpose 1.1.1: Meeting the government’s annual financing task while managing the trade-offs between cost and risks		
Key Activities	Establish a debt management strategy; execute the debt issuance program; settle transactions and coupon and redemption payments; monitor the costs and risks of the portfolio of assets and liabilities.	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	Annual debt management strategy: formulate an annual debt management strategy and advise the Secretary with supporting analysis.	Prior to start of fiscal year
	Term issuance: the shortfall in volume in dollar terms for the fiscal year between actual Treasury Bond issuance and planned issuance announced at the most recent official Budget related update.	Zero
	New issuance yields: the weighted average issue yield at Treasury Bond and Treasury Indexed Bond tenders compared to prevailing mid-market secondary yields.	At or below mid-market yields
	Tender coverage ratio: the average tender coverage ratio across all tenders for the fiscal year.	Greater than 2.5 times
	Settlement of Australian Government Securities transactions: number of times Australian Government Securities transactions fail to settle in a complete, timing and accurate manner where the AOFM is responsible for the failure.	Zero
	Settlement of Australian Government Securities coupons and redemptions: number of times Australian Government Securities coupon and redemption payments fail to occur in a complete, timing and accurate manner where the AOFM is responsible for the failure.	Zero
	Financing costs – issuance: the cost of Treasury Bond issuance in percentage terms over the past 12 months compared to the average 10-year bond rate over the same period.	Lower

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Purpose 1.1.2: Ensure the government can always meet its cash outlay requirements		
Key Activities	Establish a liquidity management strategy; conduct the cash management task.	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	Annual liquidity management strategy: formulate an annual liquidity management strategy and advise the Secretary with supporting analysis.	Prior to start of fiscal year
	Use of overdraft facility: the number of instances the RBA overdraft facility was utilised.	Zero
Purpose 1.1.3: Conduct market facing activities in a manner that supports a well-functioning Australian Government Securities market		
Key Activities	Communicate AOFM operations clearly and consistently to the market; conduct a market engagement program; support financial market liquidity.	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	Market commitments: the number of times the AOFM failed to conduct issuance operations consistent with prior market announcements.	Zero
	Investor publications: number of times investor targeted information publications are updated and made available on the AOFM website.	At least twice a year
	Secondary market turnover: the annual turnover in dollar value terms in the secondary market for Treasury Bonds and Treasury Indexed Bonds in a fiscal year.	Greater than previous fiscal year
Purpose 1.1.4: Meet the priorities of the ABSF and SFSF		
Key Activities	Manage the ABSF program; manage the SFSF program	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	ABSF rate of return: the accrual earnings (net of losses) for a fiscal year divided by the average drawn (invested) amount in percentage point terms.	Greater than Bloomberg AusBond Treasury 0-1 year index
	SFSF losses: gross credit losses for a fiscal year divided by the average drawn amount in percentage point terms.	Zero

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements. These provide a comprehensive snapshot of entity finances for the 2023–24 budget year, 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's 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 the debt and asset portfolios. These are 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 liabilities (debt) and certain financial assets. The projections of Australian Government Securities debt are a consequence of forecasts arising from the expenditure, investment and revenue decisions incorporated in the Budget. Annual debt servicing costs on Australian Government Securities debt are largely determined after taking into account changes in the volume of Australian Government Securities debt over the projection period, yields on existing debt and technical assumptions about yields on new debt to be issued over the projection period.

