Australian Government
The Treasury

Annual Report 2023–24

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In the spirit of reconciliation, the Treasury acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Letter of Transmittal

25 September 2024

The Hon Jim Chalmers MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

Treasury Annual Report 2023–24

I present the Treasury annual report for the year ended 30 June 2024.

The annual report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* and legislation administered by Treasury and includes Treasury's audited financial statements as prepared under section 43 of the Act.

In addition, as required under the Public Governance, Performance and Accountability Rule 2014, I certify that I am satisfied appropriate fraud prevention, detection, investigation and reporting mechanisms are in place to meet Treasury's needs, including fraud risk assessments and fraud control plans, and that all reasonable measures have been taken to appropriately deal with fraud.

Yours sincerely

Dr Steven Kennedy PSM
Secretary to the Treasury

CC **The Hon Clare O'Neil MP**, Minister for Housing, Minister for Homelessness

The Hon Julie Collins MP, Minister for Agriculture, Fisheries and Forestry, Minister for Small Business

The Hon Stephen Jones MP, Assistant Treasurer and Minister for Financial Services

The Hon Dr Andrew Leigh MP, Assistant Minister for Competition, Charities and Treasury, Assistant Minister for Employment

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Introduction and guide to the report

The Treasury Annual Report 2023–24 outlines performance against outcomes, program and performance information contained in the Portfolio Budget Statements 2023–24, Portfolio Additional Estimates Statements 2023–24, Portfolio Supplementary Additional Estimates Statements 2023–24, and the Treasury Corporate Plan 2023–24.

A comprehensive annual report for the Takeovers Panel is available at takeovers.gov.au.

Part 1 Details Treasury's role, functions, senior management structure, organisational structure and portfolio structure.

Part 2 Provides an analysis of performance against Treasury's policy and program outcomes.

Part 3 Reports on management and accountability issues as required under the annual report guidelines.

Part 4 Presents the audited financial statements of Treasury as required under the annual report guidelines.

Part 5 Includes other information as required under the annual report guidelines, and as required by other legislation.

This report concludes with a glossary, a list of abbreviations and acronyms, and an index.

Other sources of information

Treasury releases information on its activities through publications, media releases, speeches, reports and the annual report. Treasury publications are available on its website: treasury.gov.au.

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Part 1 – Overview

Secretary's review

I am pleased to present my fifth annual report as Secretary to the Treasury. It presents our achievements during another productive year, navigating complexity and uncertainty in the economic environment.

Overview

The Australian economy faced complex structural changes in a more contested and fragmented global environment in 2023–24.

Big shifts and challenges that arose during the pandemic and following years – including the ongoing war in Ukraine and the Israel–Gaza conflict – continued to strain the global economy and international trade and relations.

At the same time, the drive to decarbonise the global economy continues to require a high degree of coordination, trade, investment and innovation.

Most advanced economies recorded subdued growth in 2023, with around one-third of OECD economies experiencing a technical recession.

Australia experienced higher interest rates and cost-of-living pressures on households and businesses, structural shifts from technological transformation, climate change and decarbonisation challenges, slower productivity growth and inflationary pressures.

Treasury's work in 2023–24 focused on responding to these many challenges.

The Australian economy grew by 1.5 per cent in 2023–24, slightly below the Budget forecast of 1¾ per cent, as household spending softened more than expected in response to high inflation and elevated interest rates.

The 2024–25 Budget focused on cost-of-living relief including a tax cut for 13.6 million taxpayers from 1 July 2024, and building a future made in Australia.

The labour market remained resilient, with the unemployment rate increasing to 4.1 per cent in June, a full percentage point below pre-pandemic levels.

Nominal wages grew by close to their fastest rate in 15 years.

Following a budget surplus in 2022–23, a second surplus was delivered in 2023–24, the first time 2 back-to-back surpluses have been delivered in nearly 2 decades.

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Our work in 2023–24

Our effectiveness as the Australian Government's lead economic adviser continued to be underpinned by the capability of our staff, and our ability to quickly adjust and adapt to new priorities.

Treasury's work during 2023–24 was vital for maintaining strong and sustainable economic and fiscal outcomes.

The year began with the release in July of Australia's first national wellbeing framework, *Measuring What Matters*. Treasury led development of the framework in response to the Government's commitment to expand the list of indicators used to measure the economy. Reporting annual progress against the framework has now been transferred from Treasury to the Australian Bureau of Statistics, embedding wellbeing alongside gross domestic product, employment and wages as a critical economic indicator.

This was followed by the release of the *2023 Intergenerational Report* (IGR) in August. The IGR projected the economy would be around two and a half times larger and incomes 50 per cent higher in real terms by 2062–63. However, Australia's economic growth was projected to be slower over the next 40 years than it was in the past 40 years.

In August, the Government announced a 2-year Competition Review focusing on ways to increase competition in the Australian economy. Treasury conducted the review and provided advice to government on whether the merger control system was fit for purpose. The Government responded with a reform agenda focused on streamlining rules and processes.

After a year of consultations and development led by Treasury's Employment Taskforce, *Working Future: The Australian Government's White Paper on Jobs and Opportunities* was released in September. The white paper outlined the Government's vision for a dynamic and inclusive labour market and presented a roadmap for practical actions and reforms. These reforms have contributed to improvements in vocational education, the employment services system and the Australian Universities Accord.

Treasury led the implementation of the Government response to the review of the Reserve Bank of Australia (RBA), and a process to refresh the Productivity Commission. These institutions have served Australia well for decades, and the refinements recommended will ensure they remain fit for the future. A Statement of Expectations for the Productivity Commission was released in November. Legislation to reform the RBA was introduced to Parliament in November, and an updated Statement on the Conduct of Monetary Policy was agreed in December.

The Centre for Population's fourth annual Population Statement was released in December. It showed net overseas migration continued to recover from record low levels during the COVID-19 pandemic. This was primarily driven by arrivals of international students and other temporary migrants, including working holiday makers, and influenced by low departures. The Australian Centre for Evaluation was established in Treasury with funding in the 2023–24 Budget. The centre helps ensure government programs deliver value for money by improving the volume, quality, and impact of evaluations across the Australian Public Service in collaboration with evaluation units in other departments and agencies.

Treasury supported an Independent Review of the Franchising Code of Conduct in 2023 and led development of the Government's first Small Business Statement in May. The Statement highlighted targeted supports for small businesses, including work to improve payment times.

Throughout the year Treasury increased its capability to model climate opportunities and risks. This included assessing the impacts on the Australian economy of domestic and global climate change mitigation and adaptation policies, and climate damages. The Government released the Sustainable Finance Roadmap in June, following consultations on Treasury's Sustainable Finance Strategy. Work is already underway on mandatory climate disclosure requirements, with legislation introduced in Parliament in March. Supported by Treasury, the Australian Office of Financial Management issued the first Green Treasury Bond in June.

We provided policy, legislative and governance advice across a range of measures to help the Government meet its housing commitments. Treasury supported implementation of the National Housing Accord, as well as establishment of the Housing Australia Future Fund and the National Housing Supply and Affordability Council. It also supported the Council's inaugural report, *Barriers to Institutional Investment, Finance and Innovation in Housing*, and the *State of the Housing System Report 2024*.

After five years of work across Treasury, the Compensation Scheme of Last Resort (CSLR) was implemented in April 2024. The CSLR will build trust in the financial services industry by paying compensation of up to $150,000 to eligible consumers who have suffered financial misconduct.

In June, an independent review of the Food and Grocery Code of Conduct, led by the Hon Dr Craig Emerson and supported by a Treasury secretariat, was handed down. The Government has agreed to implement the review's 11 recommendations in full. This includes making the code mandatory for all supermarkets with an annual Australian revenue greater than $5 billion and introducing penalties and complaints mechanisms.

As part of the Government's commitment to targeting entrenched community disadvantage, Treasury led the co-design of the $100 million Outcomes Fund. The Fund, which is being administered by the Department of Social Services (DSS), will commence in 2024–25 and make payments based on selected projects achieving agreed, measurable outcomes. Treasury, along with DSS, negotiated a 10-year partnership with philanthropic organisations to improve the wellbeing of children and families. The Investment Dialogue for Australia's Children, agreed in December, seeks to improve outcomes for communities through greater collaboration and coordination of government and philanthropic investments.

Throughout 2023–24, Treasury was responsible for 24 Bills containing 55 measures. Among those Bills the Government's election commitment on Multinational Tax Integrity was given effect by the *Treasury Laws Amendment (Making Multinationals Pay Their Fair Share—Integrity and Transparency) Act 2024*.

Treasury managed a whole of government response to the PwC tax leaks scandal and the systemic issues identified. This work is progressively delivering options to government to strengthen the integrity of the tax system, increase the power of our regulators and strengthen regulatory arrangements.

Treasury continued to progress work on the Government's commitment to increase frequency of payment for employees' superannuation guarantee entitlements and to reduce tax concessions on superannuation balances exceeding $3 million. We consulted on how the superannuation system can best provide the security and income Australians need as they live longer and healthier lives in retirement. Over the next 10 years the number of retirees with a superannuation account will more than double, with an estimated 2.5 million Australians set to retire.

Treasury developed and commenced implementation of reforms to streamline and strengthen Australia's foreign investment framework, announced by the Treasurer on 1 May. The reforms respond to the need to attract significant foreign capital to support Australia's economic priorities while protecting the national interest in an increasingly complex economic and geostrategic environment.

On the international front, Treasury continued strong engagement with the G20, the Asia-Pacific Economic Cooperation, the International Monetary Fund, the Organisation for Economic Co-operation and Development, the Financial Stability Board, the Pacific Forum Economic Ministers Meeting, and the multilateral development banks.

People and performance

The *Treasury Enterprise Agreement 2024–2027* (the enterprise agreement) commenced in January 2024. In total, 92 per cent of eligible staff voted on the enterprise agreement, 94 per cent voting in support.

In 2023–24 Treasury welcomed 49 graduates and 420 new starters.

Our investment in developing our staff continued during 2023–24 with additional training focused on integrity, governance and Active Bystander training to ensure we have a safe and inclusive workplace.

Treasury released its Integrity Strategy 2024–2028 in January. The strategy outlines the current integrity measures that apply across Treasury, as well as the work we will do to continue to embed integrity into our day-to-day work, systems and practices.

Treasury maintained its priority focus on wellbeing, diversity and inclusion in 2023–24, launching our Inclusion and Diversity Strategy 2023–2028 and establishing the Wellbeing Hub, a central repository for staff health and wellbeing resources. A few important outcomes from our wellbeing, inclusion and diversity strategies have been:

- improved consultation on Treasury's new people policies by having a representative from each of Treasury's diversity networks on the Workplace Relations Committee
- achieving gender balance in our Senior Executive cohort at June 2024 and more females than males in most other cohorts except APS1–4, supporting a balanced pipeline for future succession planning
- the release of the compassionate foundations training suite to Senior Executive Service and Executive Level staff in January, aimed at increasing manager capability to confidently identify and respond to psychosocial hazards in the workplace.

Staff members actively participated in events and supported our diversity networks: Indigenous employee network; Reconciliation Action Plan (RAP) committee; Gender equality committee; Culturally and linguistically diverse network; Access and inclusion network; and Pride network.

In 2023–24, the Treasury RAP committee conducted broad consultation and worked with the Indigenous employee network to develop our *Innovate Reconciliation Action Plan 2024–26*, launched in NAIDOC week in July 2024.

These initiatives demonstrate Treasury's commitment to fostering a healthy and inclusive work environment for all employees.

The year ahead

The *Future Made in Australia* legislative package, introduced to Parliament in July 2024, includes a National Interest Framework to support Australian Government consideration and decision-making for significant public investment. The National Interest Framework has two streams: the Net Zero Transformation Stream and the Economic Resilience and Security Stream. Subject to the passage of the legislative package, Treasury will conduct sector assessments under the National Interest Framework. The Front Door Taskforce, within Treasury, will help streamline investors' engagement with government.

We will undertake modelling of climate opportunities and risks for the Australian economy. This includes ensuring modelling processes and methodologies align with the whole-of-government approach. The Government will progress its sustainable finance agenda, with work to commence on a labelling regime for investment products marketed as 'sustainable' or similar. Treasury will consult closely with regulators and industry stakeholders on policy and legislative design.

Treasury will provide support for the Government's housing agenda with advice and analysis across a range of issues that affect housing supply and affordability.

We will continue to pursue the Government's National Competition Policy reform agenda, as well as progressing competition and consumer work relating to the digital environment. This includes digital platform services, and ensuring the Government is well prepared for the continuation of the Consumer Data Right and Digital ID.

We will implement key elements of the Government's APS Reform agenda including enhancing our integrity maturity. We will launch a new Digital and Cyber Security Strategy and a new Strategic Workforce Plan, to make sure we have the staff and digital capabilities we need now and into the future.

Treasury will successfully deliver a wide range of policy advice, Budget measures and programs and a significant legislative agenda. I would like to thank Treasury staff for all their hard work, dedication and professionalism. I acknowledge and thank our many partners and stakeholders across Australia, state and territory governments, the private sector, academia and international agencies.

Dr Steven Kennedy PSM
Secretary to the Treasury

Departmental overview

Treasury is the Government's lead economic adviser.

Treasury provides economic analysis and policy advice on many issues including the economy, Budget, taxation, financial sector, foreign investment, structural policy, superannuation, small business, housing affordability and international economic policy.

We anticipate and analyse policy issues with a whole-of-economy perspective, understand government and stakeholder circumstances, and respond rapidly to changing events and directions. Treasury works with state and territory governments on key policy areas, as well as managing federal financial relations. The economic environment in which we operate is highly complex and subject to significant uncertainty. Within this environment, we advise the Government on reforms to boost productivity, promote well-functioning markets and ensure the tax system remains equitable and supports the Government's fiscal strategy.

Our purpose under the Treasury Corporate Plan 2023–24 to 2026–27 is to:

> Provide advice to the Government and implement policies and programs to achieve strong and sustainable economic and fiscal outcomes for Australians.

In 2023–24 Treasury continued developing advice and analysis to support the Government's economic agenda. The shifting economic environment presented short and long-term challenges. Treasury played an important role in advising the Government on these challenges, particularly persistent inflation and ongoing global uncertainty.

During 2023–24, the Secretary established new divisions for Climate and Energy, the Competition Taskforce, and the Future Made in Australia National Interest Framework.

Figure 1 shows Treasury's organisational structure at 30 June 2024. Treasury's accountable authority is Dr Steven Kennedy PSM, Secretary, who occupied the position for the full 2023–24 reporting period.

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Figure 1: Treasury Group senior management at 30 June 2024

Secretary
Dr Steven Kennedy PSM

Fiscal Group

Deputy Secretary
Sam Reinhardt

Budget Policy Division
First Assistant Secretary: Philippa Brown

Commonwealth-State and Population Division
First Assistant Secretary: Natalie Horvat

Labour Market, Environment, Industry and Infrastructure Division
First Assistant Secretary: Brendan McKenna *(A/g)*

Social Policy Division
First Assistant Secretary: Anthea Long

International and Foreign Investment Group

Deputy Secretary
Roxanne Kelley PSM

Foreign Investment Division
First Assistant Secretary: Christopher Tinning

International Economics and Security Division
First Assistant Secretary: Katrina Di Marco

Overseas operations

Beijing: David Osborne

Indonesia Ministry of Finance: Amy Leaver *(A/g)*

Jakarta: Cosimo Thawley

London: John Swieringa

New Delhi: Alistair Campbell

OECD Paris: Peter Johnson

Port Moresby: Dougal Robinson

Tokyo: Andrew Deitz

Washington: Ian Beckett

Macroeconomic Group

Deputy Secretary
Luke Yeaman

Climate and Energy Division
First Assistant Secretary: Alex Heath

Macroeconomic Analysis and Policy Division
First Assistant Secretary: Shane Johnson

Macroeconomic Conditions Division
First Assistant Secretary: Adam Cagliarini

National Interest Framework Division
First Assistant Secretary: Mohita Zaheed

Markets Group

Deputy Secretary
Brenton Philp

Australian Government Actuary
First Assistant Secretary: Guy Thorburn

Competition Taskforce Division
First Assistant Secretary: Jason McDonald

Financial System Division
First Assistant Secretary: Lynn Kelly

Market Conduct and Digital Division
First Assistant Secretary: James Kelly

Retirement Advice and Investment Division
First Assistant Secretary: Andre Moore *(A/g)*

Revenue Group

Deputy Secretary
Diane Brown

Corporate and International Tax Division
First Assistant Secretary: Marty Robinson

Personal and Indirect Tax and Charities Division
First Assistant Secretary: Laura Berger-Thomson

Tax Analysis Division
First Assistant Secretary: Damien White

Board of Taxation Secretariat
Assistant Secretary: Paul Korganow

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Small Business, Housing, Corporate and Law Group

Deputy Secretary
Victoria Anderson

Corporate Division
Chief Operating Officer: Angela Barrett

Housing Division
First Assistant Secretary: Kerren Crosthwaite

Law Division
First Assistant Secretary: Erin Wells

Small and Family Business Division
First Assistant Secretary: Anthony Seebach

State offices

Melbourne Office Head: Damian Mullaly

Sydney Office Head: Jessica Robinson

Perth Office Head: Felicity Smart

Portfolio overview

The Treasury portfolio undertakes a range of activities aimed at achieving Treasury's Portfolio Budget Statement outcome of 'supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth'. This requires providing advice to Treasury ministers and the efficient administration of Treasury's portfolio functions.

Portfolio ministers

Ministers appointed to the Treasury portfolio during the reporting period 2023–24:

The Hon Jim Chalmers MP

Treasurer

The Hon Julie Collins MP

Minister for Housing, Minister for Homelessness,
Minister for Small Business

The Hon Stephen Jones MP

Assistant Treasurer and Minister for Financial Services

The Hon Dr Andrew Leigh MP

Assistant Minister for Competition, Charities and Treasury,
Assistant Minister for Employment

Table 1: Ministerial acting arrangements during 2023–24

Minister	Dates	Acting Minister	Instrument of authorisation required
The Hon Jim Chalmers MP	1 July to 9 July 2023	Senator the Hon Katy Gallagher	Yes
The Hon Jim Chalmers MP	16 July to 19 July 2023	The Hon Julie Collins MP (16 July)	No
		Senator the Hon Katy Gallagher (17 to 19 July)	Yes
The Hon Stephen Jones MP	26 July to 30 July 2023	The Hon Jim Chalmers MP	No
The Hon Stephen Jones MP	8 August to 10 August 2023	The Hon Jim Chalmers MP	No
The Hon Julie Collins MP	17 September to 29 September 2023	The Hon Amanda Rishworth MP (17 to 24 September)	Yes
		Senator the Hon Murray Watt (25 to 29 September)	Yes
The Hon Stephen Jones MP	19 September to 28 September 2023	The Hon Jim Chalmers MP	No
The Hon Jim Chalmers MP	11 November to 15 November 2023	Senator the Hon Katy Gallagher	Yes
The Hon Jim Chalmers MP	16 December 2023 to 7 January 2024	Senator the Hon Katy Gallagher	Yes
The Hon Stephen Jones MP	25 December 2023 to 12 January 2024	The Hon Julie Collins MP	No
The Hon Stephen Jones MP	9 March to 13 March 2024	The Hon Jim Chalmers MP	No
The Hon Stephen Jones MP	22 March to 2 April 2024	The Hon Jim Chalmers MP	No
The Hon Jim Chalmers MP	27 February to 2 March 2024	Senator the Hon Katy Gallagher	Yes
The Hon Jim Chalmers MP	17 April to 21 April 2024	Senator the Hon Katy Gallagher	Yes

Information about ministerial acting arrangements is published quarterly on the Department of Prime Minister and Cabinet website at www.pmc.gov.au/government/administration/acting-ministerial-arrangements.

Portfolio structure

As of 30 June 2024, the Treasury portfolio comprised 16 entities in the general government sector, including:

- The Australian Bureau of Statistics
- Australian Competition and Consumer Commission
- Australian Office of Financial Management
- Australian Prudential Regulation Authority
- Australian Reinsurance Pool Corporation
- Australian Securities and Investments Commission
- The Australian Taxation Office
- Commonwealth Grants Commission
- Housing Australia (formerly National Housing Finance and Investment Corporation)
- Inspector-General of Taxation
- National Competition Council
- Office of the Auditing and Assurance Standards Board
- Office of the Australian Accounting Standards Board
- Productivity Commission
- Reserve Bank of Australia
- Royal Australian Mint

Figure 2: Treasury outcome and program structure

Outcome 1: Supporting and implementing informed decisions on policies for the good of the Australian people including for achieving strong, sustainable economic growth through the provision of advice to Treasury ministers and the efficient administration of Treasury's functions.
Program 1.1: Department of the Treasury
Program 1.2: International Financial Relations
Program 1.3: Support for markets and business
Program 1.4: Commonwealth-State Financial Relations

Part 2 – Report on performance

Annual Performance Statements 2023–24

Statement of preparation

I, as the Accountable Authority of the Department of the Treasury, present the Annual Performance Statements 2023–24 as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, the Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the Treasury and comply with section 39(2) of the PGPA Act.

In accordance with subsection 16F of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), these statements report on our performance in the year ended 30 June 2024, assessed against the purpose, key activities and performance measures relevant to the Treasury published in:

- The Department of the Treasury 2023–24 Corporate Plan (Corporate Plan 2023–24)
- 2023–24 Portfolio Budget Statements – the Department of the Treasury (PBS 2023–24)

Dr Steven Kennedy PSM
Secretary to the Treasury

25 September 2024

Treasury's purpose

We provide advice to the Government and implement policies and programs to achieve strong and sustainable economic and fiscal outcomes for Australians.

As set out in the Corporate Plan 2023–24, Treasury achieves our purpose through our key activities:

- **Key activity 1**: Treasury's policy advice and analysis is impactful, informed and influential.
- **Key activity 2**: Treasury's implementation of policies and regulation supports Australia's economy and national interest.
- **Key activity 3**: Treasury's external engagements enable implementation of the Government's economic and fiscal agenda.

In 2023–24, Treasury used 13 performance measures across the 3 key activities of the Corporate Plan 2023–24 to assess performance against the activities undertaken to achieve our purpose.

Treasury made no amendments to performance information published in the Corporate Plan 2023–24.

Treasury's outcome

Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury ministers and the efficient administration of Treasury's functions.

Results and analysis

Analysis of performance against Treasury's purpose

Treasury's annual performance statements report on the period from 1 July 2023 to 30 June 2024. The statements provide a clear read of Treasury's performance over the financial year against the key activities and performance measures in the Corporate Plan 2023–24 and 2023–24 Portfolio Budget Statements (PBS).[1]

Treasury achieved, substantially achieved, or partially achieved 12 of the 13 performance measures.

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- Performance measures 1, 2, 3, 4, 6, 8, 11 and 12 were achieved.[2]
- Performance measures 5, 9, 10 and 13 were substantially achieved.[3]
- Performance measures 1 and 9 were partially achieved.[4,5]
- Performance measure 7 was not achieved.

A summary of achievement against the activities and performance measures is provided on pages 24 to 26. A detailed assessment of achievement and analysis for individual performance measures is presented on pages 28 to 71.

Key activity 1: Treasury's policy advice and analysis is impactful, informed and influential

Treasury provided advice to our ministers on a range of significant policy matters. This is the foundation to achieving Treasury's purpose. Treasury received feedback from the portfolio ministers using a structured questionnaire to assess the quality of our advice (performance measure 1). The results of that feedback will be discussed by Treasury's senior executives and used to improve performance.

Treasury's policy advice was rated highly by Treasury ministers or their representatives. Ministerial feedback showed an appreciation for Treasury's robust advice on economic and geopolitical issues. A strong example was the well-considered advice Treasury provided on the Future Made in Australia plan. Ministers also appreciated Treasury advice when developed in consultation with a wider range of external stakeholders. Treasury is reporting that performance measure 1 is achieved for the ministerial feedback questionnaire.

1 Performance information in the 2023–24 Portfolio Budget Statements was updated through the Corporate Plan 2023–24.

2 The ministerial feedback questionnaire component of performance measure 1 was achieved.

3 The Payment Times Reporting Scheme component of performance measure 9 was substantially achieved.

4 The stakeholder survey component of performance measure 1 was partially achieved.

5 The Foreign Investment Framework component was partially achieved.

Treasury consulted across government on policy matters and used a stakeholder survey to assess the quality of our policy advice (performance measure 1). Survey results for the Australian Government stakeholders improved from 2022–23 to report this measure as partially achieved. Stakeholders highly rated our international economic, macroeconomic, fiscal, not-for-profit policy advice, and advice on the development of legislation. Stakeholders were most likely to provide low ratings for Treasury's digital policy advice, which improved in 2023–24. Treasury has continued to improve the framework for the stakeholder survey with the inclusion of climate and energy as part of our expanding role.

Treasury provided forecasts and analysis to inform government decision-making. Performance measures 2 and 3 align Gross Domestic Product and Total Tax Receipts (excluding Company Tax) forecasts against actual outcomes as part of the Budget papers. These performance measures have been achieved in 2023–24.

A focus of Treasury's performance is the timely delivery of Budget documents (performance measure 4). These deliverables are the outcome of Treasury's policy advice, analysis, forecasting, and broad consultation with government and external stakeholders. Treasury released the 2023 Intergenerational Report, 2022–23 Final Budget Outcome, 2023–24 Mid-Year Economic and Fiscal Outlook and the 2024–25 Budget in line with the *Charter of Budget Honesty Act 1998* to achieve this measure.

Key activity 2: Treasury's implementation of policies and regulation supports Australia's economy and national interest

Treasury implements policies through programs and regulation and uses a range of measures to assess performance and provide a picture of outcomes. These measures relate to advice on the competitiveness of markets, stability of financial systems, international negotiations, and Treasury's regulatory functions.

Treasury is responsible for financial systems, investment, retirement incomes, provision of actuarial services, corporations, competition, and consumer data and law. Performance measure 5 assesses Australia's competitiveness in 2023–24 using data from the Institute for Management Development. The 2023–24 data is compared with the 2021–22 World Competitiveness Ranking data. Performance measure 5 assessed Australia as marginally more competitive in 2023–24 compared with 2022–23, but not meeting the target resulting in a substantially achieved result.

Treasury has a close working relationship with the Australian Prudential Regulation Authority to ensure there are no disorderly failures of prudentially regulated entities, supporting the financial stability of Australia (performance measure 6). Treasury monitored trends and economic activity in the financial system that could contribute to entity failures. Consistent with the previous year, there were no disorderly failures of prudentially regulated entities in 2023–24 and the performance measure was achieved.

There was continued international engagement on the Organisation for Economic Co-operation and Development Inclusive Framework of Base Erosion and Profit Shifting Pillar One and Pillar Two (performance measure 7). Work progressed on Pillar One and Pillar Two. However, Pillar One was not settled by the contributing countries and Australian legislation for Pillar Two was tabled in the Parliament on 4 July 2024, outside the 2023–24 reporting period. Treasury is reporting that this measure is not achieved.

The Treasury legislation program (performance measure 8) is a mechanism for delivering the Government's priorities. Treasury delivered 97 per cent of legislative measures committed to during the reporting period and within the agreed sitting periods. Performance measure 8 is reported as achieved consistent with the prior reporting period.

Treasury is responsible for 2 regulatory functions: the foreign investment framework, and the Payment Times Reporting Scheme (performance measure 9). A stakeholder survey is used to assess Treasury's performance against the 3 principles of best practice regulation set out in Department of Finance guidance (RMG 128). The assessment of regulatory performance through a stakeholder survey is challenging. The foreign investment framework partially achieved the target, while the Payment Times Reporting Scheme reported an incremental improvement compared to 2022–23 with a substantially achieved result.

In addition to the survey, the Payment Times Reporting Regulator is assessed using the registration of reporting entities required by the *Payment Times Reporting Act 2020* (performance measure 10). The 2023–24 period was the first full year the regulator conducted compliance activities resulting in an improved performance result. Treasury is reporting the performance measure is substantially achieved.

Key activity 3: Treasury's external engagements enable implementation of the government's economic and fiscal agenda

Treasury's external engagement through international and state agreements, consultation on policy, economic modelling, programs and legislation, informs and enables our key activities. A ministerial feedback questionnaire and stakeholder survey were used to assess working relationships with Treasury ministers, portfolio agencies, Australian Government entities, and external stakeholders (performance measure 11).

Feedback from Treasury ministers or their representatives was unanimously positive. There were stronger questionnaire responses than in 2022–23. Non-ministerial stakeholders were generally positive about the effectiveness of their working relationships with Treasury, especially through communication and collaboration. However, assessments were mixed, indicating there is room for improvement. This performance measure was achieved for ministerial and non-ministerial stakeholders.

Treasury works with stakeholders to effectively administer spending arrangements under legislation and agreements. All payments to international financial institutions (performance measure 12) were administered within legislative requirements and agreements, and this measure was achieved. Payments were made to the World Bank, the International Bank for Reconstruction and Development and the International Finance Corporation. Performance measure 13 assesses payments to states administered in accordance with the *Intergovernmental Agreement on Federal Financial Relations* and other relevant agreements. This measure was substantially achieved.

Performance summary 2023–24

Key activity 1: Treasury's policy advice and analysis is impactful, informed and influential

Performance measure	2023–24 Target	Performance achieved
Performance measure 1: Proportion of Treasury ministers, key government entities and stakeholders that rate Treasury advice highly.	80%	**Ministerial feedback questionnaire:** Achieved **Stakeholder survey:** Partially achieved
Performance measure 2: Variance between actual real Gross Domestic Product (GDP) and forecast real GDP.	Real GDP falls within 70% confidence interval of forecast real GDP.	Achieved
Performance measure 3: Variance between actual Total Tax Receipts (excluding Company Tax) and forecast.	Total Tax Receipts (excluding company tax) for 2023–24 falls within 70% confidence interval of forecast at the 2023–24 Budget.	Achieved
Performance measure 4: Delivered in line with the requirements of the *Charter of Budget Honesty Act 1998* (Charter).	100%	Achieved

Key activity 2: Treasury's implementation of policies and regulation supports Australia's economy and national interest

Performance measure	2023–24 Target	Performance achieved
Performance measure 5: Australia maintains or improves its 2022 score on markets related inputs to the World Competitiveness Ranking produced by the Institute for Management Development.	Competitiveness score >105	Substantially achieved
Performance measure 6: No disorderly failures of institutions prudentially regulated in Australia.	No disorderly failures of prudentially regulated institutions.	Achieved
Performance measure 7: Treasury contributes to the development of the Organisation for Economic Co-operation and Development Inclusive Framework on Base Erosion and Profit Shifting Action 1.	Australia signs the Pillar One Multilateral Convention, signs the Subject to Tax Rule Multilateral Instrument, and implements legislation to give domestic effect to a domestic minimum tax and the income inclusion rule under Pillar Two, in accordance with the progress and timelines of the OECD (subject to Government decision to implement the pillars).	Not achieved
Performance measure 8: Proportion of legislative measures committed for delivery at the beginning of a parliamentary sitting period, adjusted for any Government reprioritisation of legislative measures during the sitting period, and compared to the actual number delivered.	90%	Achieved
Performance measure 9: Proportion of stakeholders that report a high level of satisfaction regarding: • the clarity, transparency, and consistent application of Treasury's regulatory frameworks (Regulator Performance (RMG 128) Principle 1) • risk-based, data driven decision making (RMG 128 Principle 2) • Treasury's responsive communication and collaboration (RMG 128 Principle 3)	65%	**Foreign Investment Framework:** Partially achieved **Payment Times Reporting Scheme:** Substantially achieved
Performance measure 10: Proportion of regulated entities registered with the Payment Times Reporting Regulator as a reporting entity (RMG Principle 1 and 2).	85%	Substantially achieved

2

Key activity 3: Treasury's external engagements enable implementation of the Government's economic and fiscal agenda

Performance measure	2023–24 Target	Performance achieved
Performance measure 11: Proportion of Treasury ministers, Treasury portfolio agencies and regulators, and key stakeholders that highly rate working with the Treasury.	75%	**Ministerial feedback questionnaire:** Achieved **Stakeholder survey:** Achieved
Performance measure 12: Proportion of payments to international financial institutions are transferred within legislated requirements and agreements.	100%	Achieved
Performance measure 13: Proportion of payments to the states are delivered within requirements of the Intergovernmental Agreement on Federal Financial Relations and other relevant agreements between the Commonwealth and the states.	100%	Substantially achieved

Key activity 1 – Treasury's policy advice and analysis is impactful, informed and influential

Performance measure 1

Proportion of Treasury ministers, key government entities and stakeholders[6] that rate Treasury advice highly.	
Methodology	Independent stakeholder survey with key government entities and stakeholders conducted by a third-party provider, and structured interviews with Treasury ministers or their delegates. Stakeholder selection is governed by transparent stakeholder selection rules.
Target	80%
Data sources	Stakeholder lists and responses to the annual stakeholder feedback survey and the ministerial feedback questionnaire from Treasury ministers or their delegates.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Ministerial feedback questionnaire: Achieved** 100% of Treasury ministers or their delegate provided overall ratings in the high-performance range.[7] Achieved means 80% or more of Treasury ministers or their delegate provided overall ratings in the high-performance range.[8] **Stakeholder survey: Partially achieved** 74% of survey respondents provided overall ratings in the high-performance range. Partially achieved means 70% to 74% of survey respondents provided overall ratings in the high-performance range.
Performance achieved over time	In 2022–23 Treasury reported a result of achieved for the ministerial feedback questionnaire as 100% of Treasury ministers or their delegates provided overall ratings in the high-performance range. In 2022–23 Treasury reported a result of not achieved for the stakeholder survey as 69% of survey respondents provided overall ratings in the high-performance range. In 2021–22 Treasury reported it achieved an effectiveness result of 95% from Treasury ministers or their chiefs of staff and 85% from key stakeholders.[9] The performance measure assessed the impact of Treasury's policy advice.[10]

6 Key stakeholders involved in the survey are senior executives in other Australian Government entities who dealt with Treasury in the past year (1 April 2023 to 31 March 2024).

7 The 'High' overall rating is the average of responses classified as 3.51 to 5.00 out of 5.00 in accordance with the Approach to Calculating Policy Advice detailed in Part 5 – Appendices – Methodology for the Annual Stakeholder Survey.

8 Achieved is assessed as ≥80% of survey respondents provide a 'High' overall rating, substantially achieved is assessed as 75 to 79%, partially achieved is assessed as 70 to 74%, and not achieved is assessed as <70%.

9 In 2021–22 the effectiveness result was survey respondents' rating of Treasury against set questions as an indicator of effectiveness. The performance result was calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

10 The performance achieved for 2021–22 is not directly comparable with the 2022–23 and 2023–24 results.

Analysis

Treasury used structured interviews with Treasury ministers or their representatives and a key stakeholder survey to assess the performance of its policy advice. An external provider was engaged to develop and report on the ministerial feedback questionnaire and stakeholder survey. Each ministerial interview was conducted by a Treasury deputy secretary. The external provider also attended as an objective observer and note taker.

Treasury introduced a policy advice matrix to the ministerial questionnaire and survey in the 2022–23 reporting period to assess the extent to which its policy advice is informed, influential and impactful.[11] The matrix provides a more structured and comprehensive assessment of Treasury's advice.

Performance feedback from Treasury ministers and stakeholders is reported separately within this analysis.

Ministerial feedback questionnaire

The performance target has been achieved.

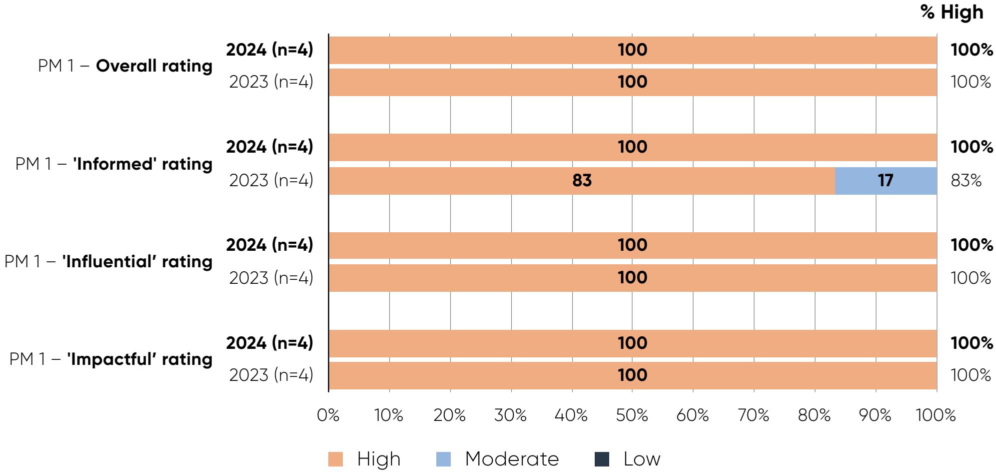
The ministerial interviews achieved a 100 per cent response rate and a performance result of 100 per cent. Treasury used structured interviews with ministers or their representatives to complete the ministerial feedback questionnaire.[12] The Minister for Housing, Minister for Homelessness, Minister for Small Business; the Assistant Treasurer and Minister for Financial Services; and the Assistant Minister for Competition, Charities and Treasury, Assistant Minister for Employment participated in the interview in person. The Treasurer was represented by his chief of staff.

11 The application of the policy advice matrix is detailed in Part 5 – Appendices – Methodology for the Annual Stakeholder Survey.

12 The ministerial feedback questionnaire asked ministers to rate specific aspects or attributes of Treasury's policy advice on a 5-point 'agreement' rating scale. The individual attribute ratings provided by ministers were aggregated to derive numerical scores that indicate 'High', 'Moderate' and 'Low' performance in each area, as well as overall (the average of ratings for each area).