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**

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Employee benefits	8,054	10,188	10,395	10,679	11,055
Suppliers	5,852	8,411	5,741	5,553	5,437
Depreciation and amortisation (a)	553	553	553	553	553
Finance costs	57	54	50	46	43
Total expenses	14,516	19,206	16,739	16,831	17,088
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	25	25	25	25	25
Other	260	260	260	260	260
Total own-source revenue	285	285	285	285	285
Total own-source income	285	285	285	285	285
Net (cost of)/contribution by services	(14,231)	(18,921)	(16,454)	(16,546)	(16,803)
Revenue from Government	16,379	19,121	16,162	16,258	16,524
Surplus/(deficit) attributable to the Australian Government	2,148	200	(292)	(288)	(279)
Total comprehensive income/(loss)	2,148	200	(292)	(288)	(279)
Total comprehensive income/(loss) attributable to the Australian Government	2,148	200	(292)	(288)	(279)

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	2,148	200	(292)	(288)	(279)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	261	261	261	261	261
plus: depreciation/amortisation expenses for ROU assets (b)	292	292	292	292	292
less: lease principal repayments (b)	241	253	261	265	274
Net Cash Operating Surplus/Deficit	2,460	500	-	-	-

Prepared on Australian Accounting Standards basis.

- a) In 2010-11, the Government introduced net cash appropriation arrangements. This means Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) are replaced with a separate capital budget (the Departmental Capital Budget (DCB)) provided through Bill 1 equity appropriations. For information regarding DCBs, 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)

	2023-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Trade and other receivables	35,071	35,571	35,572	35,573	35,574
Total financial assets	35,171	35,671	35,672	35,673	35,674
Non-financial assets					
Property, plant and equipment	5,716	5,530	5,465	5,406	5,226
Intangibles	271	299	212	125	163
Other non-financial assets	280	280	280	280	280
Total non-financial assets	6,267	6,109	5,957	5,811	5,669
Total assets	41,438	41,780	41,629	41,484	41,343
LIABILITIES					
Payables					
Suppliers	906	906	906	906	906
Personal benefits	545	545	545	545	545
Total payables	1,451	1,451	1,451	1,451	1,451
Interest bearing liabilities					
Leases	3,901	3,648	3,387	3,122	2,848
Total interest bearing liabilities	3,901	3,648	3,387	3,122	2,848
Provisions					
Employee provisions	2,357	2,357	2,357	2,357	2,357
Other provisions	483	483	483	483	483
Total provisions	2,840	2,840	2,840	2,840	2,840
Total liabilities	8,192	7,939	7,678	7,413	7,139
Net assets	33,246	33,841	33,951	34,071	34,204
EQUITY*					
Parent entity interest					
Contributed equity	(8,287)	(7,892)	(7,491)	(7,084)	(6,673)
Reserves	315	315	315	315	315
Retained surplus (accumulated deficit)	41,218	41,418	41,127	40,840	40,562
Total parent entity interest	33,246	33,841	33,951	34,071	34,204
Total equity	33,246	33,841	33,951	34,071	34,204

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 2023–24)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2023				
Balance carried forward from previous period	41,218	315	(8,287)	33,246
Adjusted opening balance	41,218	315	(8,287)	33,246
Comprehensive income				
Surplus/(deficit) for the period	200			200
Total comprehensive income	200	-	-	200
of which:				
Attributable to the Australian Government	200	-	-	200
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	395	395
Sub-total transactions with owners	-	-	395	395
Estimated closing balance as at 30 June 2024	41,418	315	(7,892)	33,841
Closing balance attributable to the Australian Government	41,418	315	(7,892)	33,841
Prepared on Australian Accounting Standards basis				

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June) Prepared on Australian Accounting Standards basis.

	2023-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	13,868	18,621	16,161	16,257	16,523
Sale of goods and rendering of services	25	25	25	25	25
Total cash received	13,893	18,646	16,186	16,282	16,548
Cash used					
Employees	8,003	10,188	10,395	10,679	11,055
Suppliers	5,567	8,126	5,455	5,267	5,151
Interest payments on lease liability	57	54	50	46	43
s74 External Revenue transferred to the OPA	25	25	25	25	25
Total cash used	13,652	18,393	15,925	16,017	16,274
Net cash from/(used by) operating activities	241	253	261	265	274
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	377	395	401	407	411
Total cash used	377	395	401	407	411
Net cash from/(used by) investing activities	(377)	(395)	(401)	(407)	(411)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	377	395	401	407	411
Total cash received	377	395	401	407	411
Cash used					
Principal payments on lease liability	241	253	261	265	274
Total cash used	241	253	261	265	274
Net cash from/(used by) financing activities	136	142	140	142	137
Cash and cash equivalents at the beginning of the reporting period	100	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)