The ministerial feedback questionnaire used 3 criteria to assess if Treasury's advice was informed, influential and impactful. All ministerial stakeholders indicated that Treasury's advice was influential and impactful (100 per cent rated each of these aspects highly on balance), as well as informed (100 per cent rated this highly on average, up from 83 per cent in 2023).

Figure 3: Average ratings of ministerial feedback for the 3 policy criteria



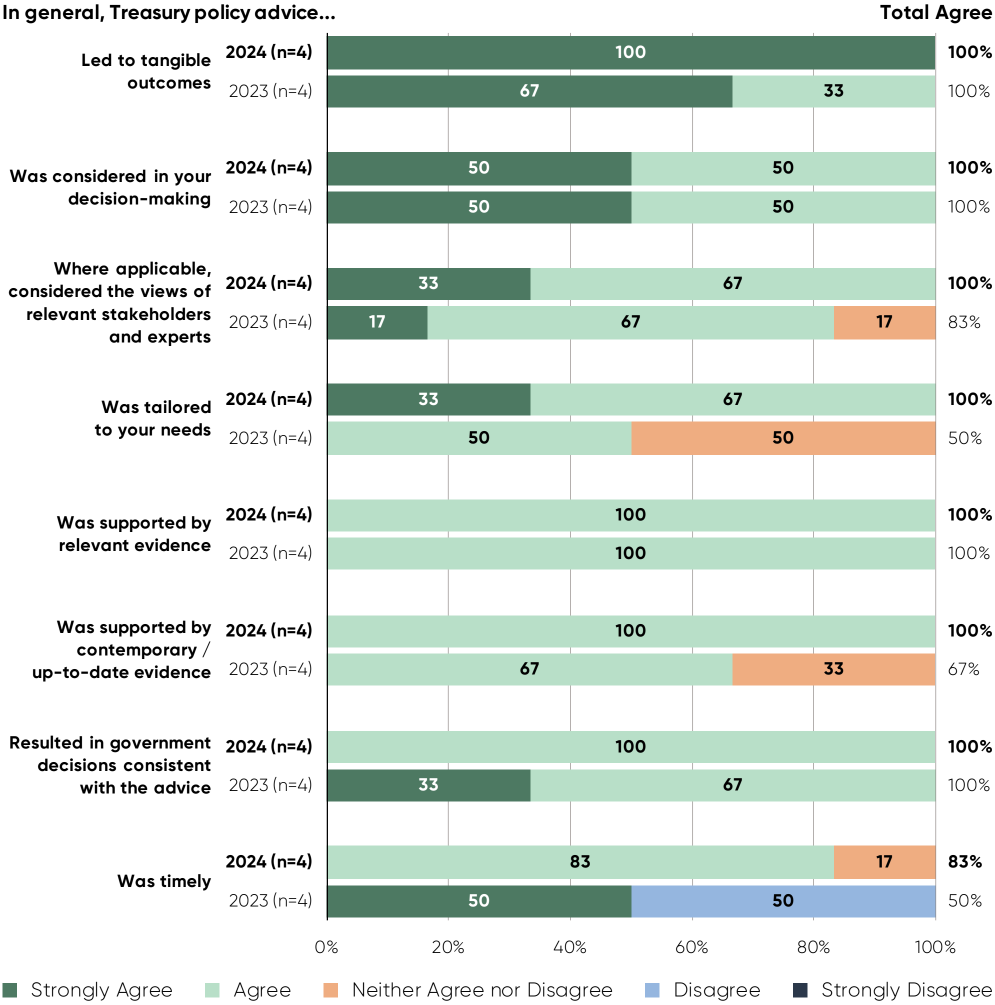
(Base: All ministerial stakeholders)

In 2023–24, all 4 ministerial stakeholders were favourable in their assessments of nearly all aspects of Treasury's policy advice. Agreement was strongest that, in general, Treasury's policy advice led to tangible outcomes (100 per cent strongly agreed) and was considered in their decision making (100 per cent, with 50 per cent strongly agreeing).

Ministers rated Treasury's advice as tailored to their needs at 100 per cent compared to 50 per cent in 2023. The ministers reported being supported by contemporary/up-to-date evidence at 100 per cent (up from 67 per cent) and taking the views of relevant stakeholders and experts into consideration when applicable at 100 per cent (up from 83 per cent).

The perceived timeliness of Treasury's policy advice was slightly lower compared to other aspects (83 per cent agreed and 17 per cent provided a neutral response), but still showed great improvement from 2023 (50 per cent strongly agreed and 50 per cent disagreed). This was consistent with comments provided during interviews with ministers about the need for more timely advice in some areas.

Figure 4: Summary of performance results of ministerial interviews



(Base: All ministerial stakeholders)

Given the Treasurer is the senior Treasury minister, and the high volume of interactions with the Treasurer and policy coverage, the survey ratings of the Treasurer (or representative) will be weighted more highly than those of other ministers. The weighting formula will have the effect that the Treasurer's responses will account for 50 per cent of the aggregate performance metrics derived from the survey.

Stakeholder survey

The performance target has been partially achieved.

A total of 403 Australian Government entity stakeholders were invited to participate in the survey. This is an increase from 291 in 2022–23.[13] The survey had a response rate of 36 per cent and achieved a performance result of 74 per cent.[14] Almost three-quarters (74 per cent) of stakeholders provided high overall ratings for Treasury's policy advice in 2023–24. Close to a quarter (23 per cent) provided moderate ratings, while a very small proportion (2 per cent) provided low ratings.

The greatest improvement was observed for perceptions of how 'influential' Treasury's advice was with 76 per cent rating this highly (up from 65 per cent). This was followed by 'informed' at 73 per cent (up from 66 per cent) and 'impactful' at 67 per cent (up from 62 per cent). Most stakeholders felt Treasury's advice was highly 'informed' (73 per cent), while just under a quarter (23 per cent) provided moderate ratings and 4 per cent provided low ratings.

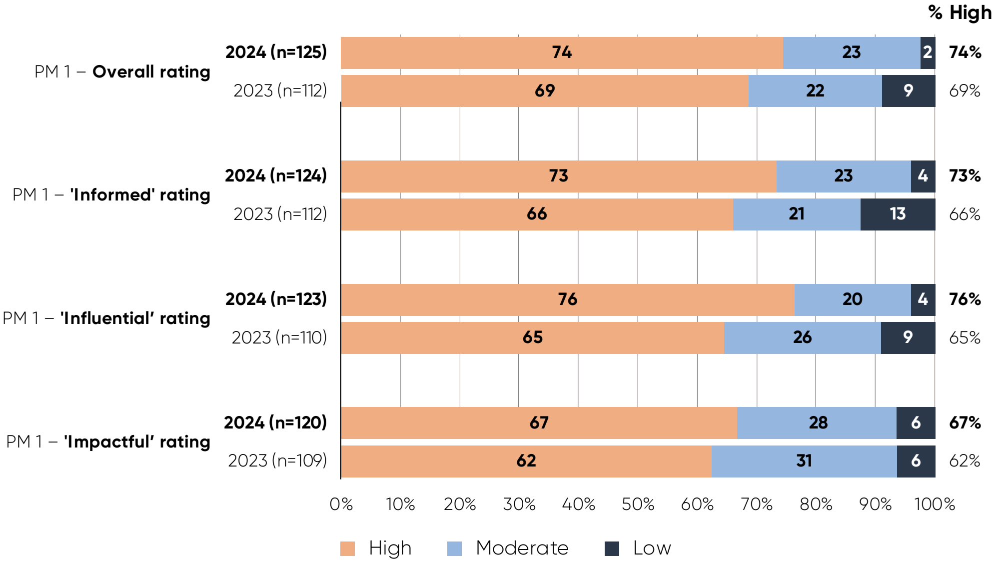
On average, stakeholders provided the most positive ratings for the 'influential' nature of Treasury's advice. More than three-quarters (76 per cent) rated this aspect highly. One fifth (20 per cent) of ratings for this aspect were moderate, while just 4 per cent were low.

Stakeholders were least likely to perceive Treasury's advice as 'impactful', with two-thirds (67 per cent) rating it highly and around one third (28 per cent) giving moderate ratings. There was a slightly larger proportion of low ratings for 'impactful' (6 per cent) compared to 'informed' and 'influential' (both 4 per cent).

13 The increase in stakeholder selection is an indication of Treasury's expanding functions and increased engagement.

14 A response rate of 20% was established as a valid response for the survey.

Figure 5: Average ratings of stakeholder feedback for the 3 policy criteria



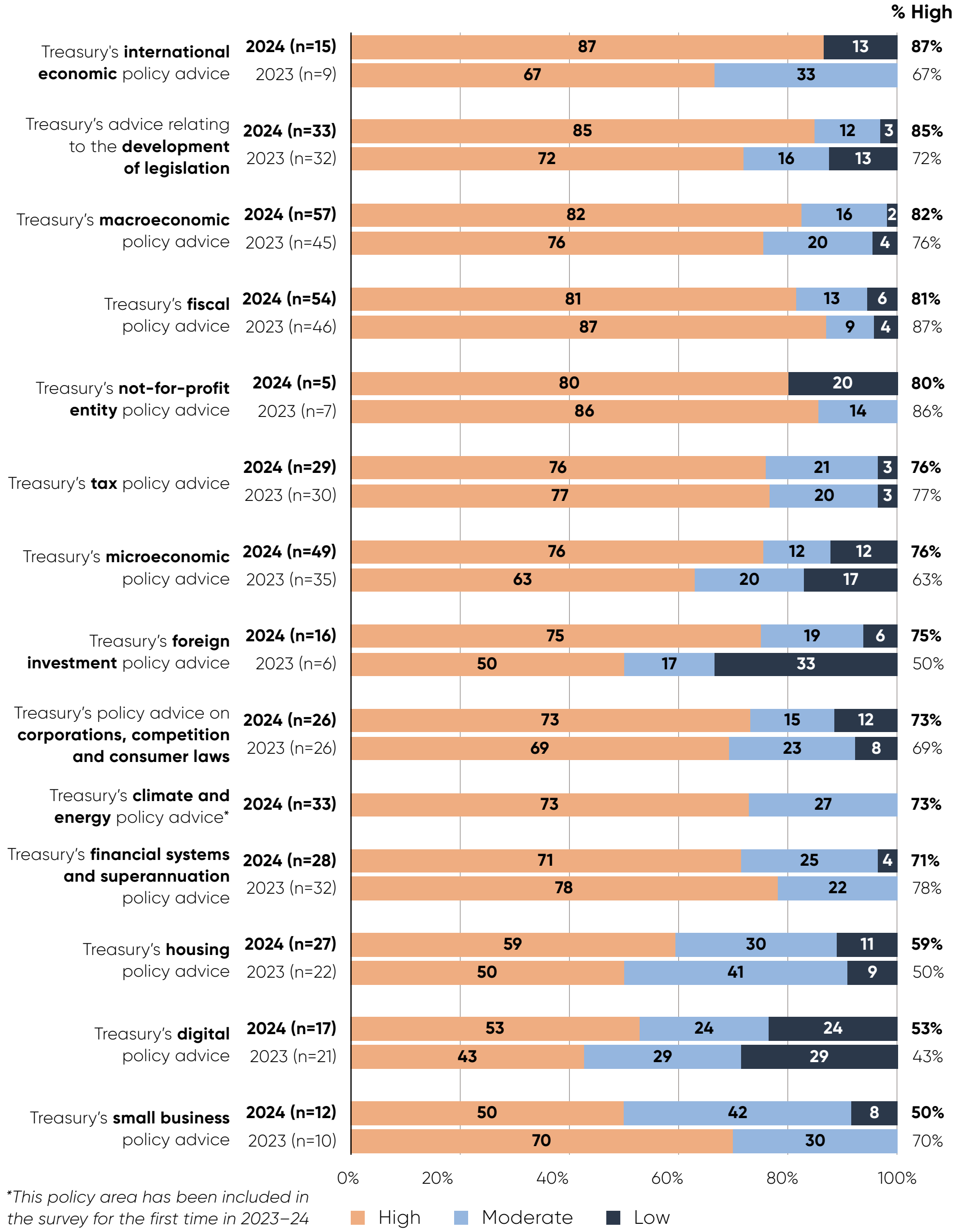
(Base: Australian Government entity stakeholders who saw Treasury's policy advice to government)

Stakeholders were asked to rate Treasury policy advice in 14 areas. Australian Government entity stakeholders were asked whether they had seen any Treasury policy advice to government in 2023–24 in relation to each policy area. Consistent with the 2022–23 survey, stakeholders were most likely to report having seen policy advice related to one (21 per cent), 2 (16 per cent) or 3 (16 per cent) activity areas. A small portion reported seeing advice related to 6 or more areas (1 to 3 per cent). Around 14 per cent of stakeholders indicated they had not seen any policy advice for the relevant areas in 2023–24 (up from 10 per cent in 2022–23). These responses did not contribute to the performance result.

Overall ratings were most favourable at 87 per cent for Treasury's international economic policy advice (up from 67 per cent) and advice relating to the development of legislation at 85 per cent (up from 72 per cent). The lowest rated policy area in 2024 was small business at 50 per cent (down from 70 per cent). Stakeholders were most likely to provide low ratings for Treasury's advice on digital policy (24 per cent) and not-for-profit entity policy (20 per cent).

An individual performance result, based on the same method used to calculate the overall performance result, was produced for each area of Treasury's policy advice in order from most to least positive.

Figure 6: Performance results for each area of Treasury's policy advice



(Base: Australian Government entity stakeholders who saw Treasury's policy advice to government in each area)

Performance measure 2

Variance between actual real Gross Domestic Product (GDP) and forecast real GDP.	
Methodology	Assessment of the variance between forecasts and outcomes in each year for real GDP growth. Real GDP forecasts incorporate assumptions, that include exchange rates, interest rates, commodity prices and population growth. The confidence interval is a widely used metric that provides a guide to the degree of uncertainty around forecasts. The 70% confidence interval means there is a 70% chance that the outcome falls in this range. This assumes future forecast errors are consistent with the distribution of past forecast errors from 1998–99 onwards.
Target	Real GDP falls within 70% confidence interval of forecast real GDP.
Data sources	Australian Bureau of Statistics Australian National Accounts: National Income, Expenditure and Product and Budget papers.[15]
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** The cumulative annualised growth rate for real GDP from 2021–22 to 2023–24 was 2.3% and was within the 70% confidence interval range of 1½ to 3¼% as published at the 2023–24 Budget. Achieved means actual real GDP falls within the 70% confidence interval of forecast real GDP.[16]
Performance achieved over time	This performance measure was introduced in 2022–23 for the purpose of performance reporting. Treasury reported a result of achieved as the cumulative annualised growth rate for real GDP from 2020–21 to 2022–23 was 3.5%.[17] This was within the 70% confidence interval range of 3–4¾% as published at the 2022–23 March Budget.

15 Australian Bureau of Statistics Australian National Accounts: National Income, Expenditure and Product was released on 4 September 2024.

16 Achieved is assessed as the actual real GDP falling within the 70% confidence interval of forecast real GDP and not achieved is assessed as the actual real GDP did not falling within 70% confidence interval of forecast real GDP.

17 Treasury uses a cumulative annualised growth rate (2 years) consistent with the real GDP methodology for Budget Statement 8. This differs from the 2023–24 annual growth rate (one-year) of 1.5% published on 4 September 2024 in the Australian National Accounts.

Analysis

The performance target has been achieved.

Treasury achieved the target of real GDP falling within the 70 per cent confidence interval of the forecast as published in the 2023–24 Budget.

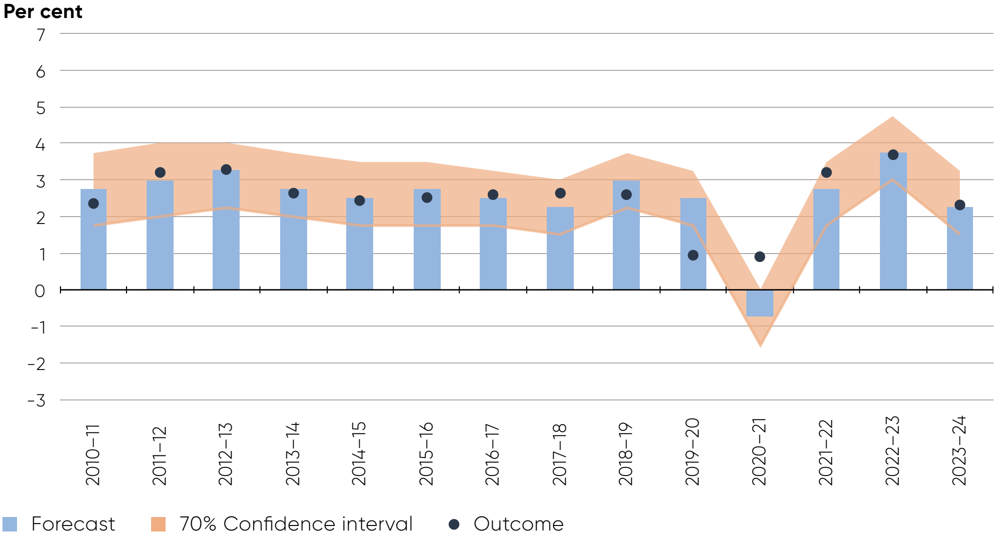
Real GDP forecasts incorporate several assumptions, including those regarding exchange rates, interest rates, commodity prices and population growth. Forecasts of a single point estimate have a high probability of being incorrect. As a result, a confidence interval is used to establish an upper and lower bound to assess performance.

At the 2023–24 Budget, the average annual growth rate over 2 years (cumulative annualised growth rate) from 2021–22 to 2023–24 for real GDP was expected to be around 2¼ per cent, with the 70 per cent confidence interval ranging from 1½ to 3¼ per cent.

Treasury made large forecast errors in 2019–20 and 2020–21. The forecast error in 2019–20 was due to the onset of the COVID-19 pandemic. The 2020–21 forecasting error illustrates the economic recovery was significantly stronger than anticipated. After falling outside of the 70 per cent confidence interval range in 2019–20 and 2020–21 due to a range of external macroeconomic shocks, outcomes in 2021–22, 2022–23 and 2023–24 have been more closely aligned with forecasts.

Since the 2023–24 Budget, the economy has seen relatively fewer external shocks than in preceding years. While the aggregate forecasts for real GDP have performed relatively well, there have been some compositional differences between the outcomes and forecasts. Overall, Treasury's approach to forecasting has performed well over this period. Treasury regularly reviews the methodology and assumptions that it uses to put together its economic outlook and will continue to update its approach as economic circumstances evolve.

Figure 7: Treasury real GDP forecasts – performance over time



Note: Forecasts presented on the chart are from the relevant Budget papers and reflect 2 year cumulative annualised growth rates from the last full financial year of National Accounts data available at the time of forecast. Outcomes reflect latest available data. Confidence intervals have been calculated based on forecast errors from Budget 1998–99 onwards and the latest available National Accounts data.

Source: Australian Bureau of Statistics Australian National Accounts: National Income, Expenditure and Product, Treasury.

Confidence intervals are calculated based on the root-mean-squared error for budget forecasts from the 1998–99 Budget onwards. Real GDP forecasts incorporate a number of assumptions, including those regarding exchange rates, interest rates, commodity prices and population growth.

The confidence interval is a widely used metric that provides a guide to the degree of uncertainty around forecasts, assuming forecast errors are consistent with the distribution of past forecast errors. The choice of a 70 per cent confidence interval is consistent with the narrower of the 2 confidence intervals. The other confidence interval of 90 per cent is published in budget papers.

2

Performance measure 3

Variance between actual Total Tax Receipts (excluding Company Tax) and forecast.	
Methodology	Assessment of the variance between forecasts and outcomes in each year for actual Total Tax Receipts (excluding Company Tax). Tax receipts forecasts are generally prepared using a 'base plus growth' methodology. The last outcome for each head of revenue is the base to which growth rates are applied, using appropriate economic parameters. Estimates for the current year also incorporate recent trends in tax collections. The confidence interval is a widely used metric that provides a guide to the degree of uncertainty around forecasts. The 70% confidence interval means there is a 70% chance that the outcome falls in this range. This assumes future forecast errors are consistent with the distribution of past forecast errors from 1998–99 onwards.
Target	Total Tax Receipts (excluding Company Tax) for 2023–24 falls within 70% confidence interval of forecast at the 2023–24 Budget.
Data sources	Australian Bureau of Statistics Australian National Accounts: National Income, Expenditure and Product, Budget papers and Final Budget Outcome.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** Total Tax Receipts (excluding Company Tax) in 2023–24 are \$492.2 billion, \$4.6 billion above the 2023–24 Budget forecast of \$487.6 billion. This variance falls inside the 70% confidence interval of the forecast (\$465.2 billion to \$509.9 billion). Achieved means the actual Total Tax Receipts fall within 70% of the confidence interval of forecast Total Tax Receipts (excluding Company Tax).
Performance achieved over time	This performance measure was introduced in 2022–23 for the purpose of performance reporting. Treasury reported a result of not achieved as Total Tax Receipts (excluding Company Tax) were \$450.2 billion, \$32.0 billion above the 2022–23 Budget forecast of \$418.2 billion. This variance fell outside of the 70% confidence interval of the forecast, exceeding the \$437.0 billion upper bound by \$13.2 billion.

Analysis

The performance target has been achieved.

The 2023–24 variance of \$4.6 billion in Total Tax Receipts (excluding Company Tax) is the result of offsetting variances across several heads of revenue. Below is a summary of the performance for 2022–23 and 2023–24 Total Tax Receipts variance between actual and forecast, excluding Company Tax (Table 2) and including Company Tax (Table 3).

Table 2: Total Tax Receipts variance between actual and forecast, excluding company tax

	2022–23	2023–24
Final Budget Outcome ($b)	450.2	**492.2**
Adjusted Budget forecast ($b)	418.5	**487.6**
Variance ($b)	31.8	**4.6**
Confidence interval upper bound	437.0	**509.9**
Confidence interval lower bound	399.9	**465.2**
Outcome falls within confidence interval	No	**Yes**

Table 3: Total Tax Receipts variance between actual and forecast, including company tax

	2022–23	2023–24
Final Budget Outcome ($b)	601.3	**633.4**
Adjusted Budget forecast ($b)	508.7	**616.3**
Variance ($b)	92.6	**17.1**
Confidence interval upper bound	538.1	**656.4**
Confidence interval lower bound	479.2	**576.2**
Outcome falls within confidence interval	No	**Yes**

The confidence interval is a widely used metric that provides a guide to the degree of uncertainty around forecasts, assuming forecast errors are consistent with the distribution of past forecast errors. While forecasts are set at Budget, the confidence intervals for the year ahead are not to be calculated until the outcome for the previous year is published in Final Budget Outcome in September. This allows performance in the most recent year to be reflected in the forecast intervals. Forecasts are adjusted for policy decisions announced after the Budget which affect the forecast year.

Company Tax is excluded from the performance assessment as it is significantly more sensitive to changes in the economy and can be substantially impacted by highly volatile commodity prices. The Budget takes a prudent approach to commodity prices by using technical assumptions that assume short-term prices revert to conservative long-run price assumptions. If Company Tax was included, this single technical assumption has the potential to be a significant driver of both the confidence intervals and performance result. Analysis of the performance measure if company tax is included as presented above, showing that its inclusion would not have changed the performance measure being not achieved in 2022–23 and achieved in 2023–24.

Performance measure 4

Delivered in line with the requirements of the *Charter of Budget Honesty Act 1998* (Charter).	
Methodology	Assessment against the requirements and timeframes for the public release of the deliverables set out in the Charter for the 2023–24 reporting period. The deliverables for performance reporting are the 2023 Intergenerational Report, 2022–23 Final Budget Outcome, 2023–24 Mid-Year Economic and Fiscal Outlook, 2024–25 Budget, and Additional Statement of Commonwealth stock and securities (the latter is required only if the conditions in Part 9 of the *Charter of Budget Honesty Act 1998* are met).
Target	100%
Data sources	Data sources are the released documents for the Intergenerational Report, Budget, Final Budget Outcome, Mid-Year Economic and Fiscal Outlook, and Additional Statement of Commonwealth stock and securities (if required).
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** All four deliverables were publicly released in line with the requirements and within the timeframes of the Charter. Achieved means 100% of deliverables were publicly released in line with the requirements and within the timeframes of the Charter.[18]
Performance achieved over time	In 2022–23 Treasury reported a result of achieved with 100% of deliverables publicly released in line with the requirements and within the timeframes of the Charter.[19] In 2021–22 Treasury reported a result of achieved with 100% of deliverables released within the timeframes as required under the Charter.[20]

18 Achieved is assessed as 100% of deliverables required under the *Charter of Budget Honesty Act 1998* (the Charter) are released within the timeframes and not achieved is assessed as less than 100% of deliverables required under the Charter are released within the timeframes.

19 Treasury's performance has been assessed against the 3 deliverables relating to the 2021–22 Final Budget Outcome, 2022–23 October Budget and 2023–24 Budget and not against other items in the Charter.

20 Treasury's performance has been assessed against the 4 deliverables relating to the Final Budget Outcome, Mid-Year Economic and Fiscal Outlook Budget and Pre-Election Economic and Fiscal Outlook, and not against other items in the Charter.

Analysis

The performance target has been achieved against the requirements and timeframes of the *Charter of Budget Honesty Act 1998* (Charter). Treasury has used the timeliness measure as a proxy for efficiency.

In 2023–24 Treasury worked with the Treasurer's office, Treasury ministers, the Australian Public Service and within Treasury to prepare and publish the 2023 Intergenerational Report, 2022–23 Final Budget Outcome, 2023–24 Mid-Year Economic and Fiscal Outlook and 2024–25 Budget in line with the Charter.

The 2023 Intergenerational Report met the Charter requirements to be publicly released and tabled by the Treasurer at least once every 5 years. The 2023 Intergenerational Report was publicly released on 24 August 2023, and tabled on 5 September 2023. The 2023 Intergenerational Report is the sixth report since 2002 and the first to feature specific modelling on climate change, energy, and the changing industrial base. The 2023 Intergenerational Report met the requirements of the Charter to assess the long-term sustainability of current Government policies over 40 years.

The 2022–23 Final Budget Outcome report met the Charter requirement for the Treasurer to publicly release and table by 30 September 2023. The 2022–23 Final Budget Outcome report was publicly released on 22 September 2023 and tabled in the Senate and the House of Representatives on 18 October 2023. The 2022–23 Final Budget Outcome report met the relevant Charter content requirements for a Final Budget Outcome report to contain Commonwealth budget sector and Commonwealth general government sector fiscal outcomes for the financial year.

The 2023–24 Mid-Year Economic and Fiscal Outlook (MYEFO) papers met the Charter requirement for the Treasurer to publicly release and table the MYEFO report by 31 January 2024, or within 6 months after the last budget (by 9 November 2023), whichever is later. The 2023–24 MYEFO papers were publicly released and tabled on 13 December 2023, with tabling occurring out of the sitting period. The 2023–24 MYEFO report contained reporting against the economic outlook, fiscal strategy and outlook, information on tax expenditures and a debt statement.

The 2024–25 Budget papers met the Charter requirement for the Treasurer to publicly release and table a budget economic and fiscal outlook report. The 2024–25 Budget papers were publicly released and tabled on 14 May 2024. The Budget documents met the relevant Charter content requirements for a budget economic and fiscal outlook report.

No additional statement about Commonwealth stock and securities (clause 33 of the Charter) is required as the actual face value of Commonwealth stock and securities did not increase by $50 billion or more between the 2023–24 Budget, and the 2023–24 MYEFO or between the 2023–24 MYEFO and the 2024–25 Budget.

These deliverables are the outcome of Treasury's policy advice, analysis, forecasting, and consultation that are assessed through other performance measures and contribute to strong and sustainable economic and fiscal outcomes.

Key activity 2 – Treasury's implementation of policies and regulation supports Australia's economy and national interest

Performance measure 5

Australia maintains or improves its 2022 score on markets related inputs to the World Competitiveness Ranking produced by the Institute for Management Development.[21]	
Methodology	The Institute for Management Development (IMD) produces a World Competitiveness Ranking based on a range of criteria. Fifteen of these criteria relate to the Treasury in the areas of policy responsibility for financial system, investment, retirement incomes, provisions of actuarial services, and corporations, competition, and consumer data and law. These policy areas are not assessed through other performance measures. IMD calculates the average value for each economy for publication in the IMD World Competitiveness Yearbook each year. Treasury will use the results against the 15 criteria to construct a competitiveness score relevant to this performance measure as an indicator of Treasury's policy effectiveness.
Target	Competitiveness score of >105. The target is based on the 2022 results for 15 criteria of the World Competitiveness Rankings.
Data sources	Institute for Management Development World Competitiveness Rankings Results 2024.
Source	Program 1.3 – Support to Markets and Business Corporate Plan 2023–24
Performance achieved 2023–24	**Substantially achieved** Australia's competitiveness score for 2023–24 was 102 against a target of 105. Substantially achieved means Australia's competitiveness score is between 99 to 104.[22]
Performance achieved over time	This performance measure was introduced in 2022–23. Treasury reported a result of substantially achieved with Australia's competitiveness score of 100 against a target of 105.

Analysis

The performance target has been substantially achieved.

21 Institute for Management Development (IMD) World Competitiveness Ranking: IMD World Competitiveness Center, Switzerland.

22 Achieved is assessed as Australia maintains or increases a score of 105, substantially achieved is assessed as a score of 99 to 104, partially achieved is assessed as a score of 94 to 98, and not achieved is assessed as a score that falls below 94.

This is the second year Treasury has assessed performance using this methodology and external data sourced from the World Competitiveness Ranking produced by the Institute for Management Development (IMD) on competitiveness. Treasury developed a target 'competitiveness score' of 105 based on the 2022 data utilising 15 criteria published by the IMD.

The 15 criteria represent areas of Treasury's policy responsibility for financial system, investment, retirement incomes, provision of actuarial services, and corporations, competition, and consumer data and law. The 15 criteria related to market performance as an indication of Treasury's policy outcomes. These areas of policy responsibility are not assessed through other Treasury performance measures. The score is determined by a survey of business executives conducted independently by the Committee for Economic Development of Australia (CEDA) utilising the methodology set out by the IMD. Treasury aggregated the individual survey results against each of the 15 criteria for 2024 to determine the competitiveness score of 102.

The total competitiveness score reported this year remains consistent with the scores of previous years. The total score for 2023–24 was 102 – a 2-point increase compared to the previous year. This year, the total competitiveness score did not change materially and there was little movement in scores for the components of the criteria that contributed to this total. The largest, albeit small, improvements in scores for this year were for the following propositions:

- 'credit is easily available for business' (less than 1 point increase compared to 2022–23)
- 'banking and financial services do support business activities efficiently' (less than 1 point increase compared to 2022–23)
- 'pension funding is adequately addressed for the future' (less than 1 point increase compared to 2022–23).

Decreases in scores this year were negligible (all under 0.2 points compared to 2022–23) with the largest decreases in scores for responses to the following propositions:

- 'legal and regulatory framework encourages the competitiveness of enterprises'
- 'auditing and accounting practices are adequately implemented in business'
- 'bureaucracy does not hinder business activity'.

The score comprises minor improvements in responses relating to credit access and banking services. These improvements may reflect the stabilisation of, and reduction in uncertainty relating to, interest rates, increased business lending and growth in lending by non-banks.

In identifying work that may have contributed to the overall score, Treasury provided advice on policy issues related to the functioning of markets covering a broad range of matters, including the financial system, corporate conduct, retirement incomes, consumer policy, competition policy and investment.

As the scores have not changed materially and there is typically a significant lag between policy advice and potential economic impact, it is important to clarify that highlighting external factors and Treasury's work is not intended to imply a direct causal relationship to the score.

Performance measure 6

No disorderly failures of institutions prudentially regulated in Australia.	
Methodology	A disorderly failure of a prudentially regulated institution occurs when there is material disruption to the critical economic functions and services that the institution provides and that this results in significant impacts on the financial system and the wider economy. Treasury will rely on regular bilateral engagement with the Australian Prudential Regulation Authority (APRA) to obtain information on prudentially regulated institutions that have failed or are at significant risk of failure.
Target	No disorderly failures of prudentially regulated institutions.
Data sources	Australian Prudential Regulation Authority data for the Money Protection Ratio and register of prudentially regulated entities at the beginning and end of the relevant reporting period.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** There were no disorderly failures of a prudentially regulated institutions. Achieved means no disorderly failures of a prudentially regulated institutions in Australia during 2023–24.[23]
Performance achieved over time	This performance measure was introduced in 2022–23. Treasury reported a result of achieved with no disorderly failures of a prudentially regulated institutions.

23 Achieved is assessed as no disorderly failures of a prudentially regulated institutions and not achieved is assessed as at least one disorderly failure of a prudentially regulated institution.

Analysis

The performance target has been achieved.

In the reporting period of 2023–24, there were no disorderly failures of prudentially regulated entities in Australia. There were 1791 prudentially regulated institutions in Australia at the commencement of the reporting period. Treasury analysis revealed a net decrease of 277 entities regulated by the Australian Prudential Regulation Authority (APRA). Nine new entities entered while 286 ceased over the reporting period. Of the 286 entities that ceased, 247 entities were wound up, 19 underwent an Australian Tax Office (ATO) Transfer, 17 had their licence revoked, 2 merged with another business and one was deregistered. In addition to the entities that exited and entered, 3 entities changed their names over the reporting period.

Treasury determined that all exits between 1 July 2023 and 30 June 2024 were entity-led and part of business-as-usual operations. That is, there were no losses due to prudential failures for depositors, policy holders or superannuation members.

Treasury maintains a close working relationship with APRA to ensure disorderly failures of institutions do not occur. Over the reporting period, Treasury closely monitored trends and economic activity in the financial system that could contribute to entity failures, including through meetings of the Council of Financial Regulators. In the instance of an entity failure, Treasury would support APRA in facilitating the orderly exit or resolution of the entity based on the specific circumstance of the entity in question. Treasury would also engage with the Reserve Bank of Australia and Australian Securities and Investment Commission, as relevant to the circumstances.

Treasury would provide advice to Government to the extent where the Government intervention may be required, for example the activation of the *Financial Claims Scheme* (which can only be activated by the Australian Government) or decisions regarding superannuation fund applications for financial assistance (Part 23 of the *Superannuation Industry (Supervision) Act 1993*).

Performance measure 7

Treasury contributes to the development of the Organisation for Economic Co-operation and Development Inclusive Framework on Base Erosion and Profit Shifting Action 1.	
Methodology	Treasury is contributing to the development of the Base Erosion and Profit Shifting Action 1 Pillars One and Two as part of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework. Treasury's contribution will be demonstrated through continuing advice to Government, stakeholder consultation, participation in international negotiation and bilateral engagement, and liaison with other government agencies. Treasury will assess the supporting evidence against the pre-determined criteria to determine if progress has been made towards the targets.
Target	Australia signs the Pillar One Multilateral Convention, signs the Subject to Tax Rule Multilateral Instrument, and implements legislation to give domestic effect to a domestic minimum tax and the income inclusion rule under Pillar Two, in accordance with the progress and timelines of the OECD (subject to Government decision to implement the pillars).
Data sources	Records of advice to Government; records of OECD meetings and other working party meetings; bilateral, government agency and external stakeholder meetings.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Not achieved** Australia did not sign the Pillar One Multilateral Convention and implement legislation to give domestic effect to a domestic minimum tax and the income inclusion rule under Pillar Two. Not achieved means Australia does not complete all components of the target.[24]
Performance achieved over time	This performance measure was introduced in 2022–23 and Treasury reported a result of on-track to achieve the 2023–24 target.

24 Achieved means Australia completes all 3 components of the target and not achieved means Australia does not complete all components of the target.

Analysis

The performance target for 2023–24 was not achieved. Work progressed against the 3 elements of the target; however, the target was not achieved in this reporting period. Pillar One has not been settled by the more than 140 countries of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework, and the Multilateral Convention has not yet been opened for signature by the OECD.

The targets are based on OECD timelines and progress. The domestic implementation targets have been set in consideration of OECD progress and projected milestones.

Treasury continues to engage in OECD-led negotiations on the Two-Pillar Solution, engage with bilateral counterparts to strengthen Australian positions in negotiations on the taxation of the digital economy, maintains frequent contact with other Australian departments and agencies, including the Australian Taxation Office, the Department of the Prime Minister and Cabinet, and the Department of Foreign Affairs and Trade, and participates in other multilateral forums such as the United Nations and G20 meetings. Treasury continues to provide advice to Government on the taxation of the digital economy.

Draft legislation progressed on the Pillar Two domestic minimum tax and the income inclusion rule. Confidential consultation on draft legislation was held with business stakeholders in late-2023, with further draft legislation released publicly in March 2024. Legislation was introduced into the Parliament in early July 2024, shortly after the end of the reporting period.

While Treasury continues to participate in OECD negotiations to work towards eventual agreement of the various aspects of the Two-Pillar Solution, delays to the timelines as determined by the OECD mean that Treasury has not been able to achieve the target, which is comprised of 3 elements:

- Australia signing the Subject to Tax Rule Multilateral Instrument (STTR MLI)
  - » Advice was provided to the Government during 2023–24. Australia does not have any tax treaties that will be affected by the Subject to Tax Rule (STTR) and, therefore, is not required to sign the Multilateral Instrument. The OECD deferred the date for signature of the STTR to September 2024 and has offered countries who are not required to sign the Instrument, including Australia, the option to instead sign a statement of support for the STTR. This invitation is currently under consideration by Government.
- Australia signing the Pillar One Multilateral Convention (MLC)
  - » Treasury participated in meetings of the Task Force on the Digital Economy, and those negotiations resulted in progress sufficient for the OECD to publish a draft text of the MLC in October 2023. The text has not reached consensus at the Inclusive Framework, but the published version demonstrates the progress made.

  - » Treasury's ability to achieve this target is heavily dependent on the OECD's progress and intent to finalise and announce a complete Pillar One package that opens the MLC for signature. Some outstanding aspects of the MLC have been resolved at the working party level, however as the other component of Pillar One, is yet to be agreed by the Inclusive Framework, the MLC has not been opened for signature. The OECD has not met its publicly announced timeline to open the MLC for signature by the end of June 2024.

- Australia implements legislation to give domestic effect to a domestic minimum tax (DMT) and the income inclusion rule (IIR) under Pillar Two, in accordance with the progress and timelines of the OECD (subject to Government decision to implement the Pillars).

  - » In the 2023–24 Budget in May 2023, the Government announced the implementation of the DMT and IIR. In this reporting period, legislation has been drafted and consultations held on the draft legislation. Once tabled and passed by the Parliament, it will ensure that the DMT and the IIR entered into effect from 1 January 2024.
  - » Due to delays in the OECD-led negotiations agreeing the necessary guidance documents and delays in finalisation of legislation, this legislation was not passed by the Parliament by 30 June 2024. The legislation was tabled in the Parliament on 4 July 2024.

Treasury's participation in the OECD processes included 162 meetings in 12 months. Treasury promoted Australia's interests and mitigated risks, which is necessary for Australia to contribute significantly to international tax negotiations. The nature of the international tax negotiations means that Australia has limited influence, working alongside more than 140 other jurisdictions. Treasury has remained steadfast in its approach to these meetings to protect Australia's tax revenues and interests, while balancing and maintaining Australia's political position with other jurisdictions.

Performance measure 8

Proportion of legislative measures committed for delivery at the beginning of a Parliamentary sitting period, adjusted for any Government reprioritisation of legislative measures during the sitting period, and compared to the actual number delivered.	
Methodology	Calculation of the legislative measures committed for delivery, adjusted for reprioritisation, and compared with the legislative measures actually delivered. Treasury manages and delivers legislative measures during Parliamentary sitting periods. Accordingly, Treasury assesses performance based on the sequence of Winter and Spring Parliamentary sitting periods in one calendar year and Autumn Parliamentary sitting period in the following calendar year. This provides the best alignment with the performance reporting period. To provide a more accurate synopsis of Treasury's delivery of the Government's legislative agenda we have excluded routine, annual or minor and technical legislative measures from the performance measures. Treasury assesses performance against the delivery of legislative measures that implement priority policies as announced by Government.
Target	90%
Data sources	Treasury's Legislative Program provides a record of the Government's current legislative priorities in the Treasury portfolio, which Treasury track through a records management database. The Bills and Legislation page on the Parliament of Australia website is a second data source confirming date of introduction and passage of primary legislation. The Federal Register of Legislation also provides a secondary data source confirming the date of instrument registration.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** Treasury delivered an average of 97% of measures committed for delivery across the sitting periods. Achieved means 90% or greater of legislative measures delivered as committed with adjustment for reprioritisation.[25]
Performance achieved over time	In 2022–23 Treasury reported a result of achieved with an average of 98% of measures committed for delivery across the sitting periods. In 2021–22 Treasury reported a result of achieved with an average of 94% of measures committed for delivery across the sitting periods.

25 Achieved is assessed as ≥90% of legislative measures delivered, substantially achieved is assessed as 80% to 89%, partially achieved is assessed as 60% to 79%, and not achieved is assessed as <60%.

Analysis

The performance target has been achieved.

In 2023–24 Treasury delivered 97 per cent of legislative measures committed for delivery during the reporting period. The effective delivery of the legislative agenda has helped achieve strong and sustainable economic and fiscal outcomes for Australians.

Treasury manages and delivers legislative measures during Parliamentary sitting periods, as set by the Parliament. Assessing performance against a consistent sequence of Winter, Spring and Autumn Parliamentary sitting periods provides a consistent, standardised, and transparent data set to demonstrate year on year performance.

Accordingly, Treasury has assessed performance for 2023–24 on the 2023 Winter, 2023 Spring and 2024 Autumn parliamentary sitting periods. The 2024 Winter sitting period will contribute to 2024–25 performance reporting.

Treasury assesses performance against the delivery of legislative measures that implement priority policies as announced by Government. Treasury continues to liaise with portfolio ministers' offices to ensure continued alignment of the legislation program with the Government's priorities.

Treasury continues to hold formalised prioritisation and regular briefing processes. This ensures the Treasurer and other portfolio ministers agree to the legislation program for an upcoming sitting prior to the sitting period commencing and to agree to re-prioritisations during a sitting. It provides an agreed and evidenced baseline of legislative measures scheduled for delivery over the course of the relevant sitting period and provides a point of reference for the re-prioritisation of legislative measures by portfolio ministers.

Performance measure 9

Proportion of stakeholders that report a high level of satisfaction regarding: • the clarity, transparency, and consistent application of Treasury's regulatory frameworks (Regulator Performance (RMG 128) Principle 1) • risk-based, data driven decision making (RMG 128 Principle 2) • Treasury's responsive communication and collaboration (RMG 128 Principle 3)	
Methodology	Independent stakeholder surveys conducted by a third-party provider with foreign investment framework and Payment Times Reporting Scheme stakeholders. Stakeholder selection and questions that align with the Regulator Performance Principles will be governed by transparent stakeholder selection rules. Treasury's regulatory functions, foreign investment framework and Payments Times Reporting Scheme, will be reported separately.
Target	65%
Data sources	Responses to the annual stakeholder feedback survey and stakeholder lists.
Source	PBS Program 1.1 – Department of the Treasury and Program 1.3 – Support for Markets and Business Corporate Plan 2023–24
Performance achieved 2023–24	**Foreign Investment Framework: Partially achieved** 57% of survey respondents provided a rating of agree or strongly agree to the survey questions as an indicative performance result. Partially achieved means 55 to 59% of survey respondents provided an agree or strongly agree rating for applicable questions.[26] **Payment Times Reporting Scheme: Substantially achieved** 61% of survey respondents provided a rating of agree or strongly agree to the survey questions.[27] Substantially achieved means 60 to 64% of survey respondents provided an agree or strongly agree rating for applicable questions.
Performance achieved over time	In 2022–23 the Foreign Investment Framework received a response rate of 13% making the survey result invalid.[28] There was an indicative performance result of 67% of survey respondents providing a rating of agree or strongly agree. In 2022–23 Payment Times Reporting Scheme reported a result of partially achieved with 57% of survey respondents providing a rating of agree or strongly agree. The performance achieved for 2021–22 was not comparable with the 2022–23 results for the Foreign Investment Framework and the Payment Times Reporting Scheme.

26 Achieved is assessed as ≥65% of survey respondents who provide ratings of 4 (agree) or 5 (strongly agree), substantially achieved is assessed as 60 to 64%, partially achieved is assessed as 55 to 59%, and not achieved is assessed as <55%.

27 The performance result was calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

28 A response rate of 20% was required for the survey result to be valid for performance reporting.

Analysis

Treasury used structured key stakeholder surveys to measure the department's administration of regulator functions. Treasury engaged an external provider to develop, conduct, and report on the regulator surveys. Separate surveys were conducted for each of Treasury's regulators. The survey questions were specific to each regulator and were designed to address the 3 best practice principles of the Regulator Performance Resource Management Guide (RMG) 128:[29]

1. Continuous improvement and building trust
2. Risk based and data driven
3. Collaboration and engagement.

Treasury's regulators are reported separately within this analysis.

Foreign Investment Framework

The performance target has been partially achieved.

A total of 45 stakeholders of the Foreign Investment Framework completed the survey. The stakeholder survey for the Foreign Investment Framework received a 30 per cent response rate and a performance result of 57 per cent.

In May 2024 the Treasurer announced reforms to strengthen and streamline assessment of proposals under the Foreign Investment Framework. Implementation of the reforms will drive enhancements in Treasury's regulatory practice over the next 12 months.

Performance against the best practice principles

The survey responses have been used to assess Treasury's performance against the 3 principles of best practice regulation set out in Department of Finance guidance. Perceptions of Treasury's performance in relation to clarity, transparency, and consistent application under Principle 1 were mixed. While most agreed Treasury has a consistent approach in its administration of the Foreign Investment Framework (78 per cent agreed), stakeholders were less positive about the clarity of regulated entities' obligations under the Framework (46 per cent) and Treasury's approach to monitoring and enforcing compliance (36 per cent).

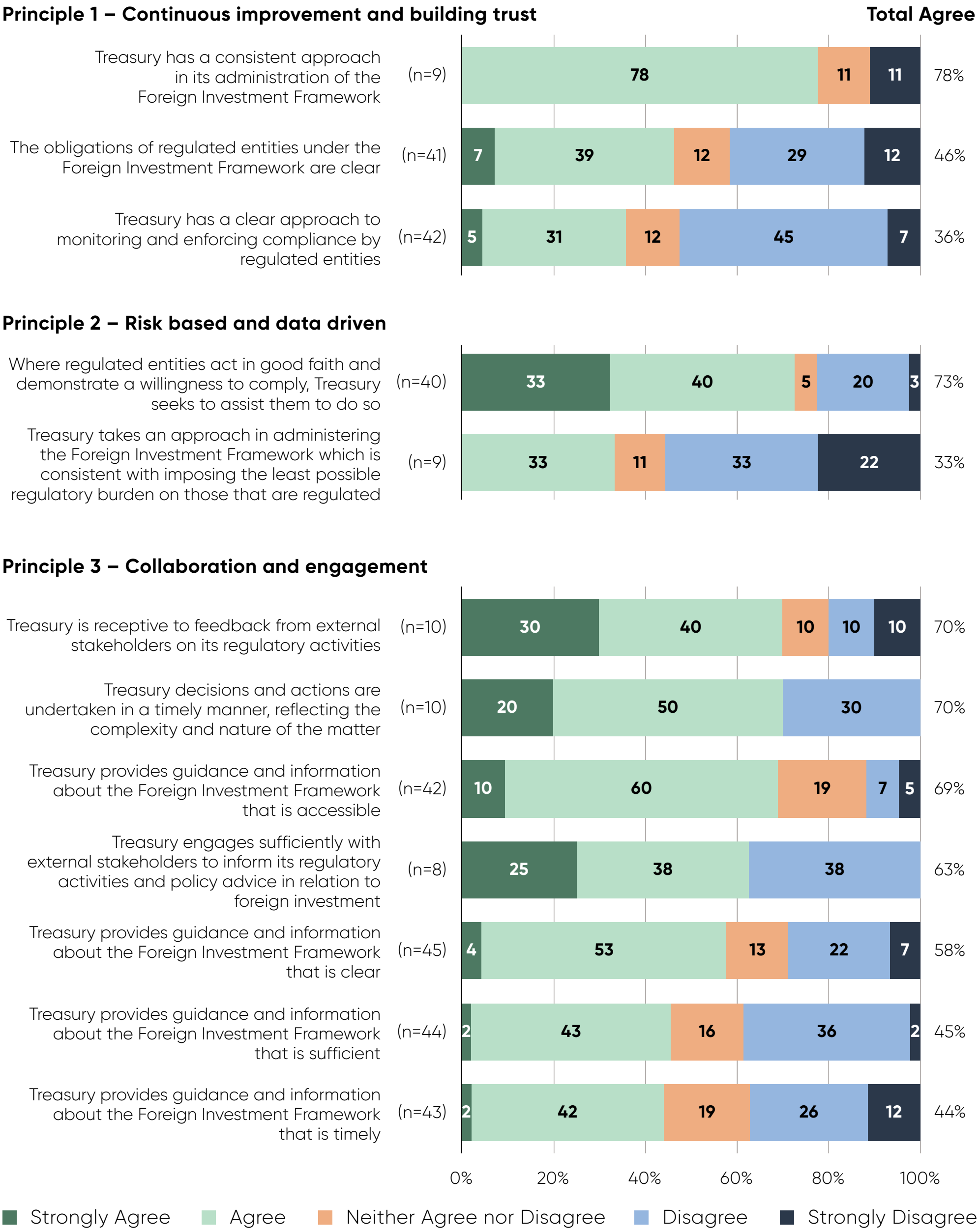
Survey responses for Treasury's risk-based and data driven decision-making for Principle 2 were also mixed. Most stakeholders (73 per cent) agreed that Treasury seeks to assist regulated entities that act in good faith and demonstrate a willingness to comply, whereas only a third agreed (33 per cent agreed and 56 per cent disagreed) that Treasury's approach in administering the Foreign Investment Framework imposes the least possible regulatory burden on those that are regulated.

On balance stakeholders were most positive in relation to Principle 3, with 44 to 70 per cent providing a favourable assessment of Treasury's responsive communication and collaboration. Stakeholders were most positive about Treasury's receptiveness to feedback on its regulatory activities (70 per cent agreed) and the timeliness

29 www.finance.gov.au/government/managing-commonwealth-resources/regulator-performance-rmg-128

of Treasury's decisions and actions (70 per cent). In contrast, lower proportions of stakeholders felt Treasury's guidance and information about the Foreign Investment Framework was timely (44 per cent) and sufficient (45 per cent).

Figure 8: Treasury's performance – alignment of the Foreign Investment Framework results with the best practice principles



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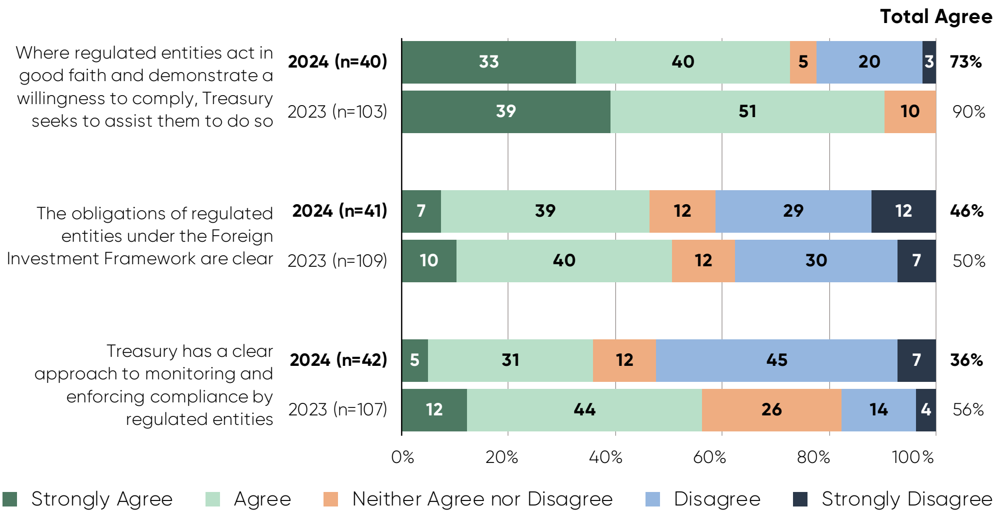
Overview of survey results

Among survey questions relevant to all stakeholders of the Foreign Investment Framework, the majority (73 per cent) agreed that Treasury seeks to assist regulated entities that act in good faith and seek to comply to do so. However, stakeholders had less positive perceptions about the clarity of obligations of regulated entities under the Foreign Investment Framework (46 per cent) and clarity of Treasury's approach to monitoring and enforcing compliance (36 per cent).

In comparison to 2022–23, there were lower responses to questions asked of all stakeholders of the Foreign Investment Framework in 2023–2024. The greatest decline was in agreement that Treasury has a clear approach to monitoring and enforcing compliance by regulated entities (36 per cent agreed, down from 56 per cent in 2023).

Figure 9: Treasury's performance – all key stakeholders of the Foreign Investment Framework comparison of 2023 and 2024

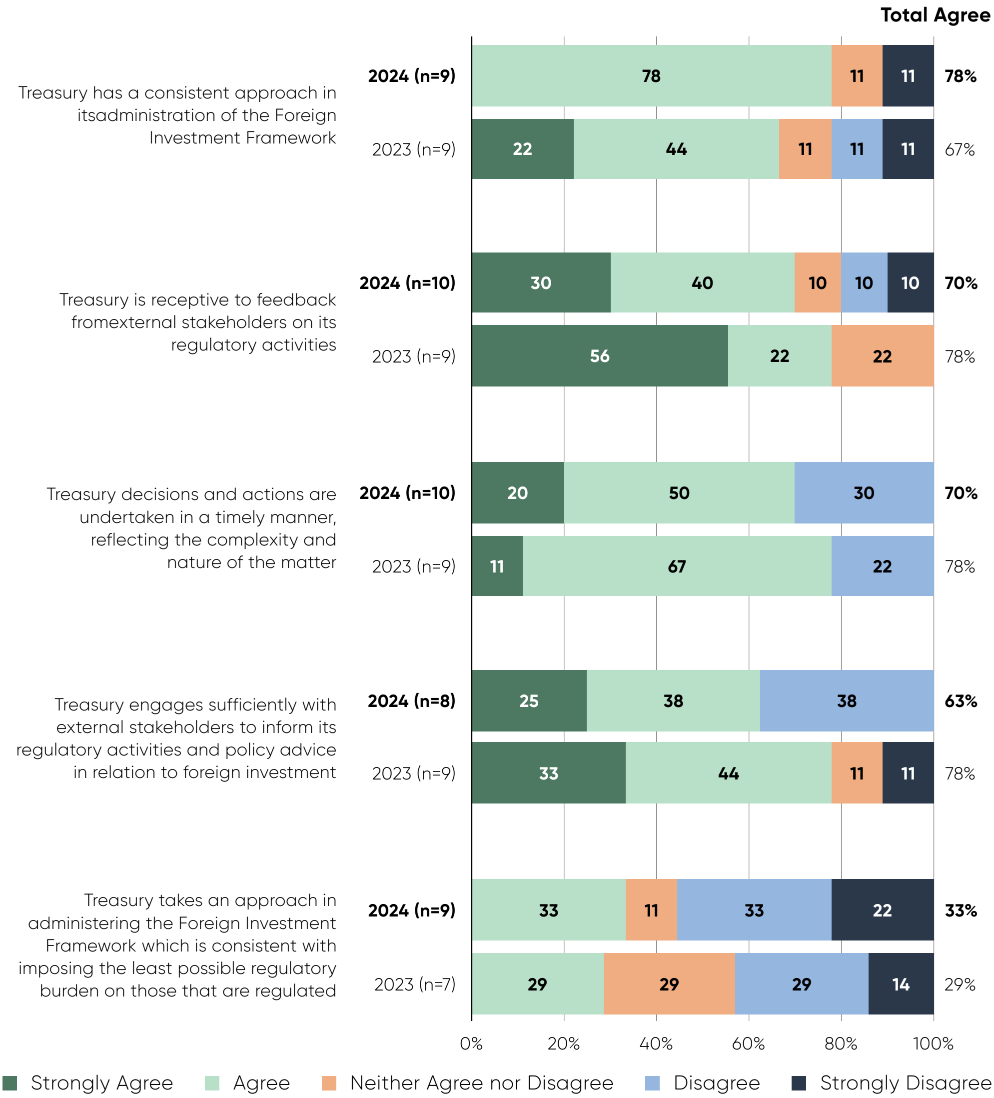


Most stakeholders, excluding representatives from regulated entities and investors, agreed (78 per cent) that Treasury has a consistent approach in its administration of the Foreign Investment Framework.[30] In contrast, stakeholders were least likely to agree that Treasury takes an approach in administering the Framework that imposes the least possible burden on regulated entities (33 per cent agreed and 56 per cent disagreed).

In comparison to 2022–23, there was increased agreement from stakeholders other than representatives from regulated entities and investors that Treasury has a consistent approach in its administration of the Foreign Investment Framework (78 per cent agreed, up from 67 per cent in 2023). However, there were declines in agreement in responses to the other questions.

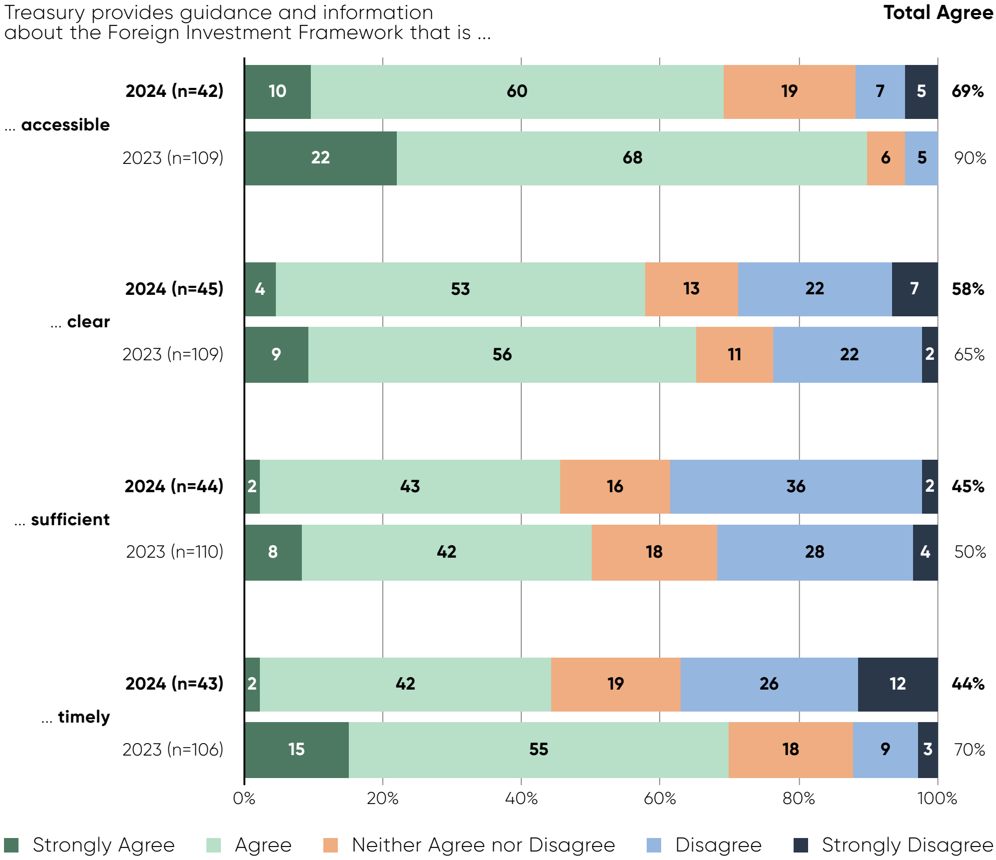
30 Stakeholders excluding or other than representatives from regulated entities and investors include members of the Law Council's Foreign Investment Committee, active members of the Foreign Investment Review Board, senior officers from Australian Government entities and senior executives from other organisations.

Figure 10: Treasury's performance – stakeholders other than investors and/or representatives of regulated entities of the Foreign Investment Framework comparison of 2023 and 2024



Stakeholders were most positive about the accessibility (69 per cent agreed, down from 90 per cent in 2023) and clarity (58 per cent, down from 65 per cent in 2023) of Treasury's guidance and information about the Foreign Investment Framework, although ratings were less favourable compared to 2023. Less than half of stakeholders agreed that guidance and information was sufficient (45 per cent, down from 50 per cent in 2023) and timely (44 per cent, down from 70 per cent in 2023).

Figure 11: Treasury's guidance and information about the Foreign Investment Framework comparison of 2023 and 2024



(Base: All key stakeholders of the Foreign Investment Framework)

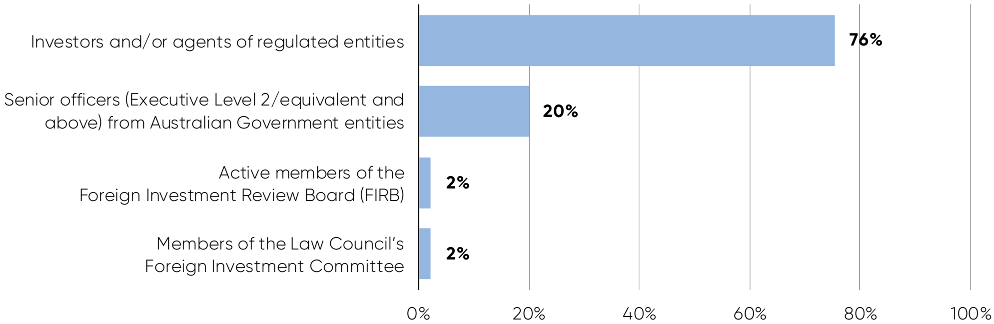
In 2023–24 Treasury refined the stakeholder selection and included active members of the Foreign Investment Review Board to improve the response rate and inform survey responses.

Foreign Investment Framework stakeholders for 2023–24 included:

- investors and/or agents of regulated entities
- members of the Law Council's Foreign Investment Committee
- active members of the Foreign Investment Review Board
- senior officers from Australian Government entities
- senior executives from other organisations.[31]

31 Senior executives from other organisations did not provide responses to the 2023 survey.

Figure 12: Response rate by type of stakeholder – Foreign Investment Framework



Payment Times Reporting Scheme

The performance target has been substantially achieved.

A total of 42 Payment Times Reporting Scheme (the scheme) stakeholders completed the survey.[32] The survey received a response rate of 22 per cent and a performance result of 61 per cent.

Performance against the best practice principles

The survey responses used to assess the Payment Times Reporting Regulator's (the regulator) performance against the 3 principles of best practice regulation set out in Department of Finance guidance.[33] Stakeholder responses were mixed for Principle 1 with 49–76 per cent of stakeholders providing a favourable assessment of the clarity, transparency and consistent application of the regulatory frameworks. The accessibility of information on reporting requirements (76 per cent) and the regulator's consistency in delivering its functions (73 per cent) were rated most favourably by the scheme's stakeholders.

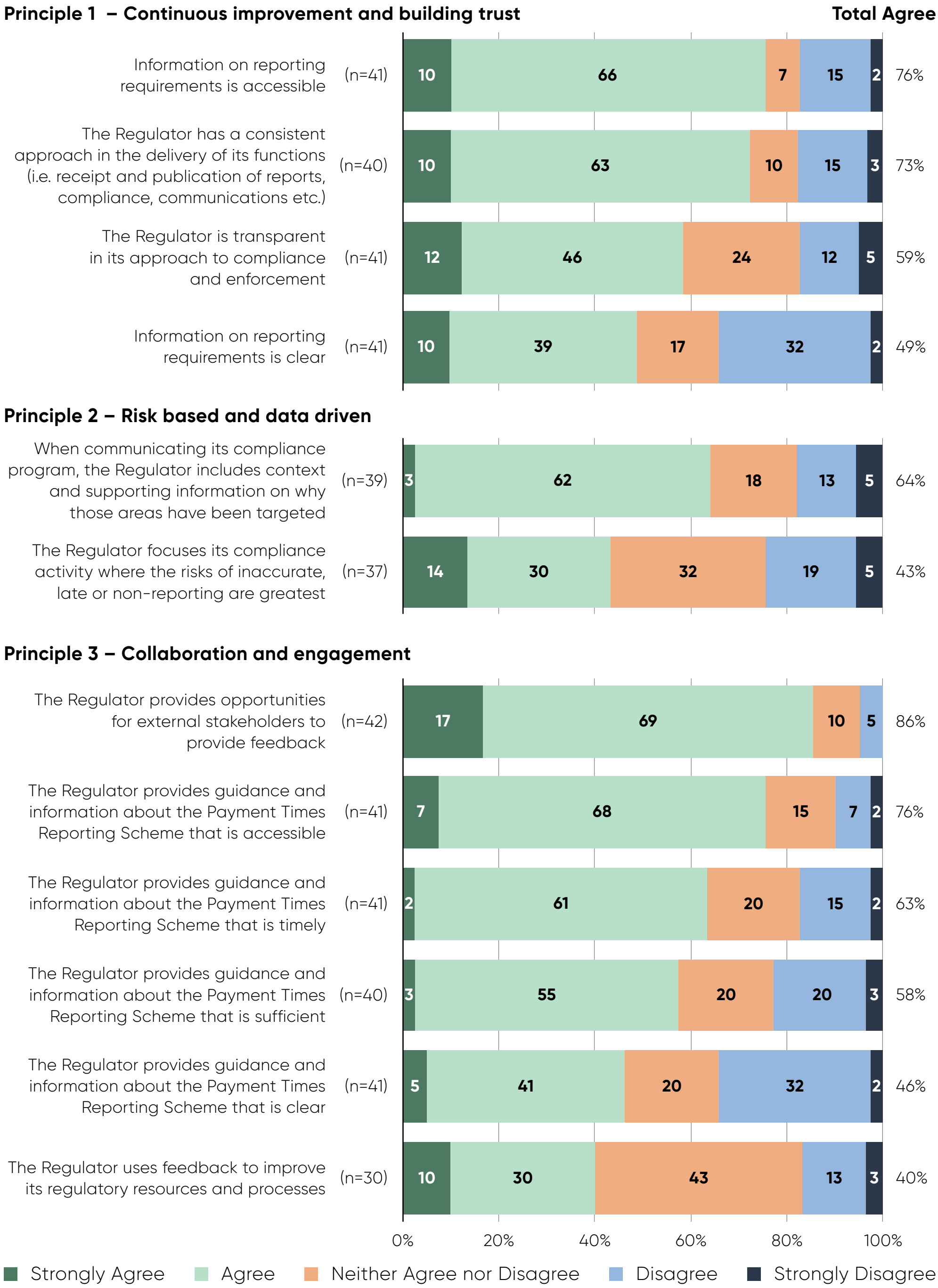
Stakeholders provided the least positive ratings for Principle 2 (risk-based, data driven decision making). Approximately two-thirds agreed that the regulator includes context and supporting information on why particular areas have been targeted in its compliance program (64 per cent), while a lower proportion agreed it focuses compliance activity where the risks of inaccurate, late or non-reporting are greatest (43 per cent).

Perceptions of the regulator's responsive communication and collaboration (Principle 3) were also mixed. Most stakeholders agreed that the regulator provides opportunities for stakeholders to provide feedback (86 per cent) and that the regulator's guidance and information about the scheme was accessible (76 per cent). However, stakeholders were less positive about the clarity of guidance and information (46 per cent) and only 4 in 10 (40 per cent) felt that feedback was taken on board to improve regulatory resources and processes.

32 Payment Times Reporting Scheme stakeholders for this survey are representatives from regulated entities, industry bodies, professional advisers and senior officers from Australian Government entities.

33 Regulator Performance (RMG 128)

Figure 13: Treasury's performance – alignment of the Payment Times Reporting Regulator with the best practice principles



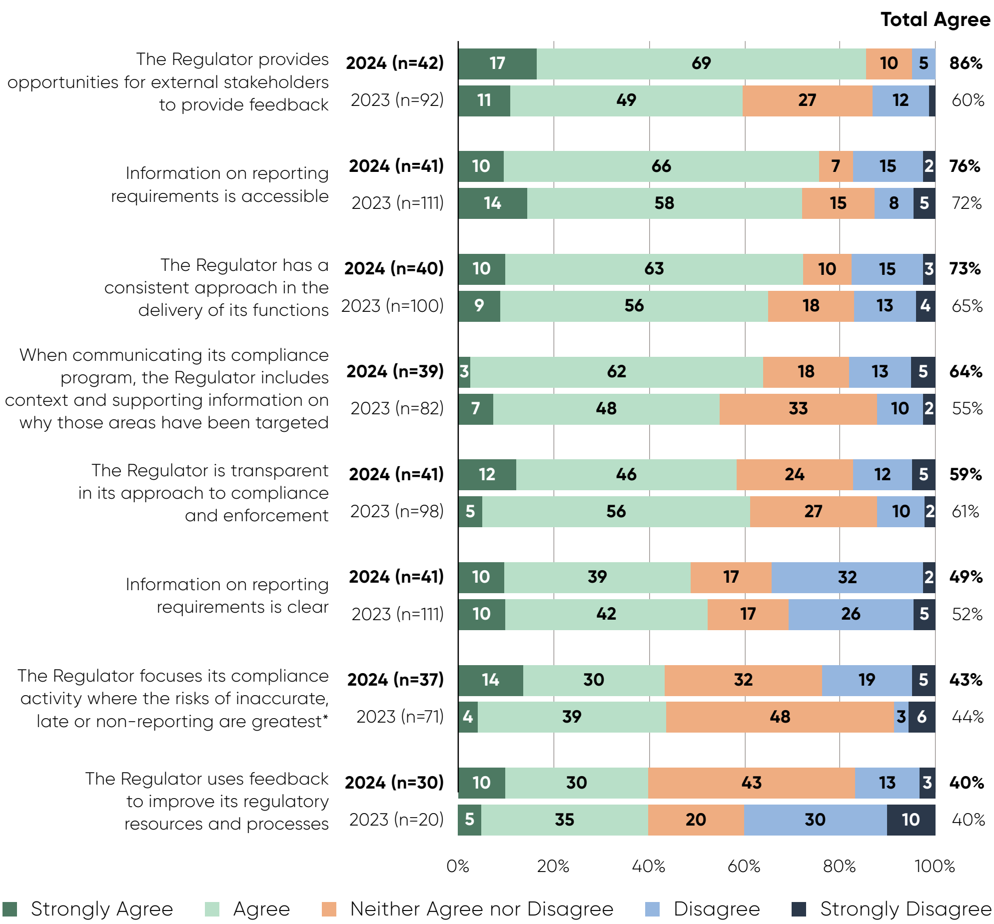
(Base: Key stakeholders of the Payment Times Reporting Scheme)

Overview of survey results

Stakeholder ratings for the scheme were mixed. Stakeholders were most positive about the opportunity for external stakeholders to provide feedback (86 per cent agreed) and accessibility of information about reporting requirements (76 per cent). In contrast, stakeholders were least positive about the clarity of reporting requirements (49 per cent agreed and 34 per cent disagreed) and the focus of the regulator's compliance activity relative to risks (43 per cent).

Responses to 3 questions were more positive than in 2023; opportunities for external stakeholders to provide feedback (86 per cent agreed, up from 60 per cent), the regulator's consistency in delivering its functions (73 per cent, up from 65 per cent) and providing context and supporting information when communicating its compliance program (64 per cent, up from 55 per cent in 2023).

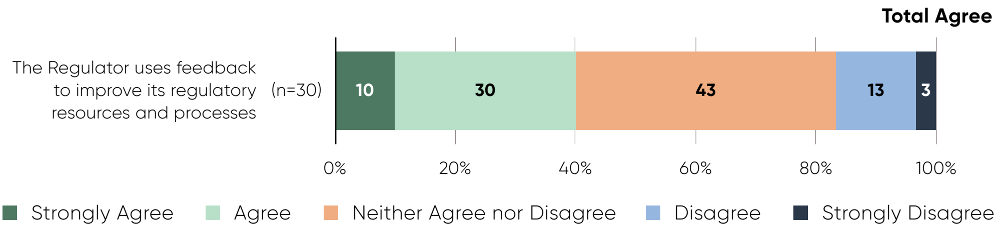
Figure 14: The regulator's performance – all stakeholders of the Payment Times Reporting Scheme



(Base: Key stakeholders of the Payment Times Reporting Scheme)

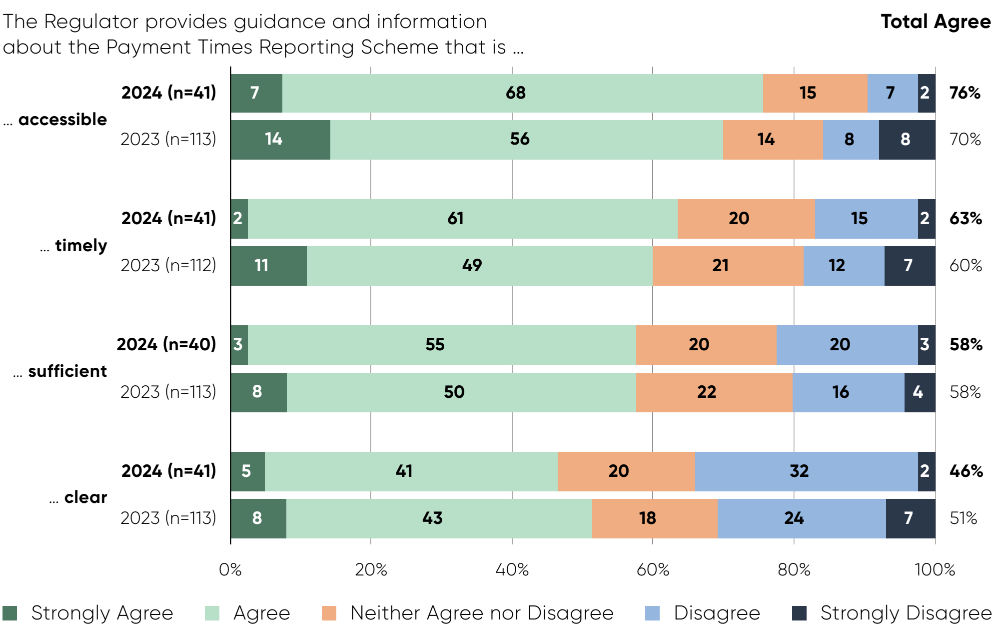
Among stakeholders that participated in industry liaison forums, engagement and consultations between 1 April 2023 and 31 March 2024, two-fifths (40 per cent) agreed that Treasury uses feedback to improve its regulatory resources and processes.

Figure 15: The regulator's performance – the regulator's industry liaison forums, stakeholder engagement or consultations in 2023–24 – Payment Times Reporting Scheme



In terms of the regulator's guidance and information about the scheme, stakeholders were most positive about the accessibility (76 per cent, up from 70 per cent in 2023) of guidance and information, and agreement with this aspect was higher than in 2023. Stakeholders reported less favourable assessments in relation to guidance and information being sufficient (58 per cent, no change from 2023) and clear (46 per cent, in line with 51 per cent from 2023).