	2023-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	377	395	401	407	411
Total new capital appropriations	377	395	401	407	411
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	377	395	401	407	411
Total items	377	395	401	407	411
PURCHASE OF NON-FINANCIAL					
Funded by capital appropriations (a)	377	395	401	407	411
TOTAL	377	395	401	407	411
RECONCILIATION OF CASH USED					
Total purchases	377	395	401	407	411
Total cash used to acquire assets	377	395	401	407	411

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 departmental asset movements (Budget year 2023–24)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2023			
Gross book value	2,691	1,696	4,387
Gross book value - ROU assets	4,820	-	4,820
Accumulated depreciation/amortisation and impairment	(626)	(1,425)	(2,051)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,169)	-	(1,169)
Opening net book balance	5,716	271	5,987
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services (a)	205	190	395
Total additions	205	190	395
Other movements			
Depreciation/amortisation expense	(99)	(162)	(261)
Depreciation/amortisation on ROU assets	(292)	-	(292)
Total other movements	(391)	(162)	(553)
As at 30 June 2024			
Gross book value	2,896	1,886	4,782
Gross book value - ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(725)	(1,587)	(2,312)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,461)	-	(1,461)
Closing net book balance	5,530	299	5,829

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2023–24 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Grants	1	1	1	1	1
Finance costs	22,129,122	22,590,510	23,877,883	26,213,804	29,067,304
Write-down and impairment of assets	1,352	3,010	2,792	2,568	3,276
Other expenses	22,960	20,500	12,460	10,000	10,000
Total expenses administered on behalf of Government before re-measurement	22,153,435	22,614,021	23,893,136	26,226,373	29,080,581
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Interest	1,559,002	2,377,347	1,959,873	1,430,782	1,294,808
Total non-taxation revenue	1,559,002	2,377,347	1,959,873	1,430,782	1,294,808
Total own-source revenue administered on behalf of Government before re-measurement	1,559,002	2,377,347	1,959,873	1,430,782	1,294,808
Total own-sourced income administered on behalf of Government	1,559,002	2,377,347	1,959,873	1,430,782	1,294,808
Net (cost of)/contribution by services	(20,594,433)	(20,236,674)	(21,933,263)	(24,795,591)	(27,785,773)
Surplus/(deficit) before income tax	(20,594,433)	(20,236,674)	(21,933,263)	(24,795,591)	(27,785,773)
OTHER COMPREHENSIVE INCOME					
Re-measurements					
Net market revaluation gains/(losses)	(21,938,474)	(8,847,351)	(8,148,945)	(7,390,921)	(6,354,443)
Total other comprehensive income	(21,938,474)	(8,847,351)	(8,148,945)	(7,390,921)	(6,354,443)
Total comprehensive income/(loss)	(42,532,907)	(29,084,025)	(30,082,208)	(32,186,512)	(34,140,216)