Figure 16: The regulator's guidance and information about the Payment Times Reporting Scheme comparison of 2023 and 2024

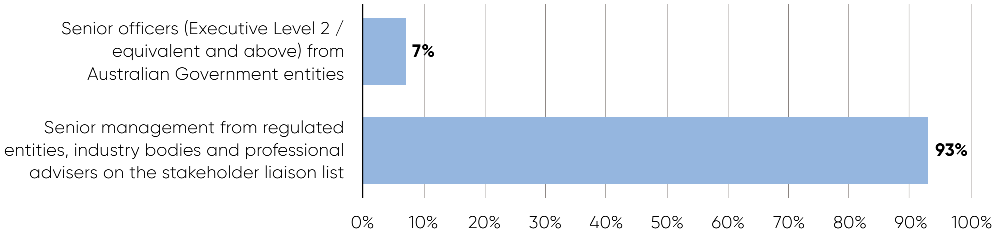


(Base: All key stakeholders of the Payment Times Reporting Scheme)

In 2023–24, Treasury refined the stakeholder selection for the Payment Times Reporting Scheme to focus on stakeholders identified on the regulator's stakeholder liaison list who attended the industry liaison forums.

Stakeholders for the period were senior management from regulated entities, industry bodies, professional advisers identified on the regulator's stakeholder liaison list and senior officers from Australian Government entities.

Figure 17: Response rate by type of stakeholder – Payment Times Reporting Scheme



Performance measure 10

Proportion of regulated entities registered with the Payment Times Reporting Regulator as a reporting entity (RMG 128 Principle 1 and 2).	
Methodology	Number of entities registered to report compared to the number of entities identified from government and other data sources as reporting entities. *The Payment Times Reporting Act 2020* (the Act) is a disclosure-based regulatory regime designed to achieve sustained improvements in economic conditions for small businesses by providing transparency of payment conduct of large businesses operating in Australia. The assessment uses reporting entities registered with the Payment Times Reporting Regulator and entities required to report calculated from corporate tax transparency data and third-party data. The number of entities registered to report compared to the number of entities required to report is deemed to be a measure of compliance with the regime.
Target	85%
Data sources	Payment Times Reporting Regulator's customer relationship management system, Australian Taxation Office taxpayer data, and third-party data service providers.
Source	PBS Program 1.3 – Support for Markets and Business Corporate Plan 2023–24
Performance achieved 2023–24	**Substantially achieved** 84% of entities registered to report compared to the number of entities required to be registered to report. Substantially achieved means between 80 to 84% of regulated entities registered as a reporting entity.[34]
Performance achieved over time	This performance measure was introduced in 2022–23 and Treasury reported a result of partially achieved with 72% of entities registered to report compared to the number of entities required to be registered to report.[35]

34 Achieved is assessed as ≥85% of regulated entities registered as a reporting entity, substantially achieved is assessed as 80 to 84%, partially achieved is assessed as 75 to 79%, and not achieved is assessed as <75%.

35 In 2022–23 partially achieved was assessed as 70 to 74% of regulated entities registered as a reporting entity.

Analysis

The performance target has been substantially achieved.

A total of 5,218 regulated entities have registered as a reporting entity, while 6,220 entities (84 per cent) were required to be registered as reporting entities.[36]

The Payment Times Reporting Scheme (the scheme) aims to improve the payment performance of large businesses and government enterprises (known as reporting entities) in relation to their small business suppliers. This is done by creating transparency around payment times and practices. Reporting entities must report their payment terms and times for small businesses to the Payment Times Reporting Regulator (the regulator). These are then published on the Payment Times Reports Register, accessible from the Payment Times website.

Treasury improved the proportion of regulated entities registered under the scheme from 72 per cent in 2022–23 to 84 per cent in 2023–24. The 2023–24 period was the first full year the regulator conducted compliance activities, resulting in 329 of the new entities (excluding subsidiaries) becoming reporting entities for the first time.

An additional 719 reporting entities (excluding subsidiaries) joined the scheme during the period. Twenty entities ceased to be reporting entities during the same period. The regulator commenced publishing the names of entities it determined had failed to comply with payment times reporting obligations. This is one mechanism the regulator has available to incentivise compliance. Each instance of non-compliance by each entity (determined through this process) appears in a list[37] on the regulator's public website with a corresponding entry in the Payment Times Reports Register.

The scheme has been in operation since 1 January 2021. On 31 August 2023, Treasury published the independent Statutory Review of the *Payment Times Reporting Act 2020.* The Australian Government released its response to the Review in December 2023, agreeing to all recommended reform actions in the Review. The regulator also engaged in targeted consultation and communications with stakeholders in crafting the reforms through consultation on the Payment Times Reporting Amendment Bill 2024 in April 2024 and its subsequent introduction into the Parliament on 29 May 2024.

The regulatory and legislative reforms set out in the government response to the Statutory Review of the *Payment Times Reporting Act 2020* means performance reporting using the existing framework will not be possible in the 2024–25 period.

36 The calculation excludes subsidiaries reporting as part of a group.

37 Payment Time Reporting Scheme compliance and enforcement: paymenttimes.gov.au/compliance-and-enforcement

Key activity 3 – Treasury's external engagements enable implementation of the Government's economic and fiscal agenda

Performance measure 11

Proportion of Treasury ministers, Treasury portfolio agencies and regulators, and key stakeholders that highly rate working with the Treasury.[38]	
Methodology	Independent stakeholder survey conducted by a third-party provider and structured interviews with Treasury Ministers or their delegates. Stakeholder selection is governed by transparent stakeholder selection rules.
Target	75%
Data sources	Stakeholder lists and responses to the annual stakeholder feedback survey and the ministerial feedback questionnaire from Treasury Ministers or their delegates.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Ministerial feedback questionnaire: Achieved** 100% of Treasury ministers or their delegate provided a rating of good or very good to the questions.[39] Achieved means 75% or more of Treasury ministers or their delegate provided a rating of good or very good to the questions.[40] **Stakeholder survey: Achieved** 77% of survey respondents provided a rating of agree or strongly agree to the questions.[41] Achieved means 75% or more of survey respondents provided a rating of agree or strongly agree to the questions.
Performance achieved over time	In 2022–23 Treasury reported a result of achieved for the ministerial feedback questionnaire as 100% of Treasury ministers or their delegate provided a rating of good or very good to the questions. In 2022–23 Treasury reported a result of achieved for the stakeholder survey as 75% of survey respondents provided a rating of agree or strongly agree to the questions. In 2021–22 Treasury reported achieved with an effectiveness result of 77% for the quality of engagement or consultation from stakeholders.[42]

38 Stakeholders involved in the survey are senior officials from Australian Government entities that are Treasury's counterparts and senior executive level stakeholders from organisations external to government who have had defined interactions with Treasury at least 4 times in the past 12 months. Stakeholder interactions occurred in the 12-month period prior to the survey in May 2024.

39 The performance result was calculated as an average of the percentage of Treasury ministers or their delegate who provided ratings of 4 (good) or 5 (very good) on a 5-point scale for applicable question items.

40 Achieved is assessed as a performance result of ≥75%, substantially achieved is assessed as 70 to 74%, partially achieved is assessed as 65 to 69%, and not achieved is assessed as <65%.

41 The performance result was calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

42 In 2021–22 the effectiveness result was survey respondents' rating of Treasury against set questions as an indicator of effectiveness. The performance result was calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

Analysis

Treasury used structured interviews with Treasury ministers or their representatives and a key stakeholder survey to assess the effectiveness of Treasury's working relationships. Treasury engaged an external provider to develop the ministerial feedback questionnaire and stakeholder survey. The provider conducted and reported on the survey. Each ministerial interview was conducted by a Treasury deputy secretary. The external provider also attended as an objective observer and note taker.

Performance feedback from Treasury ministers and stakeholders is reported separately within this analysis.

Ministerial feedback questionnaire

The performance target has been achieved.

The ministerial interviews achieved a 100 per cent response rate and a performance result of 100 per cent. Treasury used structured interviews with ministers or their representatives to complete a ministerial feedback questionnaire. The Minister for Housing, Minister for Homelessness, Minister for Small Business; the Assistant Treasurer and Minister for Financial Services; and the Assistant Minister for Competition, Charities and Treasury, Assistant Minister for Employment participated in the interview in person. The Treasurer was represented by his chief of staff.

All ministerial stakeholders unanimously rated the quality of working relationships with Treasury as positive (100 per cent). All ministerial stakeholders (100 per cent) felt their working relationship was 'very good', an even stronger result than in 2022–23 (67 per cent 'very good' and 33 per cent 'good').

The general comments from ministerial stakeholders were largely very positive about Treasury's performance overall, with positive feedback about Treasury staff in terms of their responsiveness, professionalism and work ethic.

Given the Treasurer is the senior Treasury minister, and the high volume of interactions with the Treasurer and policy coverage, the survey ratings of the Treasurer (or delegate) will be weighted more highly than those of other ministers. The weighting formula will have the effect that the Treasurer's responses will account for 50 per cent of the aggregate performance metrics derived from the survey.

Stakeholder survey

The performance target has been achieved.

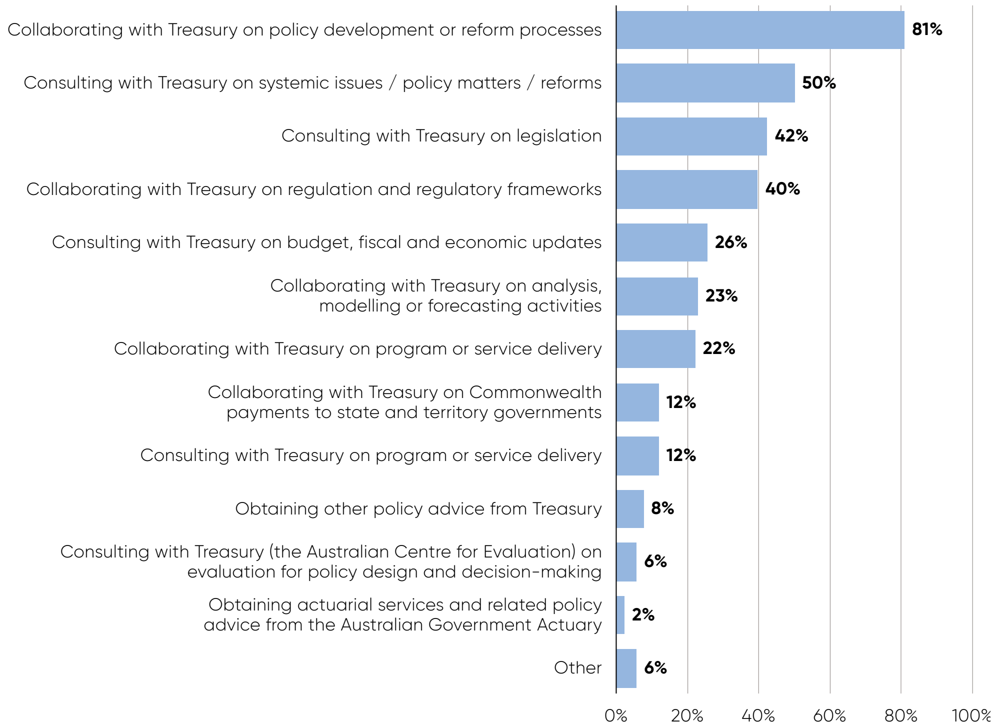
A total of 681 Australian Government entity stakeholders and external stakeholders were invited to participate in the survey. This is an increase from 478 in 2022–23. The survey had a response rate of 38 per cent with a 36 per cent response rate from Australian Government entity stakeholders and a 42 per cent response rate from external stakeholders.[43] Treasury achieved a performance result of 77 per cent.

43 A response rate of 20% was established as a valid response for the survey.

Stakeholders from other Australian Government departments and agencies made up 41 per cent of survey respondents with 16 per cent from Treasury portfolio agencies. The remaining stakeholders external to the Australian Government included peak bodies (19 per cent), not-for-profit organisations (5 per cent), individual businesses (10 per cent), state and territory government entities (3 per cent), universities and research institutions (2 per cent) and international government organisations (1 per cent).

Treasury engaged with stakeholders on a range of matters that reflects the breadth of Treasury's role.

Figure 18: Types of engagements with Treasury in 2023–24

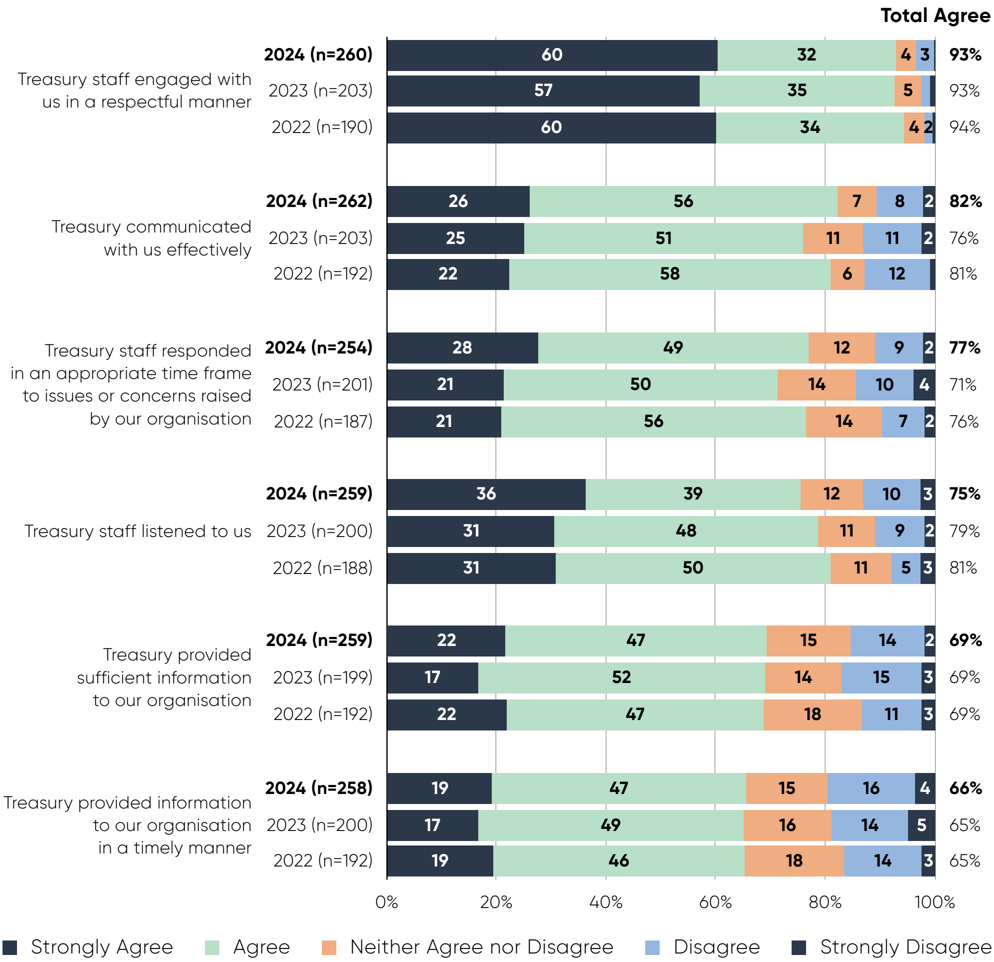


(Base: Treasury key stakeholders who responded to the survey, n=262)

Stakeholders were generally quite positive in relation to the effectiveness of their working relationship with Treasury. On average, around three-quarters (77 per cent) of stakeholders provided favourable ratings for aspects of Treasury's engagement with their organisation.

Stakeholders' perceptions of the effectiveness of their working relationships with Treasury were generally positive and broadly in line with 2022–23 for most aspects. As in previous years, stakeholders were most positive in relation to the respectful manner of Treasury staff (93 per cent agreed, no change from 2023). Compared to 2022–23, stakeholders were more likely to agree that Treasury communicated with them effectively (82 per cent, up from 76 per cent in 2023) and responded in an appropriate timeframe to issues or concerns (77 per cent, up from 71 per cent in 2023). Consistent with previous years, stakeholders provided the lowest ratings for the sufficiency (69 per cent, no change from 2023) and timeliness (66 per cent, in line with 65 per cent in 2023) of information provided to the organisation.

Figure 19: Effectiveness of working relationships with Treasury – comparison to 2022 and 2023



Stakeholders were invited to provide comments on the working relationship with Treasury. Stakeholders provided 126 general comments about Treasury's performance. Most comments related to Treasury's communication and collaboration with stakeholders. Stakeholder perceptions of engagement were mixed, and some comments noted that engagement and collaboration was not consistent across all areas of Treasury.

Performance measure 12

Proportion of payments to international financial institutions are transferred within legislated requirements and agreements.	
Methodology	Assessment of payments against the requirements of relevant legislation and agreements. The performance results will be calculated as a percentage of total payments that meet requirements and timeframes against total payments (all payments including those that do not meet requirements and timeframes) for the period.
Target	100%
Data sources	*International Monetary Agreements Act 1947* and *International Finance Corporation Act 1955*, *Asian Development Bank Act 1966*, *Asian Infrastructure Investment Bank Act 2015*, *European Bank for Reconstruction and Development Act 1990*, and payment records from the Reserve Bank of Australia, World Bank, International Finance Corporation, Asian Development Bank, International Monetary Fund or other multilateral development banks (where relevant).
Source	PBS Program 1.2 – International Financial Relations Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** Eleven payments (100%) are transferred within legislative requirements and agreements.[44] Achieved means 100% of payments are transferred within legislative requirements and agreements.[45]
Performance achieved over time	In 2022–23 Treasury reported a result of achieved with 15 payments (100%) administered within legislative requirements and agreements.[46] In 2021–22 Treasury reported a result of achieved with 21 payments (100%) administered to international financial institutions within agreed requirements and timeframes.

44 Payments to international financial institutions refers to a one-way transfer of funds from Australia to the relevant financial institution. It does not include two-way exchanges or one-way receipts of funds.

45 Achieved is assessed as 100% of payments are transferred within legislated requirements and agreements, substantially achieved is assessed as 95 to 99%, partially achieved is assessed as 90 to 94%, and not achieved is assessed as <90%.

46 Treasury removed the assessment of payments against timeframes in Corporate Plan 2022–23.

Analysis

The performance target has been achieved.

Treasury has achieved the target of transferring 100 per cent of payments to international financial institutions within legislated requirements and agreements. Treasury administered 11 payments to international financial institutions totalling A$1.868 billion.

These payments consisted of 6 payments to the International Monetary Fund totalling approximately A$1.514 billion, including an annual assessment charge, a Maintenance of Value payment, and Special Drawing Rights interest charges. Two payments were made to the World Bank totalling A$65.93 million[47] for the purchase of shares in International Bank for Reconstruction and Development and International Finance Corporation.

Treasury issued promissory notes to the multilateral development banks, with payments against those notes financed from Department of Foreign Affairs and Trade's official development assistance budget. Treasury administered 3 promissory notes over the reporting period, totalling A$288.42 million, to facilitate commitments to the International Development Association, the Asian Development Fund and the Global Environment Facility.

47 In 2023–24 Treasury identified one overpayment totalling USD$2,000 in 2020–21 from the Consolidated Revenue Fund where 2 additional shares were purchased under the Instrument of Subscription and in accordance with the International Finance Corporation (IFC) Resolution No. 272 (2018 General Capital Increase). A review found no evidence of systemic issues and Treasury has taken action to prevent reoccurrence of this error. Treasury recovered the USD$2,000 in 2023–24.

Performance measure 13

Proportion of payments to the states are delivered within requirements of the Intergovernmental Agreement on Federal Financial Relations and other relevant agreements between the Commonwealth and the states.	
Methodology	Assessment of payments against the requirements of the *Intergovernmental Agreement on Federal Financial Relations* and other relevant agreements between the Commonwealth and the states. The assessment will be calculated as a percentage of the number of payments that meet requirements against the total number of payments (all payments including those that do not meet requirements) for the period.
Target	100%
Data sources	The *Intergovernmental Agreement on Federal Financial Relations* and other relevant agreements, records of payment requests in the Federal Payments Management System, approvals, and payment advice.
Source	PBS Program 1.4 – Commonwealth-State Financial Relations Corporate Plan 2023–24
Performance achieved 2023–24	**Substantially achieved** 681 payments (99.6%) out of 684 payments were delivered within legislative requirements and agreements. Substantially achieved means 98 to 99.9% of payments are delivered within requirements and agreements.[48]
Performance achieved over time	In 2022–23 Treasury reported a result of substantially achieved with 636 (99.8%) out of 637 payments delivered within legislative requirements and agreements. In 2021–22 Treasury reported a result of substantially achieved with 639 (99.5%) payments administered within the requirements and 642 (100%) payments administered within the required timeframes.[49,50]

48 Achieved is assessed as 100% of payments are delivered within requirements, substantially achieved is assessed as 98 to 99.9%, partially achieved is assessed as 95 to 97.9%, and not achieved is assessed as <95%.

49 Achieved was assessed in 2021–22 and 2022–23 as 100% of payments are delivered within requirements, substantially achieved is assessed as 95 to 99%, partially achieved is assessed as 90 to 94%, and not achieved is assessed as <90%.

50 Treasury has removed the assessment of payments against timeframes in Corporate Plan 2022–23.

Analysis

The performance target has been substantially achieved.

In accordance with the *Intergovernmental Agreement on Federal Financial Relations*, Treasury made payments to the states totalling $172.1 billion in 2023–24. This included:

- twelve specific purpose payment rounds made on the seventh of each month (or the closest working day after)
- two extraordinary specific purpose payment rounds made on 22 April 2024 and 28 June 2024
- twelve general revenue assistance payment rounds made on the twenty-first of each month (or the closest working day after).

In total, these 26 payment rounds comprised 684 individual payments to the states. Each of the 684 individual payments were verified by Treasury officers prior to approval. Payment data sources have been reconciled to ensure what Commonwealth agencies requested to be paid to the states, what officers in the Treasury approved as payments to the states, and what was actually paid to the states align.

Treasury identified 3 instances of overpayment throughout the year due to errors by Commonwealth agencies and a state agency. These represented a small proportion (0.3 per cent) of the total number of payments made – $4.6 million out of a total of $14.8 billion in national partnership payments in 2023–24. One overpayment was recovered in 2023–24 with the remaining 2 payments to be recovered in 2024–25. Treasury has worked with the agencies to strengthen controls to minimise the chance of these errors reoccurring.

Financial performance

Departmental resourcing

Treasury received $349.4 million in departmental operating appropriations and $3.5 million in capital budget appropriations in 2023–24. Treasury's departmental resourcing is controlled by the Secretary to the Treasury and is provided for the day-to-day operations of Treasury.

Treasury incurred an operating loss of $1.8 million in 2023–24 under net cash appropriation arrangements (2022–23: $0.6 million operating loss). Treasury retains sufficient cash reserves to absorb this small operating loss. Treasury has a sound financial position and can meet its debt obligations as and when they fall due.

Administered resourcing

Treasury managed $194.6 billion in administered resourcing in 2023–24, including $1.67 billion in annual appropriations, $124.0 billion in special appropriations and $68.9 billion in special accounts. Treasury's administered resourcing is available for payments under the programs administered by Treasury on behalf of the Australian Government.

Treasury's total administered expenses in 2023–24 was $196.0 billion (2022–23: $187.6 billion). Of this total, $146.3 billion were for payments to the States and Territories and $47.5 billion were Medicare Guarantee transfers to the Department of Health and Aged Care.

Treasury's total administered revenue in 2023–24 was $2.9 billion (2022–23: $2.6 billion).

Further details on Treasury's financial resources and expenses are in Table 4 and Table 5.

Resource tables

Table 4: Department of the Treasury resource statement 2023–24

	Current available appropriation	Payments made	Balance remaining
	2023–24 $'000 (a)	**2023–24 $'000 (b)**	**2023–24 $'000 (a–b)**
Departmental			
Annual appropriations – ordinary annual services[1]			
Prior year appropriation available[2]	121,106	114,960	6,146
Departmental appropriation[3]	349,408	232,455	116,953
Departmental capital budget4	3,500	3,295	205
s74 External Revenue[5]	30,704	30,704	–
Annual Appropriations – other services – non-operating[6]			
Prior year appropriation available	303	–	303
Total departmental annual appropriations	**505,021**	**381,414**	**123,607**
Total departmental resourcing	**505,021**	**381,414**	**123,607**

	Current available appropriation	Payments made	Balance remaining
	2023–24	**2023–24**	**2023–24**
	$'000	**$'000**	**$'000**
	(a)	**(b)**	**(a–b)**
Administered			
Annual appropriations – ordinary annual services[1]			
Prior year appropriation available	2,829	2,829	–
Outcome 1[7]	846,671	792,616	54,055
Annual appropriations – other services – non-operating[6]			
Administered assets and liabilities[8]	825,000	300,000	525,000
Total administered annual appropriations (c)	**1,674,500**	**1,095,445**	**579,055**
Total administered special appropriations[9] (d)	**123,982,335**	**123,982,335**	**–**
Special accounts[10]			
Opening balance	947,977	254,878	693,099
Adjustments	64,886,357	64,886,357	–
Non-appropriated receipts	3,090,620	3,017,029	73,591
Total special accounts (e)	**68,924,954**	**68,158,264**	**766,690**
Total administered resourcing (c + d + e)	**194,581,789**	**193,236,044**	**1,345,745**
Total resourcing and payments for Treasury	**195,086,810**	**193,617,458**	**1,469,352**

1) Appropriation Act (No. 1) 2023–24, Appropriation Act (No. 3) 2023–24 and Appropriation Act (No.5) 2023–24.
2) Includes $6.146 million permanently withheld under section 51 of the PGPA Act. These funds are considered legally available appropriation as at 30 June 2024.
3) Includes $2.204 million permanently withheld under section 51 of the PGPA Act. These funds are considered legally available appropriation as at 30 June 2024.
4) Departmental capital budgets are not separately identified in Appropriation Acts and form part of ordinary annual services items. For accounting purposes, capital budget appropriations have been designated as a 'contribution by owner'.
5) External revenue receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
6) Appropriation Act (No. 2) 2023–24 and Appropriation Act (No. 4) 2023–24.
7) Includes $41.790 million permanently withheld under section 51 of the PGPA Act and $9.141 million subject to administrative quarantine. These funds are considered legally available appropriation as at 30 June 2024.
8) Includes $525.000 million permanently withheld under section 51 of the PGPA Act. These funds are considered legally available appropriation as at 30 June 2024.
9) Excludes mirror taxes which are collected and retained by the States under the *Commonwealth Places (Mirror Taxes) Act 1998*.
10) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) special account.

Note: Details of appropriations are disclosed in Note 6 of the Financial Statements.

Table 5: Expenses for Treasury Outcome 1 2023–24

Outcome 1: Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury ministers and the efficient administration of Treasury's functions.

	Budget*	Actual expenses	Variation
	2023–24 $'000 (a)	2023–24 $'000 (b)	2023–24 $'000 (a–b)
Program 1.1: Department of the Treasury			
Administered expenses			
Ordinary annual services	292,036	1,007,023	(714,987)
Special accounts			
Medicare Guarantee Fund Special Account	47,611,917	47,521,044	90,873
Expenses not requiring appropriation in the Budget year[1]	21,389	11,062	10,327
Administered total	**47,925,342**	**48,539,129**	**(613,787)**
Departmental expenses			
Departmental appropriations[2]	336,429	337,360	(931)
s74 External Revenue[3]	11,072	9,994	1,078
Expenses not requiring appropriation in the Budget year[1]	25,440	25,680	(240)
Departmental total	**372,941**	**373,034**	**(93)**
Total expenses for Program 1.1	**48,298,283**	**48,912,163**	**(613,880)**
Program 1.2: International Financial Relations			
Administered expenses			
Special appropriations			
International Monetary Agreements Act 1947	701,239	783,894	(82,655)
Expenses not requiring appropriation in the Budget year[1]	369,355	273,779	95,576
Total expenses for Program 1.2	**1,070,594**	**1,057,673**	**12,921**

	Budget*	Actual expenses	Variation
	2023–24 $'000 (a)	**2023–24 $'000 (b)**	**2023–24 $'000 (a–b)**
Program 1.3: Support for Markets and Business			
Administered expenses			
Ordinary annual services	27,408	26,749	659
Expenses not requiring appropriation in the Budget year[1]	28,843	–	28,843
Total expenses for Program 1.3	**56,251**	**26,749**	**29,502**
Program 1.4: Commonwealth-State Financial Relations			
Administered expenses			
Special appropriations			
Federal Financial Relations Act 2009	122,020,704	123,369,255	(1,348,551)
Special accounts			
CoAG Reform Fund	21,475,707	18,719,815	2,755,892
Expenses not requiring appropriation in the Budget year[1]	846,966	4,255,323	(3,408,357)
Total expenses for Program 1.4	**144,343,377**	**146,344,393**	**(2,001,016)**
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary annual services	319,444	1,033,772	(714,328)
Special appropriations	122,721,943	124,153,149	(1,431,206)
Special accounts	69,087,624	66,240,859	2,846,765
Expenses not requiring appropriation in the Budget year[1]	1,266,553	4,540,164	(3,273,611)
Administered total	**193,395,564**	**195,967,944**	**(2,572,380)**
Departmental expenses			
Departmental appropriations[2]	336,429	337,360	(931)
s74 External Revenue	11,072	9,994	1,078
Expenses not requiring appropriation in the Budget year[1]	25,440	25,680	(240)
Departmental total	**372,941**	**373,034**	**(93)**
Total expenses for Outcome 1	**193,768,505**	**196,340,978**	**(2,572,473)**

	2023–24	2023–24
Average staffing level (number)	1,484	1,491

* 2023–24 Revised estimated expenses as published in Portfolio Additional Estimates Statements 2023–24 (PAES). These figures were impacted by Portfolio Supplementary Additional Estimates Statements 2023–24 (PSAES), however, were not disclosed due to Budgeted expenses for Outcome is not available as part of the 2023–24 PSAES publication.

1) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, foreign exchange losses, revaluation of grants provisions, concessional loan discount, and unwinding of provision discount.

2) Departmental appropriations include ordinary annual services (Appropriation Acts No. 1, No. 3 and No. 5).

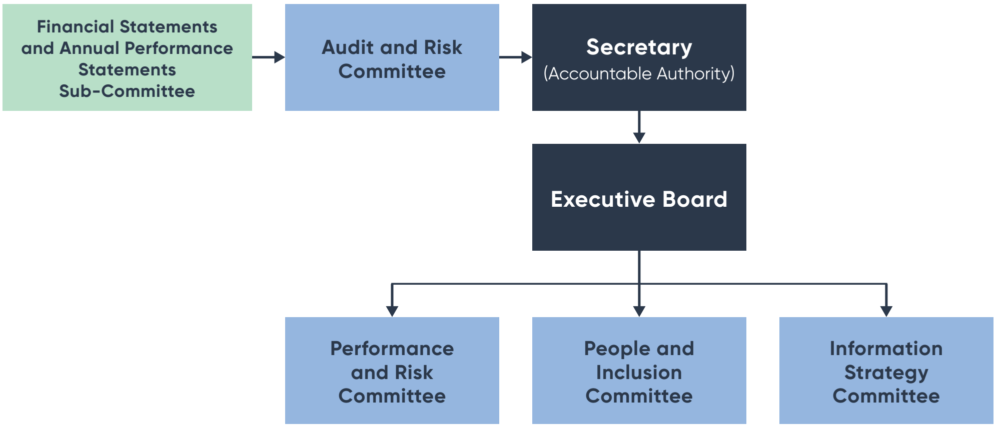
3) Estimated expenses incurred in relation to Treasury's revenue from contracts with customers that were retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

Part 3 – Management and accountability

Corporate governance

Treasury's corporate governance structures are designed to promote the achievement of our purpose, the proper use and management of public resources, our systems of risk and control, and the department's financial sustainability.

Figure 20: Treasury's enterprise governance committee structure



Governance committees

Executive Board

The Executive Board comprises the Secretary and Deputy Secretaries. The Executive Board supports the Secretary to discharge their duties under the *Public Governance, Performance and Accountability Act 2013* and section 57 of the *Public Service Act 1999.*

Performance and Risk Committee

The Performance and Risk Committee is an advisory and decision-making group with responsibility for ensuring consistent and integrated business operations across Treasury. Its remit incorporates business planning and continuity, performance monitoring and reporting, enterprise risk management and systems of internal control, security, cyber security and asset management.

People and Inclusion Committee

The People and Inclusion Committee is an advisory and decision-making group. It has responsibility for ensuring the department's workforce is safe, effective and engaged, and that the department has the workforce capacity and inclusive culture required to deliver on its purpose. The People and Inclusion Committee also has specific responsibilities for work health and safety, and for receiving regular reports from internal consultation forums related to work health and safety and workplace relations.

Information Strategy Committee

The purpose of the Information Strategy Committee is to support and provide governance oversight of department-wide information management related strategic issues and drive digital information innovation.

Audit and Risk Committee

The Treasury's Audit and Risk Committee has been established in accordance with section 45 of the *Public Governance, Performance and Accountability Act 2013*. The Audit and Risk Committee provides independent advice to the Secretary on the appropriateness of the department's financial reporting, performance reporting, system of risk oversight and management, and the system of internal control. The Audit and Risk Committee Charter is available on the Treasury website at treasury.gov.au/the-department/corporate-publications/Audit-Committee-Charter.

The Financial Statements and Annual Performance Statements Sub-Committee provides advice to the Audit and Risk Committee on the preparation and sign-off of Treasury's financial statements and annual performance statements. The Financial Statements and Annual Performance Statements Sub-Committee is directly accountable to the Audit and Risk Committee for the performance of its functions.

The Audit and Risk Committee has 3 members – an independent chair and 2 independent members.

The Audit and Risk Committee met 5 times in 2023–24 and received regular briefings from Treasury management on priorities, operations and risks, as well as the outcomes of risk and audit activities.

Table 6: Audit and Risk Committee members – qualifications, attendance and remuneration

Name	Position and Role	Qualifications	Experience	Date of Commencement	Date of Cessation	Attendance	Remuneration[a]
Mr Don Cross	• External Member • Audit and Risk Committee Chair • Financial Statements and Annual Performance Statements Subcommittee Chair • Performance and Risk Committee Observer	• Fellow of the Institute of Chartered Accountants and a Certified Practising Accountant • Numerous qualifications and professional memberships in accounting, fraud control, business, and auditing	• Mr Cross has a background in financial audit, internal audit, management assurance and performance and program management. He leverages this background, skills and experience as the Chair or as a Member of Audit and Risk Committees for federal government departments and Corporate Commonwealth Entities delivering policy, regulatory and service delivery functions.	1 August 2019	–	5/5	$36,782

3

Name	Position and Role	Qualifications	Experience	Date of Commencement	Date of Cessation	Attendance	Remuneration[(a)]
Mr Carl Murphy	• External Member	• Master of Public Administration • Certified Practising Accountant (retired) • Graduate of the Australian Institute of Company Directors • Bachelor of Arts (Hons)	• Member, Wollongong Council Audit, Risk and Improvement Committee Senior Moderator, The Cranlana Centre for Ethical Leadership Consultancy Practice to government and not-for-profits in governance and organisational change. • Former Member, Risk and Audit Committee, Department of Infrastructure, Transport, Regional Development and Communications. • Previously Chief Operating Officer, Department of Infrastructure, Regional Development and Cities. • First Assistant Secretary, Corporate Services Division, Department of Finance. • Assistant Secretary, Human Resources, Department of the Environment. • Head of Human Resources, Medicare Australia.	2 November 2020	–	5/5	$12,782

Name	Position and Role	Qualifications	Experience	Date of Commencement	Date of Cessation	Attendance	Remuneration[a]
Ms Carol Lilley	• External Member	• Bachelor of Commerce • Graduate of the Australian Institute of Company Directors • Fellow of Chartered Accountants Australia and New Zealand, • Certified internal auditor and was a registered company auditor	• Independent board director and chair or member of several Commonwealth Government audit committees. • Previous Partner at a large accounting firm and has over 20 years' experience in financial statement audit, internal audit and project and risk management, with a particular focus on government.	28 October 2021	–	5/5	$44,528

a) Where applicable, remuneration is GST inclusive and covers preparation for and attendance at meetings of the Audit and Risk Committee, as well as meeting preparation and attendance at sub-committees (where relevant) and other meetings as required by the member's role.

Consultation committees

Two consultation committees support Treasury's enterprise governance committees.

Health and Safety Committee

The Health and Safety Committee assists the Secretary in carrying out his statutory obligations in accordance with the *Work Health and Safety Act 2011*. The Health and Safety Committee facilitates cooperation between Treasury management and employees to develop and review health and safety policies, procedures and initiatives, and manage health and safety risks in the workplace.

Workplace Relations Committee

The Workplace Relations Committee is Treasury's primary staff consultation body, convened in accordance with the *Treasury Enterprise Agreement 2024–2027*. The Workplace Relations Committee plays an important role in facilitating ongoing, open and transparent consultation between Treasury and its employees relating to issues affecting the working environment and employment conditions.

Risk management

In 2023–24 Treasury reviewed its risk management policy and framework, along with supporting tools, and prepared updated documentation for governance committee review and approval in the first quarter of 2024–25. Treasury's current risk management policy and framework provide the basis for continued improvement and embedding of our risk management processes during the reporting year.

Our governance arrangements for risk reporting through the Performance and Risk Committee, the independent Audit and Risk Committee, and the Executive Board provide the Secretary with assurance that risk is being appropriately engaged with and managed.

Fraud prevention and control

Treasury has a fraud and corruption control plan, as well as processes and systems for the prevention and detection of fraud and corruption. The control plan guides responses to and reporting of incidents in accordance with section 10 of the Public Governance, Performance and Accountability Rule 2014.

Treasury is continuously looking at ways to strengthen our fraud and corruption control arrangements. Treasury promoted awareness of the obligations and responsibilities of all officials to the National Anti-Corruption Commission which began operations from 1 July 2023 and to the new Commonwealth fraud and corruption requirements effective from 1 July 2024. This included completing a new enterprise fraud and corruption risk assessment, updating the fraud and corruption control plan and consulting with relevant enterprise governance committees.

Treasury reports fraud information annually to the Treasurer and the Australian Institute of Criminology. Treasury's 2023–24 fraud certification can be found in the Letter of Transmittal.

Internal audit arrangements

Internal audits provide independent advice and assurance to the Secretary on the effectiveness of Treasury's governance, risk, compliance and performance arrangements, and our financial and operational controls. The internal audit program assists Treasury in the delivery of our purpose and priorities and encourages continuous improvement.

Treasury's internal auditors deliver against an annual internal audit plan. The internal audit plan is developed by our internal auditors in consultation with the independent Audit and Risk Committee, Performance and Risk Committee, the Executive Board and other key departmental stakeholders, to ensure it reflects our risk profile and assurance concerns.

In 2023–24, our internal audit function delivered compliance, performance, and management-initiated reviews, with a focus on continued maturation of Treasury's performance information arrangements. The program also addressed international loan management, procurement processes, data management, and IT system controls and access.

Integrity and ethical standards

As the Government's lead economic adviser, Treasury expects the highest standard of behaviour and ethical conduct from our staff. We have policies and procedures in place, that align with the Australian Public Service Code of Conduct and Values, to ensure ethical standards are upheld in accordance with the *Public Service Act 1999*.

During 2023–24 Treasury launched its integrity strategy. The strategy outlines our approach to building and sustaining trust with government, stakeholders, and the Australian people through a strong pro-integrity culture. The strategy, supported by our integrity framework, provides a foundation for decision making and governance with high integrity. Treasury continues to strengthen and embed our pro-integrity culture and institutional practices through a program of improvements guided by the APS Integrity Taskforce action plan and good practice guide, and the Commonwealth Integrity Maturity Framework.

Significant non-compliance issues with finance law

There were no significant instances of non-compliance with the finance law reported to the responsible minister in 2023–24.

External scrutiny

Treasury operations were subject to oversight by a number of external bodies in the reporting period, including Parliamentary committees, the Commonwealth Ombudsman, Australian National Audit Office (ANAO), Administrative Appeals Tribunal and Office of the Australian Information Commissioner.

External audit

The ANAO tabled three performance audit reports involving Treasury during 2023–24.

Auditor-General Report No.44 *Compliance with Gifts, Benefits and Hospitality Requirements in the Department of the Treasury*, tabled 24 June 2024, assessed Treasury's compliance with gifts, benefits and hospitality requirements. Four recommendations were made to Treasury as a result of the audit. Treasury agreed to all of the recommendations.

Auditor-General Report No.39 *Evaluation of Australian Government Pilot Programs*, tabled 17 June 2024, was a cross entity audit that reviewed Australian Government departments' evaluation systems and processes, including how evaluations were used to decide whether a proposed policy should be adopted. While Treasury was not a participant entity, as the owner of the Commonwealth Evaluation Policy and Toolkit, a recommendation aimed at strengthening evaluation guidance was made to Treasury as a result of the audit. Treasury agreed to the recommendation.

Auditor-General Report No.18 *Australian Office of Financial Management's Management of the Australian Government's Debt*, tabled 22 February 2024, assessed effectiveness of the Australian Office of Financial Management's (AOFM) management of the Australian Government's debt. The Auditor-General made five recommendations to the Australian Office of Financial Management and three recommendations to Treasury. Treasury agreed to all of the recommendations.

In August 2023, Treasury was advised that the ANAO would continue the program of work with Treasury's annual performance statements 2023–24.

The Auditor-General's Report No. 16 of 2023–24: *Audits of the Annual Performance Statements of Australian Government Entities – 2022–23* included the outcomes of the audit of Treasury's annual performance statements for 2022–23. Treasury received an unmodified opinion for the reporting period.

Our people

Treasury is committed to creating a trusted, responsive and highly ethical workforce with the right culture and expertise to deliver now and into the future.

Performance management

Treasury manages the ongoing development of its employees in a high-performance work culture through the Performance Development System and the Senior Executive Service (SES) Performance Leadership Framework. The objectives of the system include:

- continuously improving organisational performance to enable the department to achieve its strategic outcomes and priorities
- providing a framework for individual and organisational performance and expected behaviours, including supporting development and career planning
- providing an approach to ensure regular and meaningful feedback enabling individuals to understand how their day-to-day work contributes to the department's goals and objectives
- providing mechanisms for addressing declines in performance and appropriately managing underperformance.

Outcomes and behavioural expectations expected of Treasury SES officers are aligned to the APS Performance Leadership Framework.

Learning and development

In 2023–24, Treasury continued to deliver training programs online and in-person with a focus on enhancing the skills and capability of our employees and building the leadership capabilities of Executive Level staff.

Additional training was provided in areas including integrity, governance and active bystander training.

Treasury employees continued to supplement their professional development with APS Academy courses and the study assistance program. Employees are also able to access other external opportunities, including:

- Sir Roland Wilson Scholarship Program undertaken at the Australian National University
- Australia and New Zealand School of Government's Executive Master of Public Administration
- National Security College development programs
- Jawun secondments.

Entry level programs

The department provides graduate opportunities through the Treasury Graduate Development Program and leads the recruitment for the Australian Government Graduate Program Economist Stream for participating APS agencies.

The Treasury Graduate Development Program is a two year program involving work placements, on-the-job training and structured learning and development. In February 2024, 50 participants were accepted into the Program.

Treasury also participates in whole-of-government entry level programs, including the Australian Government Graduate Program in Human Resources, Data, STEM, Legal and Accounting/Finance streams, the Career Starter Program (aimed at school leavers) completing a Certificate IV in Government, and the Indigenous Apprentice Program.

Treasury also implemented the 2024 Internship program engaging 12 interns with economics or econometrics qualifications undertaking paid work-based placements (APS2 classification) to further build entry level career pathways.

Staffing information

At 30 June 2024, Treasury had 1,666 employees. The average staffing level across 2023–24 was 1,488.5.

Over half (53.4 per cent) of Treasury's workforce are women, 77.9 per cent are 45 years of age or under, 4.3 per cent identify as having an ongoing disability, 1.2 per cent identify as Aboriginal and/or Torres Strait Islander, and 16.6 per cent identify that their first language is not exclusively English.

At 30 June 2024, women comprised 48.8 per cent of the operative SES cohort, inclusive of higher duties arrangements. Treasury's target for female representation in the SES is gender parity. Treasury's geographic footprint extends beyond Canberra, with offices in Sydney, Melbourne and Perth, and officers posted or deployed overseas.

Table 7: All ongoing employees current report period (2023–24)

	Male			Female			Uses other term			Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Uses other term	
NSW	85	3	88	85	19	104	0	0	0	192
Qld	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	75	8	83	71	6	77	0	0	0	160
WA	3	0	3	5	1	6	0	0	0	9
ACT	534	28	562	562	84	646	0	0	0	1,208
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	9	0	9	3	0	3	0	0	0	12
Total	706	39	745	726	110	836	0	0	0	1,581

Table 8: All ongoing employees previous report period (2022–23)

	Male			Female			Uses other term			Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Uses other term	
NSW	82	2	84	62	16	78	0	0	0	162
Qld	0	0	0	0	0	0	0	0	0	0
SA	1	0	1	0	0	0	0	0	0	1
Tas	0	0	0	0	0	0	0	0	0	0
Vic	51	2	53	45	5	50	0	0	0	103
WA	2	0	2	5	0	5	0	0	0	7
ACT	514	38	552	519	90	609	0	0	0	1,161
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	6	0	6	4	0	4	0	0	0	10
Total	656	42	698	635	111	746	0	0	0	1,444

Table 9: All non-ongoing employees current report period (2023–24)

	Male			Female			Uses other term			Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Uses other term	
NSW	0	3	3	3	4	7	0	0	0	10
Qld	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	4	3	7	2	5	7	0	0	0	14
WA	0	0	0	1	0	1	0	0	0	1
ACT	6	16	22	18	20	38	0	0	0	60
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	10	22	32	24	29	53	0	0	0	85

Table 10: All non-ongoing employees previous report period (2022–23)

	Male			Female			Uses other term			Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Uses other term	
NSW	2	0	2	0	3	3	0	0	0	5
Qld	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	1	0	1	1	0	1	0	0	0	2
WA	0	0	0	0	0	0	0	0	0	0
ACT	5	8	13	12	11	23	0	0	0	36
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	1	0	1	0	0	0	0	0	0	1
Total	9	8	17	13	14	27	0	0	0	44

Table 11: Australian Public Service Act ongoing employees current report period (2023–24)

	Male			Female			Uses other term			Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Uses other term	
SES 3	2	0	2	4	0	4	0	0	0	6
SES 2	11	0	11	13	0	13	0	0	0	24
SES 1	46	3	49	40	2	42	0	0	0	91
EL 2	119	9	128	139	27	166	0	0	0	294
EL 1	249	19	268	229	39	268	0	0	0	536
APS 6	158	4	162	175	25	200	0	0	0	362
APS 5	74	3	77	89	12	101	0	0	0	178
APS 4	13	1	14	12	2	14	0	0	0	28
APS 3	33	0	33	23	3	26	0	0	0	59
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	1	0	1	2	0	2	0	0	0	3
Other	0	0	0	0	0	0	0	0	0	0
Total	706	39	745	726	110	836	0	0	0	1,581

Table 12: Australian Public Service Act ongoing employees previous report period (2022–23)

	Male			Female			Uses other term			Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Uses other term	
SES 3	2	0	2	4	0	4	0	0	0	6
SES 2	11	3	14	11	0	11	0	0	0	25
SES 1	38	3	41	36	2	38	0	0	0	79
EL 2	104	11	115	112	27	139	0	0	0	254
EL 1	211	16	227	201	40	241	0	0	0	468
APS 6	160	6	166	151	25	176	0	0	0	342
APS 5	65	2	67	66	12	78	0	0	0	145
APS 4	34	1	35	34	4	38	0	0	0	73
APS 3	30	0	30	20	1	21	0	0	0	51
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	1	0	1	0	0	0	0	0	0	1
Other	0	0	0	0	0	0	0	0	0	0
Total	656	42	698	635	111	746	0	0	0	1,444

Table 13: Australian Public Service Act non-ongoing employees current report period (2023–24)

	Male			Female			Uses other term			Total
	Full- time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Uses other term	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	3	1	4	0	3	3	0	0	0	7
EL 1	2	1	3	5	2	7	0	0	0	10
APS 6	3	0	3	2	1	3	0	0	0	6
APS 5	1	0	1	6	4	10	0	0	0	11
APS 4	1	2	3	7	1	8	0	0	0	11
APS 3	0	3	3	2	4	6	0	0	0	9
APS 2	0	15	15	2	13	15	0	0	0	30
APS1	0	0	0	0	1	1	0	0	0	1
Other	0	0	0	0	0	0	0	0	0	0
Total	10	22	32	24	29	53	0	0	0	85

Table 14: Australian Public Service Act non-ongoing employees previous report period (2022–23)

	Male			Female			Uses other term			Total
	Full- time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Uses other term	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	2	0	2	0	0	0	0	0	0	2
EL 2	1	1	2	0	1	1	0	0	0	3
EL 1	2	2	4	4	1	5	0	0	0	9
APS 6	2	0	2	2	1	3	0	0	0	5
APS 5	0	1	1	3	2	5	0	0	0	6
APS 4	2	0	2	2	1	3	0	0	0	5
APS 3	0	0	0	0	1	1	0	0	0	1
APS 2	0	4	4	2	7	9	0	0	0	13
APS1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	9	8	17	13	14	27	0	0	0	44

Table 15: Australian Public Service Act employees by full-time and part-time status current report period (2023–24)

	Ongoing			Non-Ongoing			Total
	Full-time	Part-time	Total Ongoing	Full-time	Part-time	Total Non-Ongoing	
SES 3	6	0	6	0	0	0	6
SES 2	24	0	24	0	0	0	24
SES 1	86	5	91	0	0	0	91
EL 2	258	36	294	3	4	7	301
EL 1	478	58	536	7	3	10	546
APS 6	333	29	362	5	1	6	368
APS 5	163	15	178	7	4	11	189
APS 4	25	3	28	8	3	11	39
APS 3	56	3	59	2	7	9	68
APS 2	0	0	0	2	28	30	30
APS 1	3	0	3	0	1	1	4
Other	0	0	0	0	0	0	0
Total	1,432	149	1,581	34	51	85	1,666

Table 16: Australian Public Service Act employees by full-time and part-time status previous report period (2022–23)

	Ongoing			Non-Ongoing			Total
	Full-time	Part-time	Total Ongoing	Full-time	Part-time	Total Non-Ongoing	
SES 3	6	0	6	0	0	0	6
SES 2	22	3	25	0	0	0	25
SES 1	74	5	79	2	0	2	81
EL 2	216	38	254	1	2	3	257
EL 1	412	56	468	6	3	9	477
APS 6	311	31	342	4	1	5	347
APS 5	131	14	145	3	3	6	151
APS 4	68	5	73	4	1	5	78
APS 3	50	1	51	0	1	1	52
APS 2	1	0	1	2	11	13	14
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	1,291	153	1,444	22	22	44	1,488

Table 17: Australian Public Service Act employment type by location current report period (2023–24)

	Ongoing	Non-Ongoing	Total
NSW	192	10	202
Qld	0	0	0
SA	0	0	0
Tas	0	0	0
Vic	160	14	174
WA	9	1	10
ACT	1,208	60	1,268
NT	0	0	0
External Territories	0	0	0
Overseas	12	0	12
Total	1,581	85	1,666

Table 18: Australian Public Service Act employment type by location previous report period (2022–23)

	Ongoing	Non-Ongoing	Total
NSW	162	5	167
Qld	0	0	0
SA	1	0	1
Tas	0	0	0
Vic	103	2	105
WA	7	0	7
ACT	1,161	36	1,197
NT	0	0	0
External Territories	0	0	0
Overseas	10	1	11
Total	1,444	44	1,488

Table 19: Australian Public Service Act Indigenous employment current report period (2023–24)

	Total
Ongoing	20
Non-Ongoing	0
Total	20

Table 20: Australian Public Service Act Indigenous employment previous report period (2022–23)

	Total
Ongoing	19
Non-Ongoing	0
Total	19

Workplace relations

Remuneration and employment conditions for non-SES employees are determined under the *Treasury Enterprise Agreement 2024–2027* (the enterprise agreement). Remuneration and employment conditions for SES employees are determined by the Secretary under subsection 24(1) of the *Public Service Act 1999.* The enterprise agreement and SES determinations operate in conjunction with Commonwealth legislation and are supported by internal policies and guidelines. The department occasionally uses individual flexibility arrangements for non-SES employees to secure specific expertise or specialist skills critical to business needs.

The enterprise agreement commenced on 22 January 2024. This was the first enterprise agreement to be made under the Government's *Public Sector Workplace Relations Policy 2023* and incorporates the *APS-wide bargaining: Statement of Common Conditions*. In 2023–24, Treasury began implementation of the enterprise agreement, including by commencing updates to policies and guidelines in consultation with employees and relevant union(s).

Treasury has a Workplace Relations Committee. Treasury consults with, and considers the views of, the Workplace Relations Committee on issues such as Treasury's working environment and the implementation and operation of the enterprise agreement, as these affect employment terms and conditions. The Workplace Relations Committee membership includes representatives from the Community and Public Sector Union and Treasury's employee networks to ensure a diversity of voices and maintain inclusion as a key element in workplace policy development. This helps Treasury sustain a good organisational culture. Treasury undertakes consultation with employees and relevant union(s) outside of the Workplace Relations Committee forum.

SES remuneration

Treasury provides an SES remuneration package in recognition of all hours worked, including any reasonable additional hours. SES staff are not entitled to overtime payments, penalty rates or time off in lieu.

SES employees received a 4 per cent salary increase effective 14 March 2024 in accordance with the government's *Public Sector Workplace Relations Policy 2023*.

Individual determinations made under subsection 24(1) of the *Public Service Act 1999* are supported by a remuneration determination that establishes pay levels within each SES classification. SES employees advance through relevant pay levels for their classification based on performance as assessed under the SES Performance Leadership Framework. Treasury does not offer performance pay.

Table 21: Australian Public Service Act employment salary ranges by SES classification level (minimum/maximum) current report period (2023–24)

	Minimum salary	Maximum salary
SES 3	$362,538	$424,589
SES 2	$279,751	$327,434
SES 1	$228,250	$265,279

Non-SES remuneration

Non-SES employees received a 4 per cent salary increase effective 14 March 2024 in accordance with the enterprise agreement.

The enterprise agreement establishes pay levels within each APS and Executive Level classification level. Non-SES employees advance through relevant pay levels for their classification based on performance as assessed under the Treasury Performance Development System.

For Treasury employees at overseas posts, Treasury is also guided by the conditions of service that are maintained by the Department of Foreign Affairs and Trade.

Table 22: Non-SES remuneration by classification level (minimum/maximum) current report period (2023–24)

	Minimum salary	Maximum salary
EL2	$156,255	$179,326
EL1	$127,925	$146,743
APS6	$98,072	$118,813
APS5	$86,940	$92,507
APS4	$77,328	$81,373
APS3	$69,233	$73,275
APS2	$61,138	$65,188
APS1	$53,043	$57,600
Other	$0	$0

Employment arrangements

Table 23: Australian Public Service Act employment arrangements current report period (2023–24)

	SES	Non-SES	Total
Enterprise Agreement	0	1,561	1,561
Section 24(1) Determination	105	0	105
Australian Workplace Agreement	0	0	0
Individual Flexibility Arrangement Note	0	4	4
Total	105	1,561	1,666

Note: Employees with an individual flexibility arrangement in place are employed under Treasury's Enterprise Agreement and included in the 1,561 employees provided in the table for that purpose. The 4 employees with an individual flexibility arrangement are not separately counted for the purposes of the total provided in the table.

Asset management

Management of Treasury's assets is governed by the Accountable Authority Instructions on asset management and aligns with government best practice. Treasury's asset management framework includes an asset register, an asset management plan and a capital management plan. The asset register records details of all assets held by Treasury. An annual stocktake of assets keeps the register accurate and up to date. Treasury's fixed assets include office fit-out, right-of-use assets, purchased and internally developed software, computer equipment, infrastructure and library materials.

Procurement

Performance against the Commonwealth Procurement Rules

Treasury's procurement activities were undertaken in accordance with the *Public Governance, Performance and Accountability Act 2013*, Commonwealth Procurement Rules, and the Commonwealth Government's Indigenous Procurement Policy. Treasury applies these requirements through its internal financial and procurement policies.

Information on all Treasury contracts awarded with a value of $10,000 (including GST) or more is available on AusTender at tenders.gov.au.

Exempt contracts

One contract valued at $24,640 (including GST) was exempted by the Secretary from being published on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982.*

Australian National Audit Office access clauses

Table 24 shows contracts valued at $100,000 or more (including GST) which were entered into during 2023–24 and did not have provision for the Auditor-General to access the contractor's premises.

Table 24: Australian National Audit Office Access contract details 2023–24

Name of contractor	Purpose	Total contract value $ (inc. GST)	Reason for not including access clauses
QT Canberra	Venue Engagement for the ASBFEO ESG Symposium	$119,360	Standard industry practice to enter into supplier terms and conditions
Bureau van Dijk Electronic Publishing Pty Ltd	Bureau van Dijk's Orbis database subscription	$160,018	Standard industry practice to enter into supplier terms and conditions
Institute of Public Admin Aus Inc IPAA 2013	Renewal of a membership for 2023–24 IPAA	$100,804	Standard industry practice to enter into supplier terms and conditions
Wolters Kluwer	CCH political Alerts and Legal Subscription 3y renewal	$843,905	Standard industry practice to enter into supplier terms and conditions
The Trust Company (Australia) Limited	Lease and Rental of Property or Building – Perth State Office	$2,286,010	Standard industry practice to enter into supplier terms and conditions

Initiatives to support small and medium-sized enterprises and Indigenous business

Treasury supports small business participation in the Commonwealth Government procurement market. This includes the mandatory use of the Commonwealth Contracting Suite for procurements up to $200,000 (including GST) and the use of credit cards as a payment mechanism for low value procurements under $10,000 (including GST). Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance website at finance.gov.au.

Treasury is eInvoice enabled for receipt of supplier invoices and pays eInvoices in accordance with the Australian Government Supplier Pay On-Time or Pay Interest Policy. Treasury recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Businesses are available on the Treasury website at treasury.gov.au. The survey was last conducted in 2021–22. Further information on the current policy is available on the Department of Finance website at finance.gov.au.

Treasury supports the Indigenous Procurement Policy to significantly increase the rate of purchasing from Indigenous enterprises. The portfolio has met its purchasing target set by Government to ensure Indigenous employment and business opportunities continue to grow (for more information, please refer to the National Indigenous Australians Agency website at niaa.gov.au).

Consultants and non-consultants

Treasury engages consultants where specialist skills are required but are not available in-house. Consultancies are individuals, partnerships or corporations that provide professional, independent, expert advice and services.

Consultants are selected and engaged in accordance with the *Public Governance, Performance and Accountability Act 2013*, Commonwealth Procurement Rules and Treasury's internal policies.

During 2023–24, Treasury entered into 40 new consultancy contracts involving total actual expenditure of $2,319,541 (including GST). In addition, 33 ongoing consultancy contracts were active during the period, involving total actual expenditure of $4,943,939 (including GST).

Information on the value of individual contracts and consultancies is available on the AusTender website at tenders.gov.au.

Table 25: Expenditure on reportable consultancy contracts current report period (2023–24)

Reportable consultancy contracts 2023–24	Number	Expenditure $ (inc. GST)
New contracts entered into during the reporting period	40	$2,319,541
Ongoing contracts entered into during a previous reporting period	33	$4,943,939
Total	73	$7,263,480

Table 26: Expenditure on reportable non-consultancy contracts current report period (2023–24)

Reportable non-consultancy contracts 2023–24	Number	Expenditure $ (inc. GST)
New contracts entered into during the reporting period	277	$53,031,844
Ongoing contracts entered into during a previous reporting period	290	$49,203,772
Total	567	$102,235,616

Table 27: Organisations receiving a share of reportable consultancy contract expenditure current report period (2023–24)

Name of Organisation	ABN	Expenditure $ (inc. GST)	Proportion of 2023–24 total spend (%)
McKinsey Pacific Rim Inc	66055131443	$1,850,000	27
The Boston Consulting Group Pty Ltd	70007347131	$1,103,638	16
Macquarie Capital Australia	79123199548	$550,000	8
Kantar Public Australia	38000601221	$368,940	5
Excelium Consulting Pty Ltd	80651479971	$276,540	4

Note: In accordance with Department of Finance guidance, this table includes only those organisations who received the 5 largest shares of expenditure.

Table 28: Organisations receiving a share of reportable non-consultancy contract expenditure current report period (2023–24)

Name of Organisation	ABN	Expenditure $ (inc. GST)	Proportion of 2023–24 total spend (%)
Universal McCann	19002966001	$18,213,820	18
Ventia Property Pty Ltd	16618028676	$9,560,374	9
A23 Pty Ltd	81612329781	$4,677,318	5
Investa Asset Management Pty Ltd	16089301922	$3,611,759	4
Comcare	41640788304	$2,823,454	3

Note: In accordance with Department of Finance guidance, this table includes only those organisations who received the 5 largest shares of expenditure.

Executive remuneration

Introduction

The categories of officials covered by the disclosures include:

- key management personnel
- senior executive remuneration
- other highly paid staff.

Remuneration policies and practices

The Secretary's remuneration is determined by the Remuneration Tribunal. For SES employees, remuneration and employment conditions are determined under subsection 24(1) of the *Public Service Act 1999*. Further information on SES remuneration is available in the workplace relations section.

Key management personnel

During the reporting period ended 30 June 2024, Treasury had 7 executives who met the definition of key management personnel. Their names and length of term as key management personnel are summarised in Table 29.

During the reporting period ended 30 June 2024, Treasury had 154 senior executives. Table 31 provides the average remuneration by band for senior executives during the reporting period.

Table 32 provides the average remuneration by band for other highly paid staff during the reporting period.

Table 29: Key management personnel

Name	Position	Term as key management personnel
Dr Steven Kennedy PSM	Secretary	Full year
Roxanne Kelley PSM	Deputy Secretary	Full year
Luke Yeaman	Deputy Secretary	Full year
Diane Brown	Deputy Secretary	Full year
Sam Reinhardt	Deputy Secretary	Full year
Brenton Philp	Deputy Secretary	Full year
Victoria Anderson	Deputy Secretary	Full year

Table 30: Key management personnel remuneration

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary[1]	Bonuses	Other benefits and allowances[2]	Superannuation contributions[3]	Long service leave[4]	Other long-term benefits		
Dr Steven Kennedy PSM	Secretary	816,296	0	2,736	121,249	18,976	0	0	959,257
Roxanne Kelley PSM	Deputy Secretary	456,407	0	2,736	79,268	10,306	0	0	548,717
Luke Yeaman	Deputy Secretary	415,009	0	2,736	76,753	10,833	0	0	505,331
Diane Brown	Deputy Secretary	377,472	0	0	58,675	10,071	0	0	446,218
Sam Reinhardt	Deputy Secretary	362,262	0	0	70,755	9,765	0	0	442,782
Brenton Philp	Deputy Secretary	398,925	0	2,736	71,467	9,591	0	0	482,719
Victoria Anderson	Deputy Secretary	409,231	0	2,736	65,443	16,014	0	0	493,424

1) Base salary includes salary paid and accrued, salary paid while on personal leave, annual leave accrued and higher duties allowances.
2) Other benefits and allowances refers to non-monetary benefits such as provision of a car park.
3) For individuals in a defined contribution scheme (for example, Public Sector Superannuation accumulation plan (PSSap) and super choice), superannuation includes superannuation contribution amounts. For individuals in a defined benefits scheme (for example, Commonwealth Super Scheme (CSS) and Public Sector Superannuation (PSS)), superannuation includes the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.
4) Long service leave comprises the amount of leave accrued and taken in the period. The negative balances are due to the impact of the bond rate movements on provision valuations.

Table 31: Senior executive remuneration

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Total remuneration bands	Number of senior executives[1]	Average base salary[2]	Average bonuses	Average other benefits and allowances[3]	Average superannuation contributions	Average long service leave[4]	Average other long-term benefits	Average termination benefits	Average total remuneration[5]
$0–$220,000	61	61,376	0	3,531	10,742	4,669	0	2,913	83,231
$220,001–$245,000	5	188,626	0	2,468	29,406	11,815	0	0	232,315
$245,001–$270,000	11	203,737	0	545	32,148	12,522	0	10,078	259,030
$270,001–$295,000	29	219,129	0	2,552	38,728	8,720	0	16,597	285,726
$295,001–$320,000	12	253,600	0	481	46,977	7,600	0	0	308,658
$320,001–$345,000	9	266,618	0	5,881	49,678	11,257	0	0	333,434
$345,001–$370,000	7	267,587	0	463	45,694	12,924	0	30,582	357,250
$370,001–$395,000	8	239,975	0	707	51,058	21,579	0	65,310	378,629
$395,001–$420,000	2	330,548	0	264	60,714	10,626	0	0	402,152
$420,001–$445,000	3	260,106	0	112,283	42,630	7,472	0	0	422,491

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Total remuneration bands	Number of senior executives[1]	Average base salary[2]	Average bonuses	Average other benefits and allowances[3]	Average superannuation contributions	Average long service leave[4]	Average other long-term benefits	Average termination benefits	Average total remuneration[5]
$495,001–$520,000	1	249,349	0	214,861	36,792	4,733	0	0	505,735
$545,001–$570,000	1	246,253	0	259,714	34,855	7,660	0	0	548,482
$595,001–$620,000	2	387,014	0	133,417	76,408	3,784	0	0	600,623
$645,001–$670,000	1	264,442	0	359,647	34,654	7,241	0	0	665,984
$670,001–$695,000	1	265,052	0	374,246	47,954	6,905	0	0	694,157
$695,001–$720,000	1	248,734	0	427,375	39,268	3,420	0	0	718,797

1) Includes acting arrangements greater than 3 months.
2) Base salary includes salary paid and accrued, salary paid while on personal leave, annual leave accrued and higher duties allowances.
3) Includes, but is not limited to, allowances and benefits received while on overseas post.
4) Long service leave comprises the amount of leave accrued and taken in the period. The negative balances are due to the impact of the bond rate movements on provision valuations.
5) The table includes the part year impact of senior executives who either commenced or separated during the year.

Table 32: Other highly paid staff remuneration

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Total remuneration bands	Number of other highly paid staff	Average base salary[1]	Average bonuses	Average other benefits and allowances[2]	Average superannuation contributions	Average long service leave[3]	Average other long-term benefits	Average termination benefits	Average total remuneration
$250,001–$270,000	1	218,674	0	600	41,785	4,858	0	0	265,917
$320,001–$345,000	2	256,895	0	11,162	39,715	19,822	0	0	327,594
$370,001–$395,000	1	160,080	0	179,667	29,163	3,710	0	0	372,620
$395,001–$420,000	1	365,239	0	1,368	27,403	5,321	0	0	399,331
$445,001–$470,000	1	156,158	0	271,979	23,825	3,638	0	0	455,600
$470,001–$495,000	1	172,564	0	281,394	26,071	6,637	0	0	486,666
$570,001–$590,000	1	176,464	0	379,786	28,176	4,613	0	0	589,039

1) Base salary includes salary paid and accrued, salary paid while on personal leave, annual leave accrued and higher duties allowances.
2) Includes, but is not limited to, allowances and benefits received while on overseas post.
3) Long service leave comprises the amount of leave accrued and taken in the period. The negative balances are due to the impact of the bond rate movements on provision valuations.

Part 4 – Financial statements

For the period ended 30 June 2024

INDEPENDENT AUDITOR'S REPORT

To the Treasurer

Opinion

In my opinion, the financial statements of the Department of the Treasury (the Entity) for the year ended 30 June 2024:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Secretary and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Key audit matter	How the audit addressed the matter
Accuracy and Occurrence of Grants Expense *Refer to Note 6.1C Special Appropriations* The Entity administers a number of grants including grant payments to State and Territory Governments under the *Federal Financial Relations Act 2009* (the Act). For the year ended 30 June 2024, the value of grants paid by the Entity under the Act was $122.5 billion (2023: $118.9 billion). Accuracy and occurrence of grants expense is a key audit matter due to: • The significant value of the grants paid and the complex eligibility criteria set out in agreements for a number of the grant programs; and • The Entity's reliance on other Australian Government entities and State and Territory Governments to provide information to support payments and confirm that eligibility criteria have been met.	The audit procedures I applied to address this key audit matter included: • Testing, on a sample basis, the design, implementation and operating effectiveness of controls within other Australian Government entities to support the information provided to the Entity that substantiates the eligibility and grant payment amounts; and • Testing, on a sample basis, the accuracy and occurrence of payments processed by the Entity by testing the design, implementation and operating effectiveness of controls such as delegate sign off for all payments, and agreeing payments to supporting documentation.

Key audit matter	How the audit addressed the matter
Completeness and Valuation of the Disaster Recovery Funding Arrangements (DRFA) Provision *Refer to Note 5.4 Provisions* The Entity manages payments to State and Territory Governments to assist with relief and recovery costs following a natural disaster. This is administered in accordance with the *Disaster Recovery Funding Arrangements 2018.* These payments apply to declared disaster events where a multi-agency response is required, and state expenditure exceeds a specified threshold. The completeness and valuation of the provision is a key audit matter due to the complexities in the judgements involved in estimating the provision. The Entity relies upon estimated eligible reconstruction cost information provided by State and Territory Governments to estimate the future value and timing of payments under disaster arrangements. Also, due to the nature of disasters, there is uncertainty at the time of the disaster of the estimated costs to restore State and Territory infrastructure to its original condition. The Entity applies judgement to determine whether the cost estimates are sufficiently reliable to be included in the provision at the time of the preparation of the financial statements. For the year ended 30 June 2024, the provision for costs associated with natural disaster arrangements was valued at $10.5 billion (2023: $6.5 billion). The	The audit procedures I applied to address this key audit matter included: • Reviewing effectiveness of processes to confirm eligibility of costs estimated under the DRFA arrangements; • Assessing the explanations provided by the State and Territory governments supporting the movement in quarterly estimates data to determine if they are appropriate; • Assessing the provision calculation to determine if it is in line with the estimates provided by the State and Territory governments. This included a review of significant disasters due to the large re-estimation of prior year estimates; and • Assessing the model used by Treasury including whether the assumptions used in the calculation of the provision are reasonable. This included an assessment of estimates for extreme disasters due to the large re-estimation of prior year estimates.

increase of $4.0 billion was due to a re-estimation of previous year disasters during the period. I identified weaknesses in the estimates process for valuation of the provision with respect to extreme disaster events.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office

Mark Vial
Executive Director

Delegate of the Auditor-General

Canberra

17 September 2024

Statement by the Secretary and Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe the Treasury will be able to pay its debts as and when they fall due.

Dr Steven Kennedy PSM
Secretary to the Treasury

16 September 2024

Tarnya Gersbach
Chief Finance Officer

16 September 2024

Statement of Comprehensive Income
for the period ended 30 June 2024

	Notes	2024 $'000	2023 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	**258,472**	240,685	219,612
Suppliers	1.1B	**90,850**	109,882	120,583
Grants	1.1C	**782**	703	555
Finance costs	1.1D	**1,923**	1,974	1,728
Depreciation and amortisation	2.2	**20,847**	23,350	21,240
Write-down and impairment of assets	2.2	**160**	503	-
Net foreign exchange losses		**-**	9	-
Total expenses		**373,034**	377,106	363,718
Own-source income				
Own-source revenue				
Revenue from contracts with customers	1.2A	**9,994**	13,654	10,251
Other revenue	1.2B	**5,153**	6,591	4,954
Total own-source revenue		**15,147**	20,245	15,205
Gains				
Other gains	1.2C	**56**	142	-
Total gains		**56**	142	-
Total own-source income		**15,203**	20,387	15,205
Net cost of services		**(357,831)**	(356,719)	(348,513)
Revenue from Government	1.2D	**347,204**	343,789	340,252
Surplus/(Deficit)		**(10,627)**	(12,930)	(8,261)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		**4,251**	(17)	-
Total Comprehensive income / (loss)		**(6,376)**	(12,947)	(8,261)

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 30 June 2024

	Notes	**2024 $'000**	2023 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	**1,839**	305	1,557
Trade and other receivables	2.1B	**121,068**	127,198	110,822
Total financial assets		**122,907**	127,503	112,379
Non-financial assets[1]				
Buildings	2.2	**132,912**	140,565	125,191
Plant and equipment	2.2	**10,466**	10,671	12,119
Intangibles	2.2	**2,766**	4,328	6,159
Prepayments		**7,462**	6,623	4,655
Total non-financial assets		**153,606**	162,187	148,124
Total assets		**276,513**	289,690	260,503
LIABILITIES				
Payables				
Employee benefits		**6,886**	7,172	5,162
Suppliers		**12,097**	17,722	11,717
Unearned income		**3,512**	4,694	3,457
Total payables		**22,495**	29,588	20,336
Interest bearing liabilities				
Leases	2.3	**123,821**	133,320	118,596
Total interest bearing liabilities		**123,821**	133,320	118,596
Provisions				
Employee provisions	3.1	**82,184**	76,123	72,899
Provision for restoration	2.4	**6,204**	5,974	5,704
Total provisions		**88,388**	82,097	78,603
Total liabilities		**234,704**	245,005	217,535
Net assets		**41,809**	44,685	42,968
EQUITY				
Asset revaluation reserve		**18,327**	14,076	14,093
Contributed equity		**127,618**	124,118	127,618
Retained earnings		**(104,136)**	(93,509)	(98,743)
Total equity		**41,809**	44,685	42,968

The above statement should be read in conjunction with the accompanying notes.

1. Right-of-use assets are included in the following line items: Buildings and Plant and equipment.

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Statement of Changes in Equity
for the period ended 30 June 2024

	2024 $'000	2023 $'000	Original Budget $'000
CONTRIBUTED EQUITY			
Opening balance	**124,118**	120,335	124,118
Contributions by owners			
Equity injection appropriation	**-**	303	-
Departmental capital budget appropriation	**3,500**	3,480	3,500
Total transactions with owners	**3,500**	3,783	3,500
Closing balance as at 30 June	**127,618**	124,118	127,618
RETAINED EARNINGS			
Opening balance	**(93,509)**	(80,579)	(90,482)
Comprehensive income			
Surplus/(Deficit) for the period	**(10,627)**	(12,930)	(8,261)
Total comprehensive income	**(10,627)**	(12,930)	(8,261)
Closing balance as at 30 June	**(104,136)**	(93,509)	(98,743)
ASSET REVALUATION RESERVE			
Opening balance	**14,076**	14,093	14,093
Comprehensive income			
Asset revaluation	**4,315**	-	-
Changes in provision for restoration	**(64)**	(17)	-
Total comprehensive income	**4,251**	(17)	-
Closing balance as at 30 June	**18,327**	14,076	14,093

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy
Equity injections
Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Cash Flow Statement
for the period ended 30 June 2024

	2024 $'000	2023 $'000	Original Budget $'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	**384,937**	365,548	340,252
Sale of goods and rendering of services	**12,880**	8,027	10,251
GST received	**9,400**	9,549	-
Other	**1,068**	3,442	821
Total cash received	**408,285**	386,566	351,324
Cash used			
Employees	**254,094**	234,927	219,612
Suppliers	**91,486**	100,728	116,450
Interest payments on lease liabilities	**1,686**	1,769	1,727
Grants	**782**	703	555
Section 74 receipts transferred to OPA	**38,178**	31,319	-
GST paid	**9,243**	9,566	-
Total cash used	**395,469**	379,012	338,344
Net cash from/(used by) operating activities	**12,816**	7,554	12,980
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of plant and equipment	**20**	8	-
Total cash received	**20**	8	-
Cash used			
Purchase of buildings	**2,093**	432	1,500
Purchase of plant and equipment	**2,314**	2,406	1,500
Purchase of intangibles	**374**	291	501
Total cash used	**4,781**	3,129	3,501
Net cash from/(used by) investing activities	**(4,761)**	(3,121)	(3,501)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - departmental capital budget	**5,485**	6,449	3,500
Total cash received	**5,485**	6,449	3,500
Cash used			
Principal payments of lease liabilities	**12,006**	11,001	12,979
Total cash used	**12,006**	11,001	12,979
Net cash from/(used by) financing activities	**(6,521)**	(4,552)	(9,479)
Net increase/(decrease) in cash held	**1,534**	(119)	-
Cash at the beginning of the reporting period	**305**	424	1,557
Cash at the end of the reporting period	**1,839**	305	1,557

The above statement should be read in conjunction with the accompanying notes.

Budget Variance Reporting
for the period ended 30 June 2024

The following major variance explanations between the Original Budget as presented in the 2023-24 Portfolio Budget Statements (PBS) and the actual financial statements for the year ended 30 June 2024 presented in accordance with Australian Accounting Standards.

The information and variances presented below should be read and are considered to be 'major' if they are core to the agency's activities and based on the following criteria:

- the variance between budget and actual is greater than +/- 10% and $1 million of the original budget for a line item;
- an item is below this threshold but is deemed relevant to an analysis of the department's performance and are not focused merely on numerical differences between the original budget and actual amounts;
- are attributable to factors which would not reasonably have been identifiable at the time of the Budget preparation, such as impairment of assets or impacts of Australian Government bond rate changes have not been included in the explanations;
- the variances relating to cash flows are a result of the factors explained for net cost of services, assets or liabilities variations. Unless otherwise individually significant, no additional commentary has been included; and

The budget is not audited.

Budget Variance explanation	Affected statements and line items
The net cost of service was $9.318 million higher than Budget because of: - an increase in pay rates because of the new enterprise agreement; and - an increase of the department's permanent workforce partially offset by a reduction in supplier costs across the department due to decreased spending on consultants and contractors.	Statement of Comprehensive Income Statement - Employee benefits - Suppliers Statement of Financial Position - Employee provisions - Employee benefits payable Cash Flow Statement - Employees - Suppliers
Additional Departmental Appropriation was received as part of the Portfolio Additional Estimates (Appropriation Act No.3) and Portfolio Supplementary Additional Estimates Statement (Appropriation Act No.5).	Statement of Comprehensive Income Statement - Revenue from Government Statement of Financial Position - Trade and other receivables Cash Flow Statement - Appropriations
An increase in lease liabilities because of additional lease contracts entered.	Statement of Financial Position - Leases
A full asset revaluation was completed this financial year which has resulted in an increase in asset values.	Statement of Comprehensive Income Statement - Changes in asset revaluation reserves Statement of Financial Position - Non-financial assets - Asset revaluation reserve Statement of Changes in Equity - Comprehensive income

Administered Schedule of Comprehensive Income
for the period ended 30 June 2024

	Notes	2024 $'000	2023 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Grants	4.1A	**193,891,359**	186,092,979	194,419,980
Finance costs	4.1B	**1,042,470**	568,897	744,242
Payments to corporate Commonwealth entities	4.1C	**733,292**	49,090	39,690
Suppliers and increase in provisions and financial guarantees	4.1D	**27,042**	118,292	60,038
Concessional loan discount	4.1E	**248,543**	397,659	-
Foreign exchange losses		**25,238**	338,100	192,216
Total expenses		**195,967,944**	187,565,017	195,456,166
Income				
Revenue				
Revenue from contracts with customers	4.2A	**626,347**	655,013	719,382
Interest	4.2B	**881,318**	656,269	701,156
COAG revenue from government agencies[1]	4.2C	**1,249,529**	1,200,521	2,242,581
Taxation and other revenue	4.2D	**98,809**	96,688	100,879
Total revenue		**2,856,003**	2,608,491	3,763,998
Gains				
Foreign exchange		**-**	-	130,422
Guarantee revaluations	4.2E	**180,132**	13,718	-
Total gains		**180,132**	13,718	130,422
Total income		**3,036,135**	2,622,209	3,894,420
Net (cost of)/contribution by services		**(192,931,809)**	(184,942,808)	(191,561,746)
Surplus/(Deficit)		**(192,931,809)**	(184,942,808)	(191,561,746)
OTHER COMPREHENSIVE INCOME				
Items subject to subsequent reclassification to net cost of services				
Gains/(losses) on financial assets at fair value through other comprehensive income		**1,419,421**	285,045	-
Total comprehensive income		**1,419,421**	285,045	-
Total comprehensive income/(loss)		**(191,512,388)**	(184,657,763)	(191,561,746)

The above statement should be read in conjunction with the accompanying notes.
[1.] COAG is the Council of Australian Governments.

4

Administered Schedule of Assets and Liabilities
as at 30 June 2024

	Notes	2024 $'000	2023 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	5.1A	**766,690**	947,977	965,931
Loans and other receivables	5.1B	**3,946,660**	3,058,809	2,488,040
Investments	5.1C	**32,012,362**	30,675,494	29,212,269
Total financial assets		**36,725,712**	34,682,280	32,666,240
Total assets administered on behalf of Government		**36,725,712**	34,682,280	32,666,240
LIABILITIES				
Payables				
Grants	5.2A	**1,486,046**	380,503	100,358
IMF and other payables	5.2B	**18,751,626**	19,730,783	18,120,739
Unearned income		**-**	-	5
Financial guarantees	5.2C	**567,650**	753,813	689,821
Total payables		**20,805,322**	20,865,099	18,910,923
Financial liabilities				
Promissory notes	5.3A	**9,442,699**	8,706,866	9,282,790
Total financial liabilities		**9,442,699**	8,706,866	9,282,790
Provisions				
Provisions	5.4	**10,494,534**	6,475,728	2,126,653
Total provisions		**10,494,534**	6,475,728	2,126,653
Total liabilities administered on behalf of Government		**40,742,555**	36,047,693	30,320,366
Net assets/(liabilities)		**(4,016,843)**	(1,365,413)	2,345,874

The above statement should be read in conjunction with the accompanying notes.

Administered Reconciliation Schedule
for the period ended 30 June 2024

	2024 $'000	2023 $'000
Opening assets less liabilities as at 1 July	**(1,365,413)**	(2,043,658)
Net (cost of)/contribution by services		
Income	**3,036,135**	2,622,209
Expenses		
Payments to entities other than corporate Commonwealth entities	**(195,234,652)**	(187,515,927)
Payments to corporate Commonwealth entities	**(733,292)**	(49,090)
Other comprehensive income		
Revaluations transferred to reserves	**1,419,421**	285,045
Transfers (to)/from Australian Government		
Appropriation transfers from Official Public Account (OPA)		
Administered assets and liabilities appropriations	**300,000**	171,153
Annual appropriation for administered expenses		
Payments to entities other than corporate Commonwealth entities	**67,023**	41,198
Payments to corporate Commonwealth entities	**733,292**	49,090
Special appropriations (limited)		
Payments to entities other than corporate Commonwealth entities	**21,234**	60,332
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	**123,961,101**	120,264,421
Special accounts - COAG Reform Fund	**15,592,313**	17,932,060
Special accounts - Medicare Guarantee Fund	**47,521,044**	46,467,038
Special accounts - Fuel Indexation	**1,773,000**	1,072,000
Appropriation transfers to OPA		
Transfers to OPA - appropriations	**(1,108,049)**	(721,284)
Closing assets less liabilities as at 30 June	**(4,016,843)**	(1,365,413)

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Administered cash transfers to and from the Official Public Account

Revenue collected by Treasury for use by the Government rather than Treasury is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriations on behalf of the Government. These transfers to and from the OPA are adjustments to administered cash held by Treasury on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

4

Administered Cash Flow Statement
for the period ended 30 June 2024

	Notes	2024 $'000	2023 $'000
OPERATING ACTIVITIES			
Cash received			
Sale of goods and rendering of services		**-**	616
Interest		**737,927**	399,869
GST received		**3,004**	1,503
COAG revenue from government agencies		**1,248,729**	1,200,521
Other receipts from government agencies	6.1D	**30,989,949**	28,971,974
Other		**98,709**	96,688
Total cash received		**33,078,318**	30,671,171
Cash used			
Grants		**188,716,750**	185,818,946
Suppliers		**21,896**	-
Other grants to the States and Territories	6.1D	**30,989,949**	28,971,974
Payments to corporate Commonwealth entities		**733,292**	49,090
IMF charges		**777,939**	415,145
Other		**16,640**	8,835
Total cash used		**221,256,466**	215,263,990
Net cash from/(used by) operating activities		**(188,178,148)**	(184,592,819)
INVESTING ACTIVITIES			
Cash received			
Repayment of IMF loans		**25,803**	33,780
Repayment of loans from Housing Australia		**68,891**	-
Repayment of other loans		**866**	456
Repayment of International Loans		**225,785**	172,323
Repayment of loans to States and Territories		**15,952**	15,953
Total cash received		**337,297**	222,512
Cash used			
Settlement of IMF Promissory notes		**40**	121,000
Settlement of international financial institutions' obligations		**65,931**	65,000
Settlement of other loans		**-**	6,153
Purchase of administered investments		**304,630**	185,000
Settlement of loans to Housing Australia		**230,793**	41,629
Settlement of international assistance loans		**600,000**	750,000
Total cash used		**1,201,394**	1,168,782
Net cash from/(used by) investing activities		**(864,097)**	(946,270)
Net increase/(decrease) in cash held		**(189,042,245)**	(185,539,089)
Cash and cash equivalents at the beginning of the reporting period		**947,977**	1,165,521
Cash from Official Public Account			
Appropriations		**125,082,650**	120,571,731
Special accounts		**64,886,357**	65,471,098
Total cash from Official Public Account		**189,969,007**	186,042,829
Cash to Official Public Account			
Appropriations		**1,108,049**	721,284
Total cash to Official Public Account		**1,108,049**	721,284
Net cash from/(to) Official Public Account		**188,860,958**	185,321,545
Cash and cash equivalents at the end of the reporting period	**5.1A**	**766,690**	947,977

The above statement should be read in conjunction with the accompanying notes.

Budget Variance Reporting

for the period ended 30 June 2024

The following major variance explanations between the Original Budget as presented in the 2023-24 Portfolio Budget Statements (PBS) and the actual financial statements for the year ended 30 June 2024 presented in accordance with Australian Accounting Standards.

The information and variances presented below should be read and are considered to be 'major' if they are core to the agency's activities and based on the follow criteria:

- the variance between budget and actual is greater than +/- 10% and $1 billion of the original budget for a line item;
- an item is below this threshold but is deemed relevant to an analysis of the department's performance and are not focused merely on numerical differences between the original budget and actual amounts;
- are attributable to factors which would not reasonably have been identifiable at the time of the Budget preparation, such as foreign exchange rate changes have not been included in the explanations; and

The budget is not audited.

Budget Variance explanation	Affected statements and line items
The gains on financial assets at fair value through other comprehensive income are higher than the budget because of increases in the net asset position in the Australian Reinsurance Pool Corporation, Housing Australia, and Australian Business Growth Fund.	Statement of Comprehensive Income - Gains/(losses) on financial assets at fair value through other comprehensive income
Loans and receivables are higher than the budget because of - an increase in receivables relating to GST revenue and receivables. - an increase in new loans, interest receivable and corresponding balances of the loan to Housing Australia, International Monetary Fund (IMF) and international countries.	Administered Schedule of Assets and Liabilities - Loans and other receivables
Investments are higher than the budget because of: - an increase to the net asset position in Australian Reinsurance Pool Corporation and Housing Australia, equity injections to Housing Australia; and - additional share purchases in international financial institutions.	Administered Schedule of Assets and Liabilities - Investments
Grants payables are higher than the budget because of: - the new Energy Bill Relief program and the National Partnership Payments programs that met the payment milestone requirements at 30 June 2024; and - the new Compensation Scheme of Last Resort program.	Administered Schedule of Assets and Liabilities - Grants Payables
Provisions are higher than the budget because of the Disaster Recovery Funding Arrangements (DRFA) provision due to the discount rate and changes in assumptions for existing and new disasters.	Administered Schedule of Assets and Liabilities - Provisions

Notes to and forming part of the financial statements

Overview

The Department of the Treasury (Treasury) is an Australian Government controlled not-for-profit entity that is the Government's lead economic adviser. Treasury provides advice to Government and implements policies and programs to achieve strong and sustainable economic and fiscal outcomes for Australians. Treasury's work includes promoting a sound economic environment, effective Government spending arrangements and regulations, well-functioning markets to serve consumers and investors, sustainable taxation and revenue arrangements, and housing outcomes that support productivity and wellbeing. Treasury achieves this through providing policy advice, analysis and the delivery of economic policies and programs, including legislation, administrative payments, and our regulatory functions, which support the effective management of the Australian economy.

Treasury's activities are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by Treasury in its own right. Administered activities (shown with grey shading throughout the financial statements) involve the management or oversight by Treasury, on behalf of the Government, of items controlled or incurred by the Government.

The continued existence of Treasury in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for Treasury's administration and programs.

The Basis of Preparation

The financial statements are general purpose financial statements and required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*; and
b) Australian Accounting Standards and interpretations

Treasury has compiled in full and meet all requirements of the simplified disclosure issued by the AASB with the exception of disclosures for administered activities applying Tier 1 reporting requirements prepared under the following accounting standards, as required under subsection 18(4) of the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015:*

a) AASB 7 *Financial Instruments: Disclosure*;
b) AASB 12 *Disclosure of Interests in Other Entities*; and
c) AASB 13 *Fair Value Measurement*.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets at fair value. Unless specifically where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars rounded to the nearest thousand. Unless otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards

Taxation

Treasury is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Foreign currency

Where transactions are denominated in a foreign currency they are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Commonwealth of Australia Constitution Act 1900 ("the Constitution") provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. Treasury has controls in place to reduce any instances of non-compliance with section 83 wherever possible and ensure there is no intentional misuse of funds. Recovery action is taken to rectify any instances of non-compliance as soon as it is identified.

During 2023-24, Treasury continued to monitor and adapt its verification procedures for payments made under the Federal Financial Relations Act 2009 and the COAG Reform Fund Act 2008.

Treasury identified one potential breach resulting in an overpayment of $4.6 million to States in 2023-24 relating to Improving Great Artesian Basin Drought Resilience project delivery. The potential breach was due to an error made when the relevant agency assessed the project milestones. Reassessment of the project milestones found one project did not meet the requirements for payment by 30 June 2024. As a result, $80,000 will be recovered in 2024-25.

In 2023-24 Treasury identified an overpayment totalling USD$2,000 in 2020-21 from the Consolidated Revenue Fund where two additional shares were purchased under the Instrument of Subscription and in accordance with the International Finance Corporation (IFC) Resolution No. 272 (2018 General Capital Increase). Treasury recovered the USD$2,000 in 2023-24.

There is no evidence of systemic issues and action has been taken to prevent recurrence of these errors.

Events After the Reporting Period

There are no known events occurring after the reporting period that could impact on the financial statements.

1. Departmental Financial Performance

This section analyses the financial performance of the Treasury for the year.

1.1. Expenses

	2024 $'000	2023 $'000
Note 1.1A: Employee benefits		
Wages and salaries	**191,919**	179,131
Superannuation		
Defined contribution plans	**24,398**	22,213
Defined benefit plans	**11,430**	8,763
Redundancies	**1,766**	368
Leave and other entitlements	**24,718**	26,065
Other	**4,241**	4,145
Total employee benefits	**258,472**	240,685

Accounting Policy

Accounting policies for employee related expenses are contained in Note 3: People and Relationships.

	2024 $'000	2023 $'000
Note 1.1B: Suppliers		
Goods and services supplied or rendered		
Consultants, contractors and secondees	**44,368**	64,386
IT and communications	**17,774**	15,508
Travel	**6,333**	6,053
Property operating expenses	**5,317**	6,597
Conferences and training	**4,853**	4,949
Legal expenses	**3,281**	3,888
Publications and subscriptions	**2,746**	3,316
Audit, accounting and bank fees	**1,819**	1,966
Other	**3,193**	2,521
Total goods and services supplied or rendered	**89,684**	109,184
Goods supplied	**4,231**	4,495
Rendering of services	**85,453**	104,689
Total goods and services supplied or rendered	**89,684**	109,184
Other suppliers		
Workers compensation premiums	**1,166**	559
Short-term leases	**-**	139
Total other suppliers	**1,166**	698
Total suppliers	**90,850**	109,882

The Treasury has short-term lease commitments of nil (2023: $0.07m) as at 30 June 2024.

	2024	2023
	$'000	$'000
Note 1.1C: Grants		
Non-profit organisations	**782**	703
Total grants	**782**	703

Accounting Policy

The Treasury administers a number of grant schemes. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants and services, but services have not been performed or criteria satisfied, this is considered a commitment.

	2024	2023
Note 1.1D: Finance costs		
Interest on lease liabilities	**1,686**	1,769
Unwinding of discount	**237**	205
Total finance costs	**1,923**	1,974

1.2. Own-Source Revenue and Gains

Own-Source Revenue	2024 $'000	2023 $'000
Note 1.2A: Revenue from contracts with customers		
Rendering of services	**9,994**	13,654
Total revenue from contracts with customers	**9,994**	13,654
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Actuarial services	**4,169**	3,732
Shared services	**1,970**	2,035
Cost recoveries	**2,790**	6,840
Income from subleasing[1]	**1,015**	979
Other	**50**	68
	9,994	13,654
Type of customer:		
Australian Government entities (related parties)	**9,944**	13,586
Non-government entities	**50**	68
	9,994	13,654

1. The Treasury sub-leases accommodation to the Australian Office of Financial Management and the Australian Taxation Office.

Maturity analysis of sub-lease commitments receivable:	2024 $'000	2023 $'000
Within 1 year	**402**	1,104
1-2 years	**237**	402
2-3 years	**83**	237
3-4 years	**86**	83
4-5 years	**89**	86
More than 5 years	**35**	124
Total undiscounted lease payments receivable	**932**	2,036

Accounting Policy

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount reflecting the consideration to which the Treasury expects to be entitled in exchange for those goods or services. The Treasury has concluded it is the principal in all of its revenue arrangements because it controls the goods or services before transferring them to the customer.

The transaction price is the total amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Actuarial Services

The Australian Government Actuary division provide actuarial services for other Commonwealth entities. The Treasury recognises revenue upon the completion of the services (that is, at a point in time) as defined by the underlying contract as this is when the customer obtains the ability to direct the use of and obtain substantially all of the benefits from the services (typically a report or other deliverable). Invoicing occurs in line with the underlying agreement and can be in advance or in arrears.

Accounting Policy (continued)

Shared Services

The Treasury provide finance, payroll, security and IT function services to a number of portfolio entities. The Treasury recognises revenue on the basis of expenses incurred to complete the service (that is, over time) because the customer simultaneously receives and consumes the benefits provided to them. The Treasury uses the input method in measuring progress of the services because there is a direct relationship between the Treasury's effort (that is, expenditure incurred) and the transfer of the service to the customer. Invoicing occurs in line with the underlying agreement and can be in advance or in arrears.

Cost Recoveries

The Treasury receives cost recovery contributions from Commonwealth and State government entities as well as other entities to support the Treasury's facilitation of various grant programs, forums and/or councils. These arrangements are underpinned by enforceable agreements that are sufficiently specific to allow the Treasury to determine when the obligations are satisfied in return for consideration. The Treasury recognises revenue on the basis of expenses incurred to complete the service (that is, over time) because the customer simultaneously receives and consumes the benefits provided to them. The Treasury uses the input method in measuring progress of the services because there is a direct relationship between the Treasury's effort (that is, expenditure incurred) and the transfer of the service to the customer. Invoicing occurs in line with the underlying agreement and can be in advance or in arrears.

Income from Subleasing Right-of-use assets

The Treasury subleases a portion of office space to the Australian Office of Financial Management and the Australian Taxation Office (expired during this financial year). The Treasury does not transfer substantially all the risks and rewards incidental to ownership of its lease through this sublease and therefore classifies this sublease as an operating lease. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue from contracts with customers due to its operational nature.

	2024	2023
	$'000	$'000
Note 1.2B: Other revenue		
Resources received free of charge		
Seconded staff	**4,323**	5,916
Remuneration of auditors - ANAO	**510**	490
Other	**320**	185
Total other revenue	**5,153**	6,591
Note 1.2C: Other gains		
Gains from sale of assets	**20**	8
Reversal of restoration provision	**-**	134
Net foreign exchange gains	**36**	-
Total other gains	**56**	142
Note 1.2D: Revenue from Government		
Appropriations		
Departmental appropriations	**347,204**	343,789
Total revenue from Government	**347,204**	343,789

Accounting Policy

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined, and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Sale of assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Treasury gains control of the appropriation, except for certain amounts related to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

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2. Departmental Financial Position

This section analyses the Treasury assets used to generate financial performance and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1. Financial Assets

	2024 $'000	2023 $'000
Note 2.1A: Cash and cash equivalents		
Cash on hand or on deposit	**1,839**	305
Total cash and cash equivalents	**1,839**	305
Note 2.1B: Trade and other receivables		
Goods and services receivables		
Contract assets from contracts with customers	**2,849**	6,928
Goods and services	**1,303**	1,989
Total goods and services receivables	**4,152**	8,917
Appropriation receivables		
Appropriations receivable	**113,418**	114,958
Total appropriation receivables	**113,418**	114,958
Other receivables		
Net GST receivable from the ATO	**1,721**	2,589
Other receivables	**1,777**	734
Total other receivables	**3,498**	3,323
Total trade and other receivables (gross)	**121,068**	127,198
Total trade and other receivables (net)	**121,068**	127,198

Credit terms for goods and services were within 30 days (2023: 30 days).

Accounting Policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows, where the cash flows are solely payments for principal and interest that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

2.2. Non-Financial Assets

Note 2.2: Reconciliation of the opening and closing balances of property, plant and equipment and computer software (2023-24)

	Buildings	Plant and equipment	Intangibles[1]	Total
	$'000	$'000	$'000	$'000
As at 1 July 2023				
Gross book value	189,293	16,905	26,177	232,375
Accumulated depreciation / amortisation and impairment	(48,728)	(6,234)	(21,849)	(76,811)
Total value as at 1 July 2023	**140,565**	**10,671**	**4,328**	**155,564**
Additions	4,694	2,314	374	7,382
Purchase or internally developed	2,093	2,314	374	4,781
Right-of-use assets	2,601	-	-	2,601
Revaluations recognised in other comprehensive income	4,082	233	-	4,315
Depreciation and amortisation	(3,455)	(2,578)	(1,930)	(7,963)
Depreciation on right-of-use assets	(12,864)	(20)	-	(12,884)
Disposal of right-of-use assets	(110)	-	-	(110)
Disposals	-	(154)	(6)	(160)
Total as at 30 June 2024	**132,912**	**10,466**	**2,766**	**146,144**
Total as at 30 June 2024 represented by:				
Gross book value	187,730	11,037	20,619	219,386
Fair value	20,920	8,910	-	29,830
At cost	166,283	60	20,619	186,962
Under construction	527	2,067	-	2,594
Accumulated depreciation / amortisation and impairment	(54,818)	(571)	(17,853)	(73,242)
Total as at 30 June 2024	**132,912**	**10,466**	**2,766**	**146,144**
Carrying amount of right-of-use assets	**111,692**	**29**	**-**	**111,721**

1. The carrying amount of computer software included $0.78 million purchased software and $1.99 million internally generated software.

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Contractual commitments[1] for the acquisition of property, plant and equipment and intangible assets.

	2024 $'000	2023 $'000
Commitments are payable as follows:		
Within 1 year	**1,228**	30
Between 1 to 5 years	**508**	-
Total commitments	**1,736**	30

1. Commitments are GST inclusive where relevant.

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold

Purchases of plant and equipment and computer software are recognised initially at cost in the statement of financial position, except for purchases costing less than $10,000 (building – leasehold improvements and internally developed software $50,000) which are expensed in the year of acquisition.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to restoration provisions in property leases taken up by the Treasury where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Treasury's leasehold improvements with a corresponding provision for the restoration recognised.

Leased Right-of-Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to corresponding assets owned outright but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Following initial application, an impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Leased ROU assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Accounting Policy (continued)

Depreciation and Amortisation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Treasury using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Software is amortised on a straight-line basis.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

	2024	**2023**
Buildings - leasehold improvements	5-25 years	5-25 years
Plant and equipment:		
Plant and equipment	3-10 years	3-10 years
Motor vehicles	4 years	4 years
Office equipment	5 years	5 years
Computer software	3-5 years	3-5 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2024. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows and the asset would be replaced if the Treasury were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The Treasury's intangible assets comprise internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

All software assets were assessed for indications of impairment as at 30 June 2024, including the impact of factors such as project cessation and platform changes. No indication of impairment for intangible assets were identified as at 30 June 2024, therefore nil impairment losses for intangible assets were recognised (2023: nil).

Accounting judgement and estimates

The fair value of buildings – leasehold improvements and plant and equipment has been taken to be the market value of similar properties or depreciated replacement value as determined by an independent valuer.

Refer to section 7.5 Fair Value Measurement - Accounting Policy.

2.3. Interest Bearing Liabilities

	2024	2023
	$'000	$'000
Note 2.3: Leases		
Lease liabilities		
Buildings	**123,793**	133,272
Plant and equipment	**28**	48
Total leases	**123,821**	133,320

Total cash outflow for leases for the year ended 30 June 2024 was $13.69 million (2023: $12.77 million).

	2024	2023
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**13,175**	12,762
Between 1 to 5 years	**58,623**	47,109
More than 5 years	**61,580**	83,592
Total leases	**133,378**	143,463

Accounting Policy

For all new contracts entered into, the Treasury considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

2.4. Other Provisions

Note 2.4: Reconciliation other provisions	**Total**
	$'000
Carrying amount 1 July 2023	**5,974**
Amounts reversed	**(6)**
Unwinding of discount or change in discount rate	**236**
Closing balance 30 June 2024	**6,204**

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3. People and relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

3.1. Employee Provisions

	2024	2023
	$'000	$'000
Note 3.1: Employee provisions		
Leave	**82,184**	76,123
Total employee provisions	**82,184**	76,123

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates applied at the time the leave is taken, including the Treasury's employer superannuation contribution rates to the extent the leave is likely to be taken during service rather than paid out on termination.

In 2023-24, the Treasury engaged the Australian Government Actuary to undertake a triennial actuarial assessment of its leave provisions, taking into account the likely tenure of existing staff, patterns of leave claims, payouts and future salary movements. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and general pay increases. Treasury has accepted the assumptions determined by the Australian Government Actuary in the triennial report.

Superannuation

Staff of the Treasury are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes of the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Treasury makes employer contributions to the employee's defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of Treasury's employees. The Treasury accounts for the contributions as if they were contributions to defined contribution plans in accordance with AASB 119.

The liability for superannuation recognised as at 30 June 2024 represents outstanding contributions yet to be paid.

3.2. Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities, directly or indirectly, of the Treasury. The Treasury has determined the key management personnel to be the Secretary and Deputy Secretaries. Key management personnel remuneration is reported in the table below:

	2024	2023
	$'000	$'000
Short-term employee benefits	**3,249**	3,202
Post-employment benefits	**544**	536
Other long-term employee benefits[1]	**85**	195
Total key management personnel remuneration expenses[2]	**3,878**	3,933

[1] Other long-term employee benefits is affected by the movement in the 10-year bond rate from 4.03% in 2022-23 to 4.31% in 2023-24 (prior year moved from 3.66% to 4.03%).

[2] The above key management personnel remuneration excludes the remuneration and other benefits of the Treasurer and other Portfolio Ministers. Their remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Treasury.

The total number of key management personnel included in the above table for Treasury in 2024 is 7 people (2023: 11 people) for 7 roles.

3.3. Related Party Disclosures

Related party relationships:
The Treasury is an Australian Government controlled entity. Related parties to the Treasury are key management personnel including the Portfolio Minister and Executive and other Australian Government entities.

Transactions with related parties:

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by Treasury, it has been determined one related party transaction is to be separately disclosed in 2024 (2023: one).

2023-24
During the reporting period, Treasury purchased shares totalling $4.63 million in the Australian Business Growth Fund (ABGF). One of the key management personnel was a government-appointed director of ABGF during 2023-24.

2022-23
During the reporting period, Treasury purchased shares totalling $20.00 million in the Australian Business Growth Fund (ABGF). One of the key management personnel was a government-appointed director of ABGF during 2022-23.

4. Income and Expenses Administered on Behalf of Government

This section analyses the activities the Treasury does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1. Administered – Expenses

	2024 $'000	2023 $'000
Note 4.1A: Grants		
Public sector		
State and Territory Governments	**144,840,672**	138,277,136
Payment of COAG receipts from Government agencies	**1,246,829**	1,323,521
Department of Health and Aged Care - Medicare Guarantee Fund	**47,521,044**	46,467,038
Private sector		
Not-for-profit organisation	**278,903**	22,116
Grants to private sector[1]	**1,911**	2,168
Overseas entities		
Grants to overseas entities	**2,000**	1,000
Total grants	**193,891,359**	186,092,979

1. The 2022-23 comparative for grants to private sector had been split into grants to not-for-profit, grants to private sector and grants to State and Territory Governments.

Accounting Policy

The Treasury administers a number of grants on behalf of the Government. With the exception of the accounting treatment of payments to State and Territories under Disaster Recovery Funding Arrangements (DRFA) detailed below, grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied but payments due have not been made. When the Government enters into an agreement to make these grants and services but services have not been performed or criteria satisfied, this is considered a commitment.

Grants to States and Territories

Under the Federal Financial Relations Framework, the Treasurer is responsible for payments to the States and Territories.

There are six main types of payments under the framework:

(i) General revenue assistance, including GST revenue payments – a financial contribution to a State or Territory which is available for use for any purpose.

(ii) National Specific Purpose Payments (National SPPs) – a financial contribution to support a State or Territory to deliver services in a particular sector.

(iii) National Health Reform (NHR) payments – a financial contribution to a State or Territory to improve health outcomes for all Australians and ensure the sustainability of Australia's health system. Payments are made on the condition that the financial assistance is spent in accordance with the NHR Agreement.

(iv) National Housing and Homelessness Agreement (NHHA) payments – a financial contribution to a State or Territory to improve access to affordable, safe and sustainable housing, including to prevent and address homelessness and support social and economic participation.

(v) Temporary Energy Bill Relief (TEBR) payments – a reimbursement to a State or Territory for payments made for the provision of energy bill relief to eligible households and small businesses for 2023-24.

(vi) National Partnership (NP) payments – a financial contribution in respect of a funding agreement with a State or Territory to support the delivery of specific projects, to facilitate reforms or to reward jurisdictions that deliver on national reforms or achieve service delivery improvements. Portfolio Ministers are accountable for government policies associated with NP payments.

Accounting Policy - Grants to States and Territories (continued)

National SPPs, NHHA, NHR and GST are paid monthly in advance under the *Federal Financial Relations Act 2009*. TEBR is paid in accordance with the funding agreement with the State or Territory, with most energy bill relief provided on a quarterly basis during 2023-24. After the end of the financial year, the Treasurer determines the amounts that should have been paid and any adjustments are made in respect of advances that were paid during the financial year.

NP and other general revenue assistance payments are paid under *the Federal Financial Relations Act 2009* which allows the Treasurer (or the delegated Minister within the Treasury Portfolio) to determine an amount to be paid to a State or Territory for the purpose of making a grant of financial assistance. Once determined, this amount must be credited to the Councils of Australian Government (COAG) Reform Fund special account. The Treasurer must ensure that, as soon as practicable after the amount is credited, the COAG Reform Fund is debited for the purposes of making the grant. In addition, the Treasurer must have regard to the Intergovernmental Agreement on Federal Financial Relations.

Payments to the States and Territories through the COAG Reform Fund special account

The Treasury receives funds from the relevant Commonwealth agency and pays the amount to the States and Territories. These amounts are recorded as 'COAG revenue from Government Agencies' to recognise the income and a corresponding grant expense for the payment to the States and Territories when entitled to be paid.

Disaster Recovery Funding Arrangements (DRFA)

The Treasury accounts for payments made to States and Territories under DRFA by recognising a liability equal to the discounted value of estimated future payments to States and Territories regardless of whether or not a State or Territory has completed eligible disaster reconstruction work or submitted an eligible claim to the Commonwealth. States and Territories were requested to provide to the National Emergency Management Agency (NEMA) an estimate of costs expected to be incurred for disasters affecting States and Territories that occurred prior to 1 July 2024 which would be eligible for assistance. The signed representations from the States and Territories are quality assured by the NEMA, which in turn provides a certification of the expenditure estimates to the Treasury. Refer to note 5.4 Administered provisions for additional information.

Medicare Guarantee Fund

The purpose of the *Medicare Guarantee Act 2017* (the Act) is to establish the Medicare Guarantee Fund (MGF) which secures the ongoing funding of the Medical Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS).

The MGF consists of the Medicare Guarantee Fund (Treasury) Special Account (Treasury Special Account) and the Medicare Guarantee Fund (Health) Special Account (Health Special Account). The Treasury Special Account is administered by the Department of the Treasury and the Health Special Account is administered by the Department of Health and Aged Care.

Under the Act, the Treasurer must credit the Treasury Special Account with an amount that is sufficient to cover the estimated costs of the MBS and PBS for the next financial year. The Treasury is reliant on advice from the Department of Health and Aged Care in determining the estimated costs. The sole purpose of the Treasury Special Account is to ensure that amounts are available for transfer to the Health Special Account to fund the MBS and PBS.

The MGF funding payment is recorded in Treasury administered expenses to reflect the payment into the Health Special Account from the Treasury Special Account. Refer to Note 6.2 Special Accounts.

Compensation Scheme of Last Resort (CSLR)

The CSLR operator provides compensation of up to $150,000 to eligible customers who have received an Australian Financial Complaints Authority (AFCA) determination awarding compensation in relation to complaints in one of the four areas: personal financial advice, credit intermediation, securities dealing or credit provision. A determination may be unpaid because the financial institution subject to the determination has become insolvent.

The CSLR operator commenced its operations on 2 April 2024. The Australian Government formally authorised CSLR Limited to operate the scheme under section 1060 of the *Corporations Act 2001*. The Government also funded the establishment of CSLR Limited and the first levy period costs from April 2024 to June 2024.

The ten largest banking and general/life insurance groups (by income from financial year 2021-22) funded estimated claims flowing from complaints lodged with AFCA from November 2018 to September 2022.

Accounting Policy – Grants to CSLR (continued)

- CSLR is responsible for determining the total costs to the scheme for the leviable period;
- Australian Securities and Investments Commission (ASIC) is responsible for issuing levy notices and collecting levy payments; and
- Treasury will pay CSLR operator the amount equal to the amount received by ASIC.

The payments to AFCA during 2023-24 for the establishment of CSLR are recorded as grants to not-for-profit organisation. All payments to CSLR operator are also recorded as grants to not-for-profit organisation. Any levy notice issued by ASIC but not paid to a CLSR operator at 30 June will be accrued as grants payable by the Treasury.

	2024 $'000	2023 $'000
Note 4.1B: Finance costs		
Charges on SDR allocations	**783,894**	515,583
Unwinding of discount - Housing Australia Home Guarantees provision	**1,556**	-
Unwinding of discount - DRFA provision	**257,020**	53,314
Total finance costs	**1,042,470**	568,897

Accounting Policy

Charges on SDR allocations

The Special Drawing Rights (SDR) is an international reserve asset created by the International Monetary Fund (IMF), and allocated to member countries participating in its SDR Department. SDR allocations represent the SDRs allocated to Australia by the IMF. These allocations provide each member with on-demand access to freely usable currencies. When the IMF allocates SDRs, participants in the SDR Department receive unconditional liquidity represented by an interest-bearing reserve asset (SDR holding) and a corresponding long-term liability to the SDR Department (SDR allocation).

The IMF pays interest on SDR holdings and levies charges on SDR allocations of each member at the same rate (the SDR interest rate).

Unwinding of discount – DRFA provision
Refer to Note 5.4 Accounting Policies for further details on DRFA provision.

Note 4.1C: Payments to corporate Commonwealth entities		
Housing Australia		
Operating funding	**33,292**	14,090
Grants payment	**700,000**	35,000
Total payments to corporate Commonwealth entities	**733,292**	49,090

From 12 October 2023, the National Housing Finance and Investment Corporation has become Housing Australia.

Note 4.1D: Suppliers		
Suppliers		
Advertising campaigns	**19,924**	2
General supplier expenses	**277**	16
Total suppliers	**20,201**	18
Increase in provisions and financial guarantees		
Housing Australia Home Guarantee Scheme - increase in provision	**6,841**	11,648
Small & Medium Enterprises Guarantee Scheme – increase in financial guarantees	**-**	106,626
Total increase in provisions	**6,841**	118,274
Total suppliers and increase in provisions	**27,042**	118,292

	2024 **$'000**	2023 $'000
Note 4.1E: Concessional loan discount		
Concessional loan discount - PNG loans	**248,543**	397,451
Concessional loan discount - AEMO loan	**-**	208
Total concessional loan discount	**248,543**	397,659

Accounting Policy

Increase in provisions and financial guarantees

Refer to Note 5.4 and Note 5.2C Accounting Policies for further details on the Increase in provisions.

Concessional loan discount expense

A concessional loan discount expense is recorded when Treasury makes a loan at a discount to the prevailing market equivalent rates or terms. The concessional loan discount expense is an upfront non-cash concession charge and will unwind over the term of the underlying loan to become concessional loan interest income. As the concessional loan discount expense is a non-cash adjustment, it does not impact the underlying operational earning of the Treasury. Over the life of the loans, the cumulative impact of the reported profit or loss from the concessional loan discount and income will net to nil.

Accounting judgement and estimates

Treasury is required to record a concessional loan discount expense when it makes a loan at a discount to the prevailing market equivalent rate or terms. This requires judgement in determining the 'market equivalent rate' to ascertain the extent of the implicit discount attached to the loan. To estimate the market rate, Treasury considers key terms of the loan such as loan tenure and repayment profile, as well as comparable bond issuance with similar credit rating. Treasury also considers the seniority and potential resource to collateral or assets, in combination with an assessment of the return on equity that an arms-length market participant may desire.

4.2. Administered – Income

Revenue	2024 $'000	2023 $'000
Non-Taxation Revenue		
Note 4.2A: Revenue from contracts with customers		
GST administration fees - external entities	**626,347**	654,453
Guarantee of State and Territory borrowing fee	**-**	560
Total revenue from contracts with customers	**626,347**	655,013

Note 4.2B: Interest		
Interest from IMF transactions	**682,886**	454,119
Interest on international assistance loans	**76,489**	53,982
Interest on loans to States and Territories	**1,175**	1,893
Interest on loans to Housing Australia	**4,215**	1,094
Interest on loan to Australian Energy Market Operator (AEMO)	**211**	175
Unwinding of concessional loan discount - AEMO loan	**46**	37
Unwinding of concessional loan discount - PNG loans	**76,217**	60,087
Unwinding of concessional loan discount - Indonesia loan	**40,079**	42,103
Unwinding of concessional loan discount - IMF PRGT loan[1]	**-**	42,779
Total interest	**881,318**	656,269

Note 4.2C: COAG revenue from Government		
Confiscated Assets Account revenue	**7,100**	7,100
DisabilityCare Australia Fund revenue	**1,007,491**	973,626
Disaster Ready Fund revenue	**200,000**	200,000
Future Drought Fund revenue	**34,938**	19,795
Total COAG revenue from government agencies	**1,249,529**	1,200,521

Note 4.2D: Taxation and other revenue		
Mirror taxes[1]	**902,633**	761,736
less Transfers to States in relation to mirror taxes revenue	**(902,633)**	(761,736)
Australian Reinsurance Pool Corporation fee[2]	**90,000**	90,000
Other	**8,809**	6,688
Total taxation and other revenue	**98,809**	96,688

1. The Australian Government's mirror taxes arrangements mirror certain state taxes, including payroll taxes, land taxes and stamp duties, with respect to Commonwealth places. The States and Territories (the States) collect these mirror taxes on behalf of the Australian Government and bear the administrative cost of collection. All mirror taxes are credited to the Australian Government and simultaneously appropriated to the States.

2. Australian Reinsurance Pool Corporation dividend and service fee are agreed in advance as part of the budget process and finalised once the appropriate determination is provided under section 38(2) of the *Terrorism and Cyclone Insurance Act 2003*.

Note 4.2E: Guarantee revaluations		
Gains from revaluation of Small & Medium Enterprises Guarantee Schemes	**168,178**	-
Gains from revaluation of Housing Australia Home Guarantee Schemes	**11,954**	13,718
Other Gains	**180,132**	13,718

Accounting Policy

Administered revenue

All administered revenue relates to ordinary activities performed by the Treasury on behalf of the Australian Government. As such, administered appropriations are not revenue of the individual entity that oversees distribution or expenditure of the funds as directed.

Interest revenue

Interest revenue is recognised using the effective interest method.

Interest from International Monetary Fund (IMF) transactions

Australia receives interest from a number of arrangements transacting with IMF, including interest on Australia's IMF remunerated reserve tranche position, interest on IMF SDR holdings, interest on IMF NAB loans, IMF Pooled Investments, IMF PRGT loan, IMF RST deposit account and IMF RST loan account.

IMF remuneration

Remuneration is interest paid by the IMF to Australia for the use of its funds. Remuneration is paid on a portion of Australia's IMF quota commitment. This money is lent by Australia under the IMF's Financial Transaction Plan, under which members in a strong external position provide quota resources to support IMF lending to borrowing member countries.

Where the IMF's holdings of Australian dollars fall below a specified level, it pays remuneration on Australia's average remunerated reserve tranche position. The rate of remuneration is based on the Special Drawing Right (SDR) interest rate. The SDR interest rate is the market interest rate computed by the IMF, which is based on a weighted average of representative interest rates on short-term government debt instruments (generally 3 month bond rates) of the five entities whose currencies make up the SDR basket: the United States, United Kingdom, European Union, Japan and China. This rate is then adjusted to account for the financial consequences of overdue obligations to the IMF which are shared between members and reflected at Note 4.2B as 'burden sharing'. No adjustment for 'burden sharing' has been made in either the current or prior years.

Remuneration is calculated and paid at the end of the IMF's financial quarters. An annual Maintenance of Value adjustment is made to the IMF's holdings of Australia's quota paid in Australian dollars to maintain its value in SDR terms.

IMF SDR Holdings

Australia receives interest on the Special Drawing Rights (SDR) holdings. SDRs are allocated to members in proportion to their IMF quotas. These allocations provide each member with on-demand access to freely usable currencies. The members can exchange SDRs for freely usable currencies from other members. SDR is, therefore, a potential claim on freely usable currencies of IMF members. The Treasury has previously sold SDR holdings to the Reserve Bank of Australia in exchange for AUD, and also maintains SDR holdings for exchange with the IMF, countries or other prescribed holders. When the IMF allocates SDRs, participants in the SDR Department receive unconditional liquidity represented by an interest-bearing reserve asset (SDR holding) and a corresponding long-term liability to the SDR Department (SDR allocation).

IMF New Arrangements to Borrow (NAB)

Australia receives interest on amounts lent to the IMF under the New Arrangements to Borrow (NAB). Amounts lent to the IMF under the NAB accrue interest daily at the SDR interest rate. The IMF pays interest on NAB amounts quarterly.

The IMF must repay amounts lent through the NAB ten years after each call is made. Amounts can be repaid earlier at the IMF's discretion.

IMF Poverty Reduction and Growth Trust (PRGT)

Australia receives interest on amounts lent to the IMF under the Poverty Reduction and Growth Trust (PRGT). Amounts lent to the IMF under the PRGT accrue interest daily at the SDR interest rate (or such other rate as agreed by 85% of PRGT lenders). The IMF pays interest on PRGT amounts quarterly.

The IMF must repay amounts lent through the PRGT in line with the pass-through loan arrangement, this is usually ten years. Amounts can be repaid earlier if the pass-through loan is repaid early.

Accounting Policy (continued)

IMF Resilience and Sustainability Trust (RST)

The IMF RST is used to help countries build resilience to external shocks and ensure sustainable growth, contributing to their long-term balance of payments stability.

Australia provided SDR 14.18 million (approximately A$28.14 million as at 30 June 2024) to the RST Loan Account. The IMF must repay amounts provided through the RST Loan Account in line with the pass-through loan arrangement. Amounts can be repaid earlier if the pass-through loan is repaid early. Outstanding drawings by the IMF will earn interest at the SDR interest rate.

Australia provided SDR 152 million (approximately A$301.71 million as at 30 June 2024) to the RST Deposit Account. Australia receives interest on amounts provided to the IMF under the RST Deposit Account. Amounts provided to the IMF under the RST accrue interest daily at the SDR interest rate.

The IMF pays interest on RST Loan and Deposit amounts quarterly.

Australian Reinsurance Pool Corporation dividend and fee

The dividend and fee from the Australian Reinsurance Pool Corporation (ARPC) are recognised when the relevant Minister signs the legislative instrument and thus control of the income stream is established. These are measured at nominal amounts.

5. Assets and Liabilities Administered on Behalf of Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result, which the Treasury does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

5.1. Administered – Financial Assets

	2024 $'000	2023 $'000
Note 5.1A: Cash and cash equivalents		
Cash held in the OPA - Housing Australia Special Account	**761,990**	923,892
Cash held in the OPA - COAG Special Account	**4,700**	24,085
Total cash and cash equivalents	**766,690**	947,977

Accounting Policy

The Treasury's administered cash and cash equivalents relate to special account balances held in the Official Public Account (OPA). Refer to Note 6.2 Special Accounts for more information.

	2024 $'000	2023 $'000
Note 5.1B: Loans and other receivables		
Loans		
Loans to States and Territories	**15,953**	31,905
Loans to Housing Australia	**238,010**	76,108
IMF NAB loans	**-**	25,658
IMF PRGT loan	**517,165**	423,592
IMF RST loan	**28,136**	28,515
Concessional loans	**2,185,716**	1,944,568
Total loans	**2,984,980**	2,530,346
Other receivables		
IMF Maintenance of Value receivable	**83,588**	-
Net GST receivable from the ATO	**26,067**	103
Accrued interest - IMF related transactions	**108,255**	106,264
Accrued interest - loans to Housing Australia	**2,586**	1,218
Accrued interest - international loans	**59,327**	35,638
Accrued interest - AEMO Loan	**1**	-
GST revenue allocation	**680,929**	385,240
Other receivables	**927**	-
Total other receivables	**961,680**	528,463
Total loans and other receivables (gross)	**3,946,660**	3,058,809
Receivables are expected to be recovered in		
No more than 12 months	**1,271,305**	642,247
More than 12 months	**2,675,355**	2,416,562
Total receivables (gross)	**3,946,660**	3,058,809

Note 5.1B: Concessional loans carrying amounts	**Loans to PNG $'000**	**Loan to Indonesia $'000**	**Loan to AEMO $'000**	**Total $'000**
As at 1 July 2023	**984,596**	**954,446**	**5,526**	**1,944,568**
Gross funded loans and advances	**600,000**	**-**	**-**	**600,000**
Less: concessional loan discount on drawn loans	**(248,543)**	**-**	**-**	**(248,543)**
Less: repayment of principal	**(125,785)**	**(100,000)**	**(866)**	**(226,651)**
Add: unwinding of concessional loan discount (income)	**76,217**	**40,079**	**46**	**116,342**
Total as at 30 June 2024	**1,286,485**	**894,525**	**4,706**	**2,185,716**

	Loans to PNG $'000	Loan to Indonesia $'000	Loan to AEMO $'000	Total $'000
As at 1 July 2022	644,283	1,012,343	-	1,656,626
Gross funded loans and advances	750,000	-	6,153	756,153
Less: concessional loan discount on drawn loans	(397,451)	-	(208)	(397,659)
Less: repayment of principal	(72,323)	(100,000)	(456)	(172,779)
Add: unwinding of concessional loan discount (income)	60,087	42,103	37	102,227
Total as at 30 June 2023	984,596	954,446	5,526	1,944,568

Accounting Policy

Loans Receivables

All loans and receivables are classified as amortised cost under AASB 9. Refer to Note 7.4 Administered financial instruments for further details on accounting treatment.

Non-Concessional loans

Loans to Housing Australia

Loans to Housing Australia relate to the Affordable Housing Bond Aggregator (AHBA), which was established by Housing Australia to provide loans to registered Community Housing Providers (CHPs). In accordance with the *Housing Australia Investment Mandate Direction 2018*, each loan allocated to the AHBA must relate to a particular loan to a CHP unless approved by the Treasurer and Minister for Finance. Interest is to be charged on each loan at a rate that covers the Commonwealth's cost of borrowing over the life of the loan. The interest has been accrued as earned and disclosed in Notes 4.2B and 5.1B.

International Monetary Fund (IMF) New Arrangements to Borrow

Australia lent to the IMF under the New Arrangements to Borrow (NAB). NAB is a set of credit arrangements between the IMF and 40 member countries and Institutions, including a number of emerging market countries. The NAB is used in circumstances in which the IMF needs to supplement its quota resources for lending purposes. The NAB is covered by general activation periods of up to six months, with each activation period subject to a specified maximum level of commitments.

The IMF must repay amounts lent through the NAB ten years after each call is made. Amounts can be repaid earlier at the IMF's discretion.

IMF Poverty Reduction and Growth Trust (PRGT) Loan

Australia lent to the IMF under the Poverty Reduction and Growth Trust (PRGT) loan. Terms of the loans are consistent with other agreements between the IMF and all contributing countries. Australia receives interest from the PRGT Loan. The interest is accrued daily at the SDR interest rate. The IMF pays interest on PRGT loan quarterly.

Accounting Policy - Non-Concessional Loans (continued)

IMF Resilience and Sustainability Trust

In October 2022, Australia agreed to provide a line of credit of SDR 760 million (approximately A$1.51 billion as at 30 June 2024) available to the IMF under the Resilience and Sustainability Trust (RST). The IMF must repay amounts provided through the RST Loan Account in line with the pass-through loan arrangement. Amounts can be repaid earlier if the pass-through loan is repaid early. Outstanding drawings by the IMF will earn interest at the SDR interest rate. As at 30 June 2024, IMF has drawn SDR 14.18 million (approximately A$28.14 million as at 30 June 2024) against the total line of credit.

Concessional Loans

International Assistance Loans to Papua New Guinea

Between November 2020 to December 2023, the Commonwealth of Australia agreed to lend four loans totalling A$2.56 billion to the Independent State of Papua New Guinea (PNG). The first two loans were to support PNG reform actions under the IMF Staff-Monitored Program (SMP), where the latter two were to support PNG to meet its budget financing shortfalls and to deliver reform actions under multilateral development programs.

All four loans have fixed interest rates to match the yield on 10-year Australian Government Security on the 10th business day prior to the drawdown date (in respect of the previous quoted day), and first two loans with an additional 0.5% margin to cover administrative costs associated with the loans. The tenure of the loan is 15 years for one and 20 years for the other three. Instalments and interest are payable semi-annually in Australian dollars.

International Assistance Loan to Indonesia

On 22 November 2020, the Commonwealth of Australia agreed to lend A$1.5 billion to the Republic of Indonesia. This agreement is part of a multilateral action to support Indonesia led by the Asian Development Bank and including the Asian Infrastructure Investment Bank, the Japan International Cooperation Agency and the German state-owned development bank. The funds were used to support Indonesia's COVID-19 response, including social protection initiatives and health system development.

The interest rate on the loan is fixed to match the yield on 10-year Australian Government Securities as at the date of drawdown (in respect of the previous quoted day), with an additional 0.5% margin to cover administrative costs associated with the loan. Instalments on the loan principal and interest are repayable over fifteen years every six months in Australian dollars.

Loan to Australian Energy Market Operator

The Treasury, on behalf of the Commonwealth of Australia, provided a loan of $6.15 million to the Australian Energy Market Operator (AEMO) in 2022, to allow AEMO to upgrade its systems and procedures, so that it can make its relevant data available in a form that can be shared with consumers via the internet, in accordance with the Consumer Data Right (CDR) provisions in the *Competition and Consumer Act 2010* (CCA). The interest rate per annum is the daily yield on Australian government bonds with a 10-year maturity published on the business day prior to the drawdown date (in respect of the previous quoted day). Instalments on loan principal and interest are payable over seven years every 12 months.

GST Revenue allocation and Council of Australian Government (COAG) receivable

Under the COAG arrangements, the Treasury separately discloses grants payable (grants not paid prior to year-end) and receivable (primarily GST revenue allocations and other COAG grants receivable) based on information provided by Commonwealth Agencies for each COAG grant.

GST is paid to the State and Territories based on estimated figures provided in the Budget and revisited in the Mid-Year Economic and Fiscal Outcome (MYEFO) round. The key driver of the calculation of the distribution of GST is population and actual collections. At the end of each financial year, the Australian Bureau of Statistics provides population data and the ATO provides the actual GST collection figures. The difference between the estimated and actual State and Territory payments is recorded as GST revenue allocation.

Current year GST revenue allocation is $680.929 million (2023: $385.24 million). Refer to Note 5.2A Grants for further details.

	2024 $'000	2023 $'000
Note 5.1C: Investments		
International financial institutions		
Asian Development Bank	**609,706**	617,924
Asian Infrastructure and Investment Bank	**1,114,432**	1,113,423
European Bank for Reconstruction and Development	**101,033**	102,640
International Bank for Reconstruction and Development	**516,505**	483,206
International Finance Corporation	**699,327**	667,816
Multilateral Investment Guarantee Agency	**9,361**	9,353
Total international financial institutions	**3,050,364**	2,994,362
Australian Government entities		
Reserve Bank of Australia	**-**	-
Australian Reinsurance Pool Corporation	**1,663,288**	953,250
Housing Australia	**1,851,219**	834,025
Total Australian Government entities	**3,514,507**	1,787,275
Other investments		
Australian Business Growth Fund	**25,508**	28,689
IMF Quota	**13,045,653**	13,221,485
IMF SDR holdings	**10,059,537**	10,295,664
IMF PRGT investment	**1,984,915**	2,011,668
IMF RST reserve account	**30,171**	30,577
IMF RST deposit account	**301,707**	305,774
Total other investments	**25,447,491**	25,893,857
Total investments	**32,012,362**	30,675,494

Investments are expected to be recovered in more than 12 months.

Accounting Policy

Administered Investments

Investments are classified as fair value through other comprehensive income. Refer to Note 7.4 Administered Financial Instruments for further details on the Treasury's accounting policy. The note should be read in conjunction with notes 7.2 Administered Contingent Assets and Liabilities and 7.6: Administered – Fair Value Measurement.

International Financial Institutions

Australia holds shares in the World Bank Group (WBG), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD) and the Asian Infrastructure Investment Bank (AIIB).

Principal activities:

The World Bank was established in 1944 and comprises the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The World Bank, alongside the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID), form the WBG.

The IBRD provides financing and technical assistance to middle income countries and creditworthy poor countries. The IDA provides grants, concessional finance and technical assistance to low income countries. The IFC supports the development of the private sector by providing direct finance to private sector operations. MIGA provides guarantee services for projects, which reduce the risks for other co-financing partners including the private sector. ICSID provides international facilities for conciliation and arbitration of investment disputes.

The ADB was established in 1966 and has a mandate to reduce poverty and promote economic development in its developing member countries in Asia and the Pacific. The ADB does this by financing (through a mix of loans, grants, guarantees and co-financing activities with both other donors and the private sector) public sector and private sector activities. It also provides technical assistance to developing member countries so they can improve their policy and business investment environments. A significant portion of the ADB's activities is focused on the infrastructure, transportation and energy sectors.

Accounting Policy – Administered Investments (continued)

The EBRD was established in 1991 to assist former communist eastern European countries committed to the principles of multi-party democracy, pluralism and market economies, to develop their private sector and capital markets. The EBRD operates across a wide space - from Central and Eastern Europe to Central Asia and the Southern and Eastern Mediterranean region. It provides project financing for banks, industries and businesses, both new ventures and investments in existing companies. It also works with publicly owned companies, to support privatisation, restructuring state owned firms and improvement of municipal services.

The AIIB was established on 25 December 2015. The AIIB focuses on the development of infrastructure and other productive sectors in Asia. The AIIB also aims to promote interconnectivity and economic integration in the region by working in close collaboration with other multilateral and bilateral development institutions.

Australian Government entities

Administered investments in controlled corporate entities are not consolidated because their consolidation is relevant only at the whole of government level.

The Reserve Bank of Australia (RBA) is Australia's central bank. Its duty is to contribute to the maintenance of price stability, full employment and the economic prosperity and welfare of the Australian people. It does this by setting the cash rate to meet a medium-term inflation target, working to maintain a strong financial system and efficient payments system and issuing the nation's banknotes. The Bank provides selected banking services to the Australian Government and its agencies and to a number of overseas central banks and official institutions. Additionally, it manages Australia's gold and foreign exchange reserves.

The Australian Reinsurance Pool Corporation (ARPC) is a Commonwealth public financial corporation established by the *Terrorism and Cyclone Insurance Act 2003* to administer the terrorism and cyclone reinsurance schemes, providing primary insurers with reinsurance for commercial property and associated business interruption losses arising from a declared terrorist incident or cyclone.

Housing Australia, previously known as National Housing Finance and Investment Corporation, is the independent national housing authority that works with the private sector, community housing providers and all levels of Government to facilitate and deliver programs that help more Australians to access social and affordable housing or to buy a home.

Australian Business Growth Fund

The Australian Business Growth Fund (ABGF) provides equity funding to eligible small and medium-sized enterprises (SMEs). The Commonwealth, authorised by the *Australian Business Growth Fund (Coronavirus Economic Response Package) Act 2020*, is a shareholder in the ABGF alongside ANZ, the Commonwealth Bank, the National Australia Bank, Westpac, HSBC and Macquarie Bank. The ABGF operates commercially and is independent of both the Government and the participating banks.

International Monetary Fund (IMF)

The IMF is an organisation with 190 member countries, working to ensure the stability of the international monetary system – the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other. The IMF does this through: surveillance, including annual economic assessments of member countries; technical assistance to member countries; and by making resources available (with adequate safeguards) to members experiencing balance of payments difficulties. Quota subscriptions which are denominated in Special Drawing Rights (SDRs) represent a member's shareholding in the IMF and generate most of the IMF's financial resources.

IMF Quota

Quota subscriptions, which are denominated in SDRs represent a member's shareholding in the IMF and generate most of the IMF's financial resources. All member countries of the IMF pay a capital subscription to the IMF, equivalent to their allocated quota and denominated in SDRs. This represents a member's shareholding in the IMF and is disclosed in the financial statements as an administered investment asset.

Accounting Policy - Administered Investments (continued)

IMF SDR Holdings

Australia's SDR holdings were SDR 9.86 billion at 30 June 2024 (Treasury's share is SDR 5.06 billion + RBA's share is SDR 4.80 billion) (refer to Note 5.2B for the liability IMF SDR Allocation).

IMF PRGT Investment

Australia entered into an agreement with the IMF in October 2022, to invest SDR 1 billion into the IMF's Pooled Investments strategy. Australia will receive interest on this investment at the SDR interest rate. The profits above this interest rate will be provided to the PRGT Subsidy Account up to SDR 82 million. The IMF will then use these subsidy resources to subsidise loans to low-income countries under the PRGT.

At the end of the period, the IMF will repay the lower of the original investment amount less any early repayments and the notional value of the investment. Australia can seek early repayment of all or part of the investment.

Australia receives interest on amounts invested into the PRGT Investment. Amounts invested to the PRGT Investment accrue interest daily at the SDR interest rate. The IMF pays interest on PRGT Investment amounts quarterly.

IMF Resilience and Sustainability Trust (RST)

Australia provided SDR 152 million (approximately A$301.71 million as at 30 June 2024) to the RST Deposit Account. Australia receives interest on amounts provided to the IMF under the RST Deposit Account. Amounts provided to the IMF under the RST accrue interest daily at the SDR interest rate. The IMF pays interest on RST Deposit amounts quarterly.

Australia provided SDR 15.2 million (approximately A$30.17 million as at 30 June 2024) to the RST Reserve Account. Australia will not receive interest on the funds. Australia will receive repayment of its share of the RST Reserve Account (including any potential earnings or losses) at the liquidation of RST in 2050 or earlier if the RST Reserve Account has sufficient funds at the discretion of the Trustee.

5.2. Administered – Payables

	2024 $'000	2023 $'000
Note 5.2A: Grants		
COAG grants payable	**699,658**	22,085
Non-profit organisations	**264,944**	-
Other State and Territory Governments	**521,444**	358,418
Total grants	**1,486,046**	380,503
Grants are expected to be settled in no more than 12 months.		

Note 5.2B: IMF and other payables		
IMF SDR allocation	**18,623,503**	18,874,514
IMF related monies owing	**126,413**	120,458
IMF Maintenance of Value	**-**	735,811
Suppliers	**329**	-
Other payables	**1,381**	-
Total other payables	**18,751,626**	19,730,783
Other payables expected to be settled		
No more than 12 months	**128,123**	856,269
More than 12 months	**18,623,503**	18,874,514
Total IMF and other payables	**18,751,626**	19,730,783

International Monetary Fund (IMF) Special Drawing Right (SDR) Allocation

The SDR allocation liability reflects the current value in AUD of the Treasury's liability to repay to the IMF the cumulative allocations of SDRs provided to Australia since joining the IMF.

Note 5.2C: Financial guarantees	SME Loan Guarantee Scheme $'000	Show Starter Loan Scheme $'000	SME Recovery Loan Scheme $'000	Standalone Guarantee $'000	Total $'000
As at 1 July 2023	**186,985**	**2,390**	**564,438**	**-**	**753,813**
Standalone guarantee	**(923)**	**-**	**(35,418)**	**36,341**	**-**
Payment of claims to lenders	**(11,134)**	**-**	**(5,470)**	**-**	**(16,604)**
Accruals at year end	**(1,331)**	**-**	**(50)**	**-**	**(1,381)**
Revaluation	**(94,123)**	**4,221**	**(89,343)**	**11,067**	**(168,178)**
Total as at 30 June 2024	**79,474**	**6,611**	**434,157**	**47,408**	**567,650**
Total financial guarantees to be settled					
No more than 12 months	**24,039**	**274**	**31,023**	**1,593**	**56,929**
More than 12 months	**55,435**	**6,337**	**403,134**	**45,815**	**510,721**
Total financial guarantees	**79,474**	**6,611**	**434,157**	**47,408**	**567,650**

Accounting Policy

Financial guarantees are financial liabilities measured initially at fair value, then subsequently disclosed at fair value through profit and loss.

Accounting Policy (continued)

Small and Medium Enterprise (SME) Guarantee Scheme and SME Recovery Loan Scheme

The Australian Government provided support for small and medium enterprises during the COVID 19 pandemic through guaranteeing loans issued by participating lenders. This support was provided under a number of schemes.

The **Coronavirus Small and Medium Enterprises (SME) Guarantee Scheme** provided a guarantee of 50% of the eligible loan amount for eligible SMEs. Phase 1 was available for new loans made by participating lenders over the period from 1 April 2020 to 30 September 2020. Phase 2 of the scheme was operational between 1 October 2020 and 30 June 2021.

The **Show Starter Loan Scheme** provided a guarantee of 100% of the eligible loan amount for the arts and entertainment businesses. This scheme ceased on 30 June 2021.

The **SME Recovery Loan Scheme (SMERLS) g**uarantees up to 80% of the eligible loans to support businesses impacted by the Coronavirus pandemic and was further expanded to include businesses in flood affected areas and those eligible for JobKeeper supplements between 4 January 2021 and 28 March 2021. Loans for businesses who were in receipt of JobKeeper payments commenced on 1 April 2021 and ceased on 30 September 2021. Loans for flood affected business commenced on 1 April 2021 and ceased on 31 December 2021. Loans under SMERLS commenced on 1 January 2022 and ceased on 30 June 2022. Loans issued from 1 April 2021 to 31 December 2021 have 80% of the eligible loan guaranteed, and loans issued from 1 January 2022 to 30 June 2022 have 50% of the eligible loan guaranteed.

The **Standalone Guarantee** is a new government guarantee under section 60 of the *Public Governance, Performance and Accountability Act 2013* in respect of a parcel of loans written to small and medium enterprises.

Under each of the above schemes, the Australian Government guaranteed to pay an approved lender in the event of default by small and medium enterprises. Although all schemes have closed to new loans, the risk to the Australian Government remains until the final claim date for the SME Recovery Loan Scheme on 30 September 2033.

Accounting judgements and estimates

The Australian Government Actuary (AGA) has provided a valuation of the SME loan guarantee scheme, Show Starter loan scheme, SME Recovery loan scheme and Standalone Guarantee as at 30 June 2024. The key assumptions used by the AGA are:

- a default rate of 8% for loans under the SME Guarantee Scheme phase 1 and phase 2 (2023: 10% for phase 1 and 15% for phase 2);
- a default rate of 12% for SME Recovery Loan Scheme (2023: 15%);
- a default rate of 15% for all other loans (2023: 15%);
- a rate of recovery of 20% (2023: 20%) applies to the proportion of loans where additional security has been provided;
- 10% allowance (2023: 10%) for fees and interest in addition to the assumed claim amount;
- a pattern of delay between maturity date and claim payment date;
- claim applications pending decision at 30 June 2024 will result in a payment; and
- expected losses are calculated by applying various factors to the outstanding loan balances. In 2023-24, AGA has incorporated the value of impaired loans into the expected losses calculation. Expected losses are then allocated to payment months according to the distribution of maturity dates demonstrated by the individual loan data and the assumed distribution of delays from loan maturity to claim payment.

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5.3. Administered – Financial Liabilities

	2024 $'000	2023 $'000
Note 5.3A: Promissory notes		
IMF promissory notes	**9,375,659**	8,639,888
Other promissory notes	**67,040**	66,978
Total promissory notes	**9,442,699**	8,706,866
Promissory notes expected to be settled		
More than 5 years	**9,442,699**	8,706,866
Total promissory notes	**9,442,699**	8,706,866

Accounting Policy

Promissory notes

Promissory notes have been issued to the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), and the Multilateral Investment Guarantee Agency (MIGA).

Under the IMF Articles of Agreement, members are required to maintain the SDR value of their quota through a 'maintenance of value' adjustment. The maintenance of value adjustment is adjusted by issuing/cancelling promissory notes and payments/receipts in Australian dollars and is recognised as an exchange rate gain or loss. The issuing/cancelling of promissory note is also be used to adjust the IMF's cash holdings of Australian dollars and to maintain the required IMF cash account balance. Promissory notes are also issued as part of a quota increase. These promissory notes are Australian dollar denominated and non-interest bearing.

Investments into the IBRD and MIGA are generally not funded with cash but with a promissory note, representing a call option by the IBRD and MIGA for the cash owed under the initial investment. These promissory notes relate to undrawn paid-in capital subscriptions and represent a portion of the members' shareholding.

5.4. Administered – Provisions

	2024 $'000	2023 $'000
Note 5.4: Provisions		
Housing Australia Home Guarantees Schemes	**17,645**	21,238
DRFA provision		
Australian Capital Territory	**215**	-
New South Wales	**6,591,669**	2,794,048
Northern Territory	**43,239**	8,804
Queensland	**2,361,678**	2,121,440
South Australia	**89,733**	78,445
Tasmania	**21,545**	15,732
Victoria	**831,392**	1,034,202
Western Australia	**537,418**	401,819
Total DRFA Provision	**10,476,889**	6,454,490
Total provisions	**10,494,534**	6,475,728
Provisions expected to be settled		
No more than 12 months	**1,849,303**	3,656,640
More than 12 months	**8,645,231**	2,819,088
Total provisions	**10,494,534**	6,475,728

	Housing Australia Home Guarantees $'000	DRFA $'000	Total $'000
As at 1 July 2023	**21,238**	**6,454,490**	**6,475,728**
Additional provisions made	**6,841**	**1,154,673**	**1,161,514**
Amounts used	**(36)**	**(1,387,597)**	**(1,387,633)**
Revaluation of prior year estimates	**(11,954)**	**3,998,303**	**3,986,349**
Unwinding of discount	**1,556**	**257,020**	**258,576**
Total as at 30 June 2024	**17,645**	**10,476,889**	**10,494,534**

Accounting Judgements and Estimates

Disaster Recovery Funding Arrangements (DRFA) Provisions

The DRFA liability represents the Treasury's best estimate of payments expected to be made to States and Territories as at balance date. The DRFA 2018 arrangement applies from 1 November 2018 and all eligible events in the provision are governed by the DRFA Determination.

The estimate is based on information provided by the States and Territories to the National Emergency Management Agency (NEMA). The estimates provided by the States and Territories are based on their assessment of the costs incurred, or expected to be incurred, that would be eligible for assistance under the applicable arrangement. NEMA has implemented a comprehensive assurance framework in order to assess the reasonableness of estimates provided by the States and Territories with regard to estimates eligibility under DRFA. This includes assurance activities undertaken by the Commonwealth for expenditure submitted in claims to the Commonwealth not yet paid, as well as quality assurance procedures over the estimates submitted by States and Territories. This is in addition to assurance activities completed by State-appointed auditors.

The Treasury reviews the quality assured estimates to ensure they are consistent with government decisions and then calculates the provision by discounting the future cash flows. Given the nature of disasters, there is a level of uncertainty in the estimated reconstruction costs at the time of a disaster. This uncertainty decreases as relief and recovery projects progress to completion.

The DRFA provision at 30 June 2024 includes estimated payments for disaster events that occurred by 30 June 2024, except for new events that occurred during the 2023-24 financial year for which costs cannot yet be quantified reliably.

Accounting Judgements and Estimates (continued)

Contingent liabilities

For a new event where no reliable estimate can be provided, the new event is disclosed as an unquantifiable contingent liability. For a list of natural disasters that are included in the DRFA contingent liability, refer to Note 7.2 Administered Contingent Assets and Liabilities.

Housing Australia Home Guarantee Schemes Provision

The Housing Australia Home Guarantee Schemes (HGS) provision represents the Treasury's best estimate of claims expected from Housing Australia as at balance date. The Housing Australia HGS comprises the First Home Guarantee, New Home Guarantee, Family Home Guarantee and Regional First Home Buyer Guarantee schemes.

The First Home Guarantee was established to assist first home buyers who do not have a deposit of 20% of the property value. Under the scheme, the Government guarantees up to 15% of the value of new loans issued by eligible lenders to first home buyers, being the portion of the loan above a loan to value ratio of 80%. From July 2022, 35,000 places are available to eligible first home buyers each financial year.

The New Home Guarantee is an extension of the First Home Guarantee by the issue of two tranches of 10,000 guarantees in each of 2020-21 and 2021-22, specifically for the building or purchasing of new dwellings. The New Home Guarantee was closed to new applications from 1 July 2022.

The Family Home Guarantee aims to support eligible single parents or single legal guardians of at least one dependent child in purchasing a family home, regardless of whether the single parent or single legal guardian is a first home buyer or a previous homeowner. Under the scheme, the Government guarantees up to 18% of the value of new loans issued by eligible lenders to home buyers, being the portion of the loan above a loan to value ratio of 80%. From 1 July 2022 to 30 June 2025, 5,000 places are available in each financial year to eligible home buyers.

The Regional First Home Buyer Guarantee commenced in October 2022 and aims to help first home buyers to purchase a home in regional Australia. A total of 10,000 guarantees will be made available each year. This scheme is set to close on 30 June 2025.

From 1 July 2023, scheme eligibility was extended to allow permanent residents, joint applications, single legal guardians of children and non-first home buyers where they have not owned a property in Australia in the past 10 years to access the scheme. The legislated equal split of guarantees allocated to major and non-major lenders was also removed.

The First Home Guarantee, New Home Guarantee, Family Home Guarantee and Regional First Home Buyer Guarantee are administered by Housing Australia.

The Australian Government Actuary (AGA) has provided a valuation of the Housing Australia guarantees as at 30 June 2024. The valuation results incorporate AGA's best estimate of future property growth, mortgage rates and default rates.

The assumed capital growth rate is based on the most contemporaneous market data available, including a range of views from market experts. The assumed default rate is based on historic data on delinquencies from lenders' mortgage providers. The assumed mortgage rates are based on expected future RBA cash rates plus a lender's margin.

6. Funding

This section identifies the Treasury funding structure.

6.1. Appropriations

Note 6.1A: Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2024

		Adjustments to Appropriations			
	Annual Appropriation $'000	**Section 74 Receipts $'000**	**Total appropriation $'000**	**Appropriation applied in 2024 (current and prior years) $'000**	**Variance[1,2] $'000**
DEPARTMENTAL					
Ordinary annual services	**349,408**	**30,704**	**380,112**	**(375,929)**	**4,183**
Capital Budget	**3,500**	**-**	**3,500**	**(5,485)**	**(1,985)**
Total departmental	**352,908**	**30,704**	**383,612**	**(381,414)**	**2,198**
ADMINISTERED					
Ordinary annual services					
Administered items	**846,671**	**-**	**846,671**	**(795,445)**	**51,226**
Other services					
Administered assets and liabilities	**825,000**	**-**	**825,000**	**(300,000)**	**525,000**
Total administered	**1,671,671**	**-**	**1,671,671**	**(1,095,445)**	**576,226**

1. In 2023-24 the revenue from government reported in the statement of comprehensive income is $347.2 million, the $2.2 million difference relates to section 51 of the PGPA Act with a determination date of 26 June 2024. The current year unspent administered appropriation includes $9.141 million subject to administrative quarantine and $566.79 million subject to section 51 of PGPA Act withholding quarantine, these funds are considered legally available appropriation as at 30 June 2024.
2. Departmental Capital Budgets are appropriated through Appropriation Act (No.1). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. The variance is funded from prior year appropriations.

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Annual Appropriations for 2023

		Adjustments to Appropriations			
	Annual Appropriation $'000	Section 74 Receipts $'000	Total appropriation $'000	Appropriation applied in 2023 (current and prior years) $'000	Variance[1,2] $'000
DEPARTMENTAL					
Ordinary annual services	343,789	31,319	375,108	(365,667)	9,441
Capital Budget[3]	8,837	-	8,837	(6,449)	2,388
Other services					
Equity	303	-	303	-	303
Total departmental	352,929	31,319	384,248	(372,116)	12,132
ADMINISTERED					
Ordinary annual services					
Administered items	86,367	-	86,367	(74,347)	12,020
Other services					
Administered assets and liabilities	171,153	-	171,153	(171,153)	-
Total administered	257,520	-	257,520	(245,500)	12,020

1. Unspent funds of $5.357 million in 2022-23 Departmental Capital Budget was re-appropriated as operating and is therefore, subject to a formal reduction. The current year unspent administered appropriation includes $0.068 million section 51 withholding quarantine. These funds are considered legally available appropriations as at 30 June 2023.
2. The variance in ordinary annual services is largely driven by the timing of cash payments.
3. Departmental Capital Budgets are appropriated through Supply Acts (No.1 and No.3). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Note 6.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

Authority	2024 $'000	2023 $'000
Departmental		
Appropriation Act (No. 1) 2020-21[1]	**-**	2,754
Appropriation Act (No. 1) 2021-22[2]	**789**	789
Supply Act (No. 1) 2022-23 - DCB[3]	**3,682**	3,682
Supply Act (No. 2) 2022-23 - Equity	**126**	126
Supply Act (No. 3) 2022-23	**-**	77,089
Supply Act (No. 3) 2022-23 - DCB[4]	**1,675**	3,865
Supply Act (No. 4) 2022-23 - Equity	**177**	177
Appropriation Act (No. 1) 2022-23	**-**	34,111
Appropriation Act (No. 3) 2022-23	**-**	1,265
Appropriation Act (No. 1) 2023-24[5]	**105,958**	-
Appropriation Act (No. 1) 2023-24 - DCB	**205**	-
Appropriation Act (No. 3) 2023-24	**9,156**	-
Cash at Bank	**1,839**	305
Total departmental	**123,607**	124,163
Administered		
Supply Act (No.1) 2020-2021[6]	**-**	523
Appropriation Act (No. 1) 2020-2021[6]	**-**	45,156
Appropriation Act (No. 3) 2020-2021[6]	**-**	2,544
Appropriation Act (No. 1) 2021-2022[7]	**3,730**	3,730
Appropriation Act (No. 3) 2021-2022[7]	**38,037**	38,037
Appropriation Act (No. 4) 2021-2022[7,8]	**6,153**	6,153
Supply Act (No. 1) 2022-2023	**646**	646
Appropriation Act (No. 1) 2022-2023[9]	**8,545**	11,374
Appropriation Act (No. 1) 2023-2024[10]	**14,587**	-
Appropriation Act (No. 3) 2023-2024[11]	**39,468**	-
Appropriation Act (No. 4) 2023-2024[12]	**525,000**	-
Total administered	**636,166**	108,163

1. 2020-21 Appropriation Act was repealed on 1 July 2023.
2. Appropriation Act (No.1) 2021-2022 includes unspent funds of $0.789 million in relation to unspent grant funding that is required to be returned to the Consolidated Revenue Fund in accordance with Government decisions and is therefore, subject to a formal reduction. These funds are considered legally available appropriations as at 30 June 2024.
3. Supply Act (No.1) 2022-2023 - DCB includes reallocated funds of $3.682 million. These funds are considered legally available appropriations as at 30 June 2024.
4. Supply Act (No.3) 2022-2023 - DCB includes reallocated funds of $1.675 million. These funds are considered legally available appropriations as at 30 June 2024.
5. Appropriation Act (No.1) 2023-2024 - Operating includes reallocated funds of $2.204 million. These funds are considered legally available appropriations as at 30 June 2024.
6. 2020-21 Appropriation Acts and Supplier Acts were repealed on 1 July 2023.
7. 2021-22 Appropriation Acts will self-repeal on 1 July 2024.
8. Appropriation Act (No.4) 2021-2022 includes unspent funds of $6.153 million, the funds are subject to PGPA Act section 51 withholding quarantine and are considered legally available appropriations as at 30 June 2024.
9. Appropriation Act (No.1) 2022-2023 includes unspent funds of $0.068 million, the funds are subject to PGPA Act section 51 withholding quarantine and are considered legally available appropriations as at 30 June 2024.
10. Appropriation Act (No.1) 2023-24 includes unspent funds of $11.863 million. $9.141 million is subject to administrative quarantine and $2.722 million is subject to PGPA Act section 51 withholding quarantine and both are considered legally available appropriations as at 30 June 2024.
11. Appropriation Act (No.3) 2023-24 includes unspent funds of $39.068 million, the funds are subject to PGPA Act section 51 withholding quarantine and are considered legally available appropriations as at 30 June 2024.
12. Appropriation Act (No.4) 2023-24 includes unspent funds of $525 million, the funds are subject to PGPA Act section 51 withholding quarantine and are considered legally available appropriations as at 30 June 2024.

Note 6.1C: Special Appropriations ('Recoverable GST exclusive')

Authority	Appropriation applied 2024 $'000	2023 $'000
Australian Business Growth Fund (Coronavirus Economic Response Package) Act 2020, s18	**(4,630)**	(20,000)
Federal Financial Relations Act 2009, s22	**(122,517,152)**	(118,944,789)
Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Act 2020, s6	**(16,604)**	(8,819)
Housing Australia Act 2018, s48A[1]	**(36)**	-
International Finance Corporation Act 1955, s5, s5B(2)	**(31,966)**	(31,513)
International Monetary Agreements Act 1947, s7(4)	**-**	(121,000)
International Monetary Agreements Act 1947, s8	**(777,979)**	(415,145)
International Monetary Agreements Act 1947, s8C(3)	**(600,000)**	(750,000)
International Monetary Agreements Act 1947, s9	**(33,968)**	(33,487)
Total payments	**(123,982,335)**	(120,324,753)
Notional payments		
Commonwealth Places (Mirror Taxes) Act 1998, s23(4)[2]	**(902,633)**	(761,736)
Total notional payments	**(902,633)**	(761,736)
Total special appropriations	**(124,884,968)**	(121,086,489)

1. From 12 October 2023, the National Housing Finance and Investment Corporation has become Housing Australia. This special appropriation as previously in force is continued in existence under section 48A of the *Housing Australia Act 2018*. The special appropriation was originally under section 48A of the *National Housing Finance and Investment Corporation Act 2018*.

2. The Australian Government's mirror taxes arrangements mirror certain state taxes, including payroll taxes, land taxes and stamp duties, with respect to Commonwealth places. The States and Territories (the States) collect these mirror taxes on behalf of the Australian Government and bear the administrative cost of collection. All mirror taxes are credited to the Australian Government and simultaneously appropriated to the States.

The following special appropriations were not drawn upon in the current or prior year:

Asian Development Bank (Additional Subscription) Act 1972, s7
Asian Development Bank (Additional Subscription) Act 1977, s7
Asian Development Bank (Additional Subscription) Act 1983, s6
Asian Development Bank (Additional Subscription) Act 1995, s6
Asian Development Bank (Additional Subscription) Act 2009, s6
Asian Development Bank Act 1966, s4
Asian Infrastructure Investment Bank Act 2015, s7
Banking Act 1959, s69(8)
Corporations Act 2001, s1069P(2)
European Bank for Reconstruction and Development Act 1990, s4
Financial Agreements (Commonwealth Liability) Act 1932, s4(3)
Guarantee of State and Territory Borrowing Appropriation Act 2009, s5
Guarantee Scheme for Large Deposits and Wholesale Funding Appropriation Act 2008, s5
International Bank for Reconstruction and Development (General Capital Increase) Act 1989, s6
International Bank for Reconstruction and Development (Share Increase) Act 1988, s5(1)
International Financial Institutions (Share Increase) Act 1982, s7(1)
International Financial Institutions (Share Increase) Act 1986, s7(1)
International Monetary Agreements Act 1947, s8CA(4)
International Monetary Agreements Act 1947, s8A
International Monetary Agreements Act 1947, s8CAA(2)
International Monetary Agreements Act 1947, s5A(6)
International Monetary Agreements Act 1947, s8B(2)
International Monetary Agreements Act 1960, s4

International Monetary Agreements Act 1974, s6
Medicare Guarantee Act 2017, s18
Multilateral Investment Guarantee Agency Act 1997, s4
Papua New Guinea Loans Guarantee Act 1975, s4
Public Governance, Performance and Accountability Act 2013, s77
States Grants Act 1927, s7
Superannuation Industry (Supervision) Act 1993, s231(4)
Terrorism and Cyclone Insurance Act 2003, s42(3)
Terrorism and Cyclone Insurance Act 2003, s37

Note 6.1D: Disclosure by agent in relation to Annual and Special Appropriations ('Recoverable GST exclusive')

2024	**Department of Education** Payments to the States and Territories: Education services **$'000**	**Department of Climate Change, Energy, the Environment and Water** Payments to the States and Territories: Water for the Environment Special Account **$'000**
Total receipts	**30,935,933**	**54,016**
Total payments	**30,935,933**	**54,016**

2023	**Department of Education** Payments to the States and Territories: Education services $'000	**Department of Climate Change, Energy, the Environment and Water** Payments to the States and Territories: Water for the Environment Special Account $'000
Total receipts	28,774,464	197,510
Total payments	28,774,464	197,510

Total receipts and total payments are made through the Treasury on behalf of other Commonwealth entities to State and Territory Treasuries under the Council of Australian Governments (COAG) arrangements.

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6.2. Special Accounts

	Housing Australia Special Account[1]		Medicare Guarantee Fund (Treasury) Special Account[2]	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Balance as at 1 July (represented by cash held in the OPA)	**923,892**	965,521	**-**	-
Increases				
Statutory credits	**-**	-	**47,521,044**	46,467,038
Other receipts	**68,891**	-	**-**	-
Total increases	**68,891**	-	**47,521,044**	46,467,038
Available for payments	**992,783**	965,521	**47,521,044**	46,467,038
Decreases				
Payments made to other entities	**(230,793)**	(41,629)	**-**	-
Transfers made to Medicare Guarantee Fund (Health) Special Account	**-**	-	**(47,521,044)**	(46,467,038)
Total decreases	**(230,793)**	(41,629)	**(47,521,044)**	(46,467,038)
Total balance carried to the next period	**761,990**	923,892	**-**	-
Balance represented by				
Cash held in Official Public Account	**761,990**	923,892	**-**	-
Balance as at 30 June (represented by cash held in the OPA)	**761,990**	923,892	**-**	-

1. Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.
Establishing instrument: *Housing Australia Act 2018*, section 47A.
From 12 October 2023, the National Housing Finance and Investment Corporation has become Housing Australia.
The special account established by this section as previously in force is continued in existence under the name Housing Australia special account. The special account was originally named the National Housing Finance and Investment Corporation special account.
Purpose: Housing Australia may make grants or loans in the performance of its financing function or in relation to acute housing needs, social housing or affordable housing. Housing Australia may also make loans for other purposes as agreed between the Minister and the Finance Minister in accordance with the Investment Mandate.

Any principal repayment to the Commonwealth through this Account, may be “recycled” and the amount re-issued. Interest is used to cover the Commonwealth’s cost of borrowing and cannot be “recycled.

2. Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.
Establishing instrument: *Medicare Guarantee Act 2017*, section 6.
Purpose: *The Medicare Guarantee Act 2017* (the Act) is to secure ongoing funding of the Medical Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS).
The Act establishes the Medicare Guarantee Fund (MGF), which consists of the Medicare Guarantee Fund (Treasury) Special Account (Treasury Special Account) and the Medicare Guarantee Fund (Health) Special Account (Health Special Account). The Treasury Special Account is administered by the Department of the Treasury and the Health Special Account is administered by the Department of Health and Aged Care.

6.2 Special Accounts (continued)

	Fuel Indexation (Road Funding) Special Account[3]		COAG Reform Fund Special Account[4]	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Balance as at 1 July (represented by cash held in the OPA)	**-**	-	**24,085**	200,000
Increases				
Statutory credits	**1,773,000**	1,072,000	**15,592,313**	17,932,060
Other receipts	**-**	-	**3,021,729**	2,272,521
Total increases	**1,773,000**	1,072,000	**18,614,042**	20,204,581
Available for payments	**1,773,000**	1,072,000	**18,638,127**	20,404,581
Decreases				
Payments made to States and Territories	**-**	-	**(18,633,427)**	(20,380,496)
Transfer made to COAG Reform Fund Special Account	**(1,773,000)**	(1,072,000)	**-**	-
Total decreases	**(1,773,000)**	(1,072,000)	**(18,633,427)**	(20,380,496)
Total balance carried to the next period	**-**	-	**4,700**	24,085
Balance represented by				
Cash held in Official Public Account	**-**	-	**4,700**	24,085
Balance as at 30 June (represented by cash held in the OPA)	**-**	-	**4,700**	24,085

3. Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.
Establishing instrument: *Fuel Indexation (Road Funding) Special Account Act 2015*, section 7.
Purpose: To ensure that amounts equal to the net revenue from indexation on customs and excise duties on fuel are transferred to the Council of Australian Governments (COAG) Reform Fund in order to provide funding to the States and Territories for expenditure in relation to Australian road infrastructure investment.

4. Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.
Establishing instrument: *COAG Reform Fund Act 2008*, section 5.
Purpose: For the making of grants of financial assistance to the States and Territories.
Note: The Treasury makes payments to the States and Territories from the COAG Reform Fund special account based on information provided by other Government departments that have policy and program implementation responsibility.

Housing Australia Future Fund Payments Special Account
The Treasury's Housing Australia Future Fund Payments special account was established under section 25 of the *Housing Australia Future Fund Act 2023* for making grants in relation to acute housing needs. The Act came to effect on 28 September 2023. For the period ended 30 June 2024 this account held a nil balance and no transactions were credited or debited to the account.

Financial System Stability Special Account
The Treasury's Financial System Stability special account was established under section 70E of the *Banking Act 1959* for the making of payments authorised under specified sections of the *Banking Act 1959*, the *Insurance Act 1973* and the *Life Insurance Act 1995* and to meet expenses of administering the special account. For the period ended 30 June 2023 and 30 June 2024 this special account had nil balances and no transactions were credited or debited to the account.

Services for Other Entities and Trust Monies Special Account (SOETM)
The Treasury's SOETM special account 2022 was established under the *Public Governance, Performance and Accountability Act 2013*, section 78 by the establishing instrument *PGPA Act Determination (Treasury SOETM Special Account 2022).* This instrument came into effect on 28 September 2022. The SOETM's purpose is to disburse amounts held on trust for the benefit a person other than the Commonwealth or in connection with services performed on or behalf of other governments and bodies. For the period ended 30 June 2023 and 30 June 2024 this account held a nil balance and no transactions were credits or debited to the account.

6.3 Net Cash Appropriation Arrangements

	2024 $'000	2023 $'000
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	**(6,376)**	(12,947)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)[1]	**7,963**	10,616
Plus: depreciation of right-of-use assets[2]	**12,884**	12,734
Less: lease principal repayments[2]	**(12,006)**	(11,001)
Total comprehensive income/(loss) less expenses previously funded through revenue appropriations	**2,465**	(598)
Changes in asset revaluation reserve	**(4,251)**	17
Net cash Operating Surplus/(Deficit)	**(1,786)**	(581)

1. From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriation. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.
2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

7. Managing uncertainties

This section analyses how the Treasury manages financial risks within its operating environment.

7.1. Departmental Contingent Assets and Liabilities

Quantifiable Contingencies

As at 30 June 2024, the department has no quantifiable contingent assets or liabilities.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when the probability of settlement is greater than remote.

7.2. Administered Contingent Assets and Liabilities

Quantifiable Administered Contingencies

Quantifiable administered contingencies that are not remote are listed below.

Contingent Liabilities

International Monetary Fund (IMF) – 16th General Review of Quota

The Australian Government has agreed to approve a 50 per cent increase to the International Monetary Fund (IMF) quota. Under the agreement, Australia's quota will increase additional Special Drawing Rights (SDR) 3.29 billion (approximately A$6.52 billion as at 30 June 2024). This increase maintains Australia's voting power at the IMF and share of any future SDR allocation and increases access to fund financing. The timing of the contribution is uncertain, it will come into effect no earlier than 15 November 2024 however is subject to conditions including consent by IMF members that represent 85 per cent of existing quota. 25 per cent of the increase (SDR 821.55 million; approximately A$1.63 billion as at 30 June 2024) will be made in foreign currency (in consultation with the IMF) and the remainder will be covered by Australian dollar denominated promissory notes. If the IMF quota increase is implemented it will be largely offset by reductions in Australia's other IMF commitments.

IMF New Arrangements to Borrow (NAB)

Australia has made a line of credit available to the IMF under its New Arrangements to Borrow (NAB) since 1998. This is a contingent loan to help ensure that the IMF has the resources available to maintain stability and support recovery in the global economy. The current agreement will expire on 31 December 2025 and the value of Australia's NAB line of credit stands at approximately SDR 4.44 billion (approximately A$8.81 billion at 30 June 2024) (2023: SDR 4.44 billion, A$8.93 billion). If the IMF quota increase is implemented, the value of Australia's NAB commitment will decrease by SDR 0.72 billion to SDR 3.72 billion (approximately A$7.38 billion as at 30 June 2024).

The IMF does not publish annual estimates of the amount it expects to call under the NAB facility. However, to be drawn upon, the NAB needs to be activated by the IMF Executive Board. The last NAB activation period was terminated in February 2016 and the IMF is currently relying on its quota resources to fund new lending (although the NAB can be called upon to fund IMF programs that were approved under previous activations). The IMF did not call on Australia's NAB facility in the current year.

IMF Bilateral Borrowing Arrangement (BBA)

In addition to the NAB credit line as part of a broad international effort to increase the resources available to the IMF, Australia has made available a SDR 1.986 billion (approximately A$3.94 billion at 30 June 2024) contingent bilateral loan to the IMF (2023: SDR 1.986 billion, A$4 billion). The contingent loan is on terms consistent with other bilateral loan and note purchase agreements between the IMF and all contributing countries. It will be drawn upon by the IMF only if needed to supplement the IMF's quota and NAB resources and any loans would be repaid in full with interest. On 26 July 2023, Australia agreed to extend the Bilateral Borrowing Arrangement (BBA) by one year through to 31 December 2024. If the IMF quota increase is implemented in 2024, Australia's BBA will be allowed to expire. Australia is working with the IMF on transitional arrangements for the BBA in the event the implementation of the quota increase is delayed beyond December 2024.

Quantifiable Administered Contingencies - Contingent Liabilities (continued)

IMF Poverty Reduction and Growth Trust (PRGT)

The Australian Government has entered into agreements to make a line of credit available to the IMF under the Poverty Reduction and Growth Trust (PRGT) through to 31 December 2029. The Poverty Reduction and Growth Trust provides concessional financial support to low-income countries to help them achieve, maintain, or restore a stable and sustainable macroeconomic position. PRGT funds are drawn upon by the IMF as needed and will be repaid in full, with interest.

Through these agreements, the Government has made available a line of credit of SDR 1 billion (approximately A$1.98 billion as at 30 June 2024) to the IMF (2023: SDR 1 billion, A$2.01 billion) under the PRGT. As at 30 June 2024, the undrawn balance on the line of credit is SDR 739.45 million (approximately A$1.47 billion) (2023: SDR 798.4 million, A$1.59 billion) available to the IMF under the PRGT.

IMF Resilience and Sustainability Trust

On 11 October 2022, the Australian government entered into an agreement to make a SDR 760 million (approximately A$1.51 billion as at 30 June 2024) (2023: SDR 760 million, A$1.53 billion) line of credit available to the IMF under the Resilience and Sustainability Trust's (RST) Loan Account through to 30 November 2030. The RST Loan Account provides affordable long-term financing to help vulnerable countries build economic resilience and sustainability to address the risks stemming from climate change and pandemic preparedness. RST Loan Account funds are drawn upon by the IMF as needed and will be repaid in full with interest. As at 30 June 2024 the undrawn balance on the line of credit is SDR 745.83 million (approximately A$1.48 billion) (2023: SDR 745.83, A$1.5 billion). Please refer to note 5.1C Investments for more details on the RST.

International financial institutions — uncalled capital subscriptions

The Australian Government has held an uncalled capital subscription in the International Bank for Reconstruction and Development (IBRD) since 1947. Australia's uncalled capital subscription to the IBRD totals US$4.37 billion (estimated value A$6.60 billion as at 30 June 2024) (2023: US$4.21 billion, A$6.35 billion).

The Australian Government has held an uncalled capital subscription to the European Bank for Reconstruction and Development (EBRD) since 1991. Australia's uncalled capital subscription to the EBRD totals EUR237.54 million (estimated value A$383.38 million as at 30 June 2024) (2023: EUR237.54 million, A$389.47 million).

The Australian Government has held an uncalled capital subscription to the Asian Development Bank (ADB) since 1966. Australia's uncalled capital subscription to the ADB totals US$7.04 billion (estimated value A$10.63 billion as at 30 June 2024) (2023: US$7.04 billion, A$10.62 billion).

The Australian Government holds an uncalled capital subscription to the Multilateral Investment Guarantee Agency (MIGA) of US$26.46 million (estimated value A$39.95 million as at 30 June 2024) (2023: US$26.46 million, A$39.92 million).

The Australian Government holds an uncalled capital subscription to the Asian Infrastructure Investment Bank (AIIB) of US$2.95 billion (estimated value A$4.46 billion as at 30 June 2024) (2023:US$2.95 billion, A$4.45 billion).

None of these international financial institutions have ever drawn on Australia's uncalled capital subscriptions.

Australian Business Growth Fund

The Australian Government holds an uncalled capital subscription to the Australian Business Growth Fund (ABGF). The uncalled capital subscription to the ABGF totals $58.19 million as at 30 June 2024 (2023: $62.8 million). The Commonwealth committed $100 million in total to the ABGF, but drawdown is capped at 20% per year of its total commitment.

Guarantee by Commonwealth – Reserve Bank of Australia (RBA)

The Australian Government guarantees the liabilities of the Reserve Bank of Australia, measured as the Bank's total liabilities excluding capital, reserves, and Australian Government deposits. The principal component of the Bank's liabilities consists of exchange settlement balances. As at 30 June 2024, the total guarantee is A$340.84 billion (2023: A$529.08 billion) and the RBA's liabilities exceeded its assets by $20.72 billion (2023: A$18.10 billion) in accordance with its audited financial statements.

Quantifiable Administered Contingencies - Contingent Liabilities (continued)

The net liability position reflects:

• valuation losses recorded on the RBA's holding of Australian dollar government bonds, which resulted from the significant rise in bond yields since 2021-22 (these bonds were purchased as part of the RBA's response to the COVID-19 pandemic, including under the Bond Purchase Program and as part of achieving a target for the yield on the three-year Australian Government bond)

• negative net interest income as increases in the domestic cash rate since 2022-23 resulted in the floating interest rate paid on most of the Bank's liabilities, namely Exchange Settlement balances, becoming higher than the fixed interest rate earned on the Bank's domestic assets.

The Treasury's view is that the RBA as a central bank, is unique in its ability to create liquidity to meet its liabilities as and when they fall due, the RBA will continue to operate effectively in accordance with its functions and objectives set out in the Reserve Bank Act and in the Statement on the Conduct of Monetary Policy.

Unquantifiable Administered Contingencies

Contingent Liabilities

Terrorism insurance — Australian Reinsurance Pool Corporation

The Terrorism and Cyclone Insurance Act 2003 established a scheme for terrorism insurance covering damage to commercial property, including associated business interruption and public liability. The Australian Reinsurance Pool Corporation (ARPC) uses reinsurance premiums paid by insurers to meet its administrative expenses, to maintain a pool of funds and to purchase reinsurance to help meet future claims. The Commonwealth guarantees to pay any liabilities of the ARPC, but the Treasurer must declare a reduced payout rate to insured entities if the Government's liability would otherwise exceed $10 billion.

Cyclone Reinsurance Pool – Australian Reinsurance Pool Corporation

The Government provides an annually reinstated Government guarantee to the ARPC of $10 billion, or a larger amount if required, to support a reinsurance pool for the impact of cyclones and related flooding on eligible insured properties. The guarantee took effect from 1 July 2022 and may be called upon in the event of a large cyclone and related flooding, to ensure the ARPC can pay any and all liabilities.

The reinsurance pool is designed to be cost-neutral to Government over time, based on the predicted cost and frequency of cyclone events. The estimated value and range of calls on the guarantee is unquantifiable due to significant uncertainty in the frequency and severity of cyclones and the resulting losses.

Guarantee by Commonwealth — Housing Australia

The Commonwealth has agreed to make available amounts up to $1 billion to Housing Australia's Affordable Housing Bond Aggregator (AHBA) via a loan, as outlined in Note 6.2 Special Accounts. Under the AHBA Loan Agreement with the Treasury, Housing Australia can access the funds by completing a Utilisation Request and providing this to Treasury. Interest is to be charged on each individual loan at the Commonwealth's cost of borrowing.

The Australian Government guarantees the due payment of money payable by the Housing Australia to anybody other than the Government.

The Housing Australia Board must not allow Housing Australia to enter into a transaction that would result in its total guaranteed liabilities, and any outstanding amount borrowed from the Government, to exceed $7.5 billion, unless approved by the Government.

Unquantifiable Administered Contingencies - Contingent Liabilities (continued)

Disaster Recovery Funding Arrangements (DRFA)

The Australian Government provides funding to States and Territories through the DRFA to assist with natural disaster relief and recovery costs. A State or Territory may claim DRFA funding if a natural disaster occurs and State or Territory relief and recovery expenditure for that event meets the requirements set out in the respective DRFA Determinations. This combined liability represents the Treasury's best estimate of payments expected to be made to States and Territories as at balance date. In the event where a natural disaster has occurred, but the associated costs cannot be quantified reliably, the event is disclosed as a contingent liability.

The DRFA provision at 30 June 2024 includes estimated payments for disaster events that occurred prior to 1 July 2024, except for new events that occurred during the 2023-24 financial year for which costs cannot yet be quantified reliably. There were fourteen such events that are included in the DRFA contingent liability. These are:

- ACT Storm Event (13 January 2024);
- NSW Severe Weather (4 June 2024 onwards);
- Storm in the South West Region of Western Australia (1 - 2 June 2024);
- Upper Hunter NSW Bushfire (10 - 17 August 2023);
- Snowy Monaro NSW Bushfire (20 September - 4 October 2023);
- Lake Macquarie NSW Bushfire (1 - 18 October 2023);
- Tamworth NSW Bushfires (26 October - 4 November 2023);
- Byron NSW Bushfire (14 October - 5 November 2023);
- Lithgow NSW Bushfire (11 - 17 November 2023);
- Parkes NSW Bushfire (19 - 27 November 2023);
- Richmond Valley NSW Bushfire (4 - 15 December 2023);
- Mid-Western NSW Bushfire (6 - 16 December 2023);
- Singleton NSW Bushfire (8 - 18 December 2023);
- Central Darling NSW Storm (5 - 6 February 2024).

Estimates of all natural disasters are regularly reviewed and revised when new information becomes available.

Indemnities for specialised external advisers during the COVID-19 pandemic

The Government has provided indemnities for certain external specialised advisers engaged to provide advice on emerging markets issues related to COVID-19. Indemnities were provided to mitigate personal risk and provide coverage for costs related to any legal proceedings that may arise in relation to the provision of that advice.

The indemnities apply for the period of engagement as advisers and for claims that are notified within 12 years after cessation of the advisers' engagement. Until the indemnity agreements are varied or expire, they will remain as contingent and unquantifiable liabilities.

Contingent Assets

Burden sharing in the International Monetary Fund (IMF) remuneration

Since 1986, the IMF has used its burden sharing mechanism to make up for the loss of income from unpaid charges on the loans of debtor members. Under burden sharing, temporary financing in equal amounts is obtained from debtor and creditor members by increasing the rate of charge and reducing the rate of remuneration, respectively, to (1) cover shortfalls in the IMF's regular income from unpaid charges ("deferred charges") and (2) accumulate precautionary balances against possible credit default in a contingent account, the Special Contingent Account (SCA-1). SCA-1 accumulations were suspended effective November 1, 2006.

Due to the inherent uncertainty around shortfalls in IMF income, burden sharing contributions represent a contingent asset that cannot be reliably measured and as such is recorded as an unquantifiable contingent asset.

7.3. Financial Instruments

	2024	2023
	$'000	$'000
Note 7.3A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	**1,839**	305
Trade and other receivables - Goods and services receivables	**4,152**	8,917
Trade and other receivables - Other receivables	**1,777**	734
Total financial assets at amortised cost	**7,768**	9,956
Financial Liabilities		
Financial liabilities measured at amortised cost		
Employee benefits	**6,886**	7,172
Suppliers	**12,097**	17,722
Other payables	**3,512**	4,694
Total financial liabilities measured at amortised cost	**22,495**	29,588

Accounting Policy

Financial assets

The Treasury classifies its financial assets in the following categories:

a) financial assets at fair value through profit or loss;
b) financial assets at fair value through other comprehensive income; and
c) financial assets measured at amortised cost.

The classification depends on both the Treasury's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the Treasury becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:
1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured as at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the Solely Payments of Principal and Interest (SPPI) test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at fair value through other comprehensive income (i.e. mandatorily held at fair value through profit or loss) or may be designated.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Accounting Policy (continued)

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial Liabilities at Amortised Cost

Financial liabilities at amortised cost, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent the goods or services have been received (and irrespective of having been invoiced).

7.4. Administered - Financial Instruments

	2024 $'000	2023 $'000
Note 7.4A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	**766,690**	947,977
Loans to States and Territories	**15,953**	31,905
Loans to Housing Australia	**238,010**	76,108
IMF NAB loans	**-**	25,658
IMF PRGT loan	**517,165**	423,592
IMF RST Loan	**28,136**	28,515
Concessional Loans	**2,185,716**	1,944,568
IMF Maintenance of Value	**83,588**	-
Accrued interest - IMF related transactions	**108,255**	106,264
Accrued Interest - AEMO Loan	**1**	-
Accrued interest - loans to Housing Australia	**2,586**	1,218
Accrued interest - international loans	**59,327**	35,638
GST revenue allocation	**680,929**	385,240
Other receivables	**927**	-
Total assets at amortised cost	**4,687,283**	4,006,683
Financial assets at fair value through other comprehensive income		
International financial institutions	**3,050,364**	2,994,362
Australian Government entities	**3,514,507**	1,787,275
Australian Business Growth Fund	**25,508**	28,689
IMF Quota	**13,045,653**	13,221,485
IMF SDR holdings	**10,059,537**	10,295,664
IMF PRGT investment	**1,984,915**	2,011,668
IMF RST reserve account	**30,171**	30,577
IMF RST deposit account	**301,707**	305,774
Total assets at fair value through other comprehensive income	**32,012,362**	30,675,494
Total financial assets	**36,699,645**	34,682,177
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Promissory notes	**9,442,699**	8,706,866
Grants payables	**1,486,046**	380,503
Suppliers payables	**329**	-
Other payables	**1,381**	-
IMF SDR allocation liability	**18,623,503**	18,874,514
IMF related monies owing	**126,413**	120,458
IMF Maintenance of Value	**-**	735,811
Total financial liabilities measured at amortised cost	**29,680,371**	28,818,152
Financial liabilities measured at fair value through profit or loss:		
Financial guarantees	**567,650**	753,813
Total financial liabilities measured at fair value through profit or loss	**567,650**	753,813
Total financial liabilities	**30,248,021**	29,571,965

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	2024 $'000	2023 $'000
Note 7.4B: Net Gains and Losses on Financial Assets		
Financial assets at amortised cost		
Interest revenue[1]	**355,501**	214,723
Concessional Loan Discount Expense	**(248,543)**	(397,659)
Exchange gains/(loss)	**76,390**	18,468
Net gains/(losses) on financial assets at amortised cost	**183,348**	(164,468)
Financial assets at fair value through other comprehensive income		
Gains / (losses) recognised in equity	**1,419,421**	285,045
Interest revenue	**525,817**	441,546
Exchange gains/(loss)	**(352,577)**	1,104,755
Net gains/(losses) on financial assets at fair value through other comprehensive income	**1,592,661**	1,831,346
Financial assets at fair value through profit and loss		
Guarantee of State and Territory Borrowing fee	**-**	560
Net gains/(losses) on financial assets at fair value through profit and loss	**-**	560
Net gains/(losses) on financial assets	**1,776,009**	1,667,438

1. Includes unwinding of the concessional discount.

	2024 $'000	2023 $'000
Note 7.4C: Net Gains and Losses on Financial Liabilities		
Financial liabilities measured at amortised cost		
Charges on SDR allocations	**(783,894)**	(515,583)
Exchange gains/(loss)	**250,949**	(1,461,323)
Net gains/(losses) on financial liabilities measured at amortised cost	**(532,945)**	(1,976,906)
Financial liabilities measured at fair value through profit or loss		
Change in fair value	**168,178**	(106,626)
Net gains/(losses) on financial liabilities at fair value through profit or loss	**168,178**	(106,626)
Net gains/(losses) on financial liabilities	**(364,767)**	(2,083,532)

Note 7.4D: Credit risk

The maximum exposure to credit risk of the Treasury's administered financial assets is the carrying amount of 'loans and receivables' (2024: $3.9 billion and 2023: $3.1 billion) and the carrying amount of equity accounted instruments (2024: $32.0 billion and 2023: $30.7 billion) 'available for sale financial assets'.

The Treasury has performed assessments using historical data, financial statement data (audited and unaudited) and forward-looking data, including credit ratings, for transactions with other entities within the Commonwealth Government, other State and Territory governments, foreign governments and international financial institutions including the International Monetary Fund (IMF). Based on the assessments, there is no indication that a significant increase in expected credit loss over the next 12 months, or the lifetime of these transactions, will occur.

International financial institutions (including the IMF), the Australian Business Growth Fund, Housing Australia that the Treasury holds its financial assets with, have a minimum AAA credit rating. The Australian Energy Market Operator (AEMO) has AA credit rating. Therefore, the Treasury does not consider any of its financial assets to be at risk of default. Further detail is provided in the Accounting Policy for Administered Financial Instruments.

Note 7.4E: Liquidity risk

The Treasury's administered financial liabilities are promissory notes, grant liabilities, the IMF SDR allocation, other payables and liabilities associated with the SME Guarantee Scheme and Loan Recovery Scheme. The contractual guarantee service obligation arising from the guarantee scheme for State and Territory borrowing is not included as there is no liquidity risk associated with this item. It is contingent on the value of the associated contractual fee receivable. The exposure to liquidity risk is based on the notion that the Treasury will encounter difficulty in meeting its obligations associated with administered financial liabilities. This is highly unlikely due to appropriation funding through special appropriations and non-lapsing capital appropriations as well as internal policies and procedures put in place to ensure there are appropriate resources for the Treasury to meet its financial obligations.

The following tables illustrate the maturities for non-derivative financial liabilities:

Maturities for financial liabilities in 2024

	On demand $'000	Within 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000	Total $'000
Promissory notes	-	-	-	-	9,442,699	9,442,699
Grant liabilities	-	1,486,046	-	-	-	1,486,046
IMF SDR allocation liabilities	-	-	-	-	18,623,503	18,623,503
Financial guarantees	-	56,929	56,531	270,834	183,356	567,650
Other payables	-	128,123	-	-	-	128,123
Total	-	1,671,098	56,531	270,834	28,249,558	30,248,021

Maturities for financial liabilities in 2023

	On demand $'000	Within 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000	Total $'000
Promissory notes	-	-	-	-	8,706,866	8,706,866
Grant liabilities	-	380,503	-	-	-	380,503
IMF SDR allocation liabilities	-	-	-	-	18,874,514	18,874,514
Financial guarantees	-	65,521	83,023	386,165	219,104	753,813
Other payables	-	856,269	-	-	-	856,269
Total	-	1,302,293	83,023	386,165	27,800,484	29,571,965

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Note 7.4F: Market risk

Interest rate risk
Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Treasury is exposed to interest rate risk from loans and other receivables.

The Treasury considers it's interest rate risk to be not significant. Interest rate risk is primarily attributable to the international assistance loans, IMF transactions, loans to state and territory governments and loans to Housing Australia, which have fixed interest rates applied.

Foreign currency risk
Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Treasury is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency.

The Treasury is exposed to foreign currency denominated in USD, EUR and SDR.

The following table details the effect on profit and equity as at 30 June 2024 from an 8.3 per cent (30 June 2023 from an 8.5 per cent) favourable/unfavourable change in AUD against the Treasury with all other variables held constant. The change in the risk variable has been determined by reference to standard parameters provided by the Department of Finance.

Sensitivity analysis of the risk that the entity is exposed to for 2024

			Effect on	
	Risk variable	**Change in risk variable %**	**Net cost of services 2024 $'000**	**Net assets 2024 $'000**
IFI investments	Exchange rate	8.3	(233,257)	(233,257)
IFI investments	Exchange rate	(8.3)	275,371	275,371
IMF Quota	Exchange rate	8.3	(997,580)	(997,580)
IMF Quota	Exchange rate	(8.3)	1,177,693	1,177,693
IMF SDR holdings asset	Exchange rate	8.3	(769,237)	(769,237)
IMF SDR holdings asset	Exchange rate	(8.3)	908,122	908,122
IMF PRGT investment	Exchange rate	8.3	(151,783)	(151,783)
IMF PRGT investment	Exchange rate	(8.3)	179,188	179,188
IMF RST reserve account	Exchange rate	8.3	(2,307)	(2,307)
IMF RST reserve account	Exchange rate	(8.3)	2,724	2,724
IMF RST deposit account	Exchange rate	8.3	(23,071)	(23,071)
IMF RST deposit account	Exchange rate	(8.3)	27,237	27,237
Accrued interest - IMF related transactions	Exchange rate	8.3	(6,811)	(6,811)
Accrued interest - IMF related transactions	Exchange rate	(8.3)	8,041	8,041
IMF PRGT loan	Exchange rate	8.3	(41,013)	(41,013)
IMF PRGT loan	Exchange rate	(8.3)	48,418	48,418
IMF RST loan	Exchange rate	8.3	(2,152)	(2,152)
IMF RST loan	Exchange rate	(8.3)	2,540	2,540
Promissory notes	Exchange rate	8.3	5,126	5,126
Promissory notes	Exchange rate	(8.3)	(6,052)	(6,052)
IMF SDR allocation liability	Exchange rate	8.3	1,424,110	1,424,110
IMF SDR allocation liability	Exchange rate	(8.3)	(1,681,232)	(1,681,232)
IMF related money owing	Exchange rate	8.3	9,667	9,667
IMF related money owing	Exchange rate	(8.3)	(11,412)	(11,412)

Sensitivity analysis of the risk that the entity is exposed to for 2023

	Risk variable	Change in Risk variable %	Effect on Net cost of services 2023 $'000	Net assets 2023 $'000
IFI investments