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	62,336,944	67,909,683	48,081,495	44,884,339	46,331,931
Loans to state and territory governments	1,251,623	1,169,842	1,089,300	1,004,018	913,904
Structured finance securities	942,284	1,036,411	1,216,706	1,294,836	1,493,895
Accrued interest on cash management account	134,464	139,805	99,037	92,464	95,440
Total financial assets	64,665,315	70,255,741	50,486,538	47,275,657	48,835,170
Total assets administered on behalf of Government	64,665,315	70,255,741	50,486,538	47,275,657	48,835,170
LIABILITIES					
Payables					
Suppliers	50	50	50	50	50
Total payables	50	50	50	50	50
Interest bearing liabilities					
Australian Government securities (at fair value)					
Treasury Bonds	781,730,413	826,294,658	847,662,616	897,548,887	950,534,758
Treasury Indexed Bonds	51,959,986	56,705,227	61,187,849	53,288,493	57,171,021
Treasury Notes	24,965,648	19,982,483	34,969,342	50,955,325	50,955,325
Other government securities	5,263	5,263	5,263	5,263	5,263
Total interest bearing liabilities	858,661,310	902,987,631	943,825,070	1,001,797,968	1,058,666,367
Provisions					
Other provisions	628	628	628	628	628
Total provisions	628	628	628	628	628
Total liabilities administered on behalf of Government	858,661,988	902,988,309	943,825,748	1,001,798,646	1,058,667,045
Net assets/(liabilities)	(793,996,673)	(832,732,568)	(893,339,210)	(954,522,989)	(1,009,831,875)

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	1,462,335	2,358,051	1,987,706	1,425,840	1,280,976
Total cash received	1,462,335	2,358,051	1,987,706	1,425,840	1,280,976
Cash used					
Grant	1	1	1	1	1
Suppliers	22,960	20,500	12,460	10,000	10,000
Borrowing costs	22,233,184	21,871,163	23,580,792	29,424,905	27,996,691
Total cash used	22,256,145	21,891,664	23,593,253	29,434,906	28,006,692
Net cash from/(used by) operating activities	(20,793,810)	(19,533,613)	(21,605,547)	(28,009,066)	(26,725,716)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	94,784	94,284	92,482	96,565	100,638
Structured finance securities	518,907	423,320	307,536	365,471	362,958
Total cash received	613,691	517,604	400,018	462,036	463,596
Cash used					
Structured finance securities	656,872	519,005	489,628	445,937	564,961
Total cash used	656,872	519,005	489,628	445,937	564,961
Net cash from/(used by) investing activities	(43,181)	(1,401)	(89,610)	16,099	(101,365)

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	192,626,174	337,228,094	437,077,464	648,219,959	764,183,663
Other	42,038	17,750	50,193	49,442	21,822
Total cash received	192,668,212	337,245,844	437,127,657	648,269,401	764,205,485
Cash used					
Net repayments of borrowing	201,764,196	302,468,470	404,686,061	594,426,882	714,740,320
Other	42,038	17,750	50,193	49,442	21,822
Total cash used	201,806,234	302,486,220	404,736,254	594,476,324	714,762,142
Net cash from/(used by) financing activities	(9,138,022)	34,759,624	32,391,403	53,793,077	49,443,343
Net increase/(decrease) in cash held	(29,975,013)	15,224,610	10,696,246	25,800,110	22,616,262
Cash at beginning of reporting period	86,085,613	62,336,944	67,909,683	48,081,495	44,884,339
Cash from Official Public Account for:					
- Appropriations	224,571,005	324,987,499	429,106,433	624,903,646	743,739,069
- Special accounts	656,872	519,005	489,628	445,937	564,961
- CMA transfers	-	5,572,740	-	-	1,447,593
Total cash from Official Public Account	225,227,877	331,079,244	429,596,061	625,349,583	745,751,623
Cash to Official Public Account for:					
- Appropriations	(194,690,907)	(340,248,616)	(439,915,312)	(650,706,556)	(766,468,902)
- Special accounts	(561,956)	(482,499)	(376,994)	(443,135)	(451,391)
- CMA transfers	(23,748,670)	-	(19,828,189)	(3,197,158)	-
Total cash to Official Public Account	(219,001,533)	(340,731,115)	(460,120,495)	(654,346,849)	(766,920,293)
Cash at end of reporting period (a)	62,336,944	67,909,683	48,081,495	44,884,339	46,331,931

Prepared on Australian Accounting Standards basis.

- a) In November 2020 the AOFM established a new investment facility to replace term deposits – a cash management account – to more flexibly and more efficiently manage cash liquidity. The balance of the CMA is reported as 'cash' and not as 'investments'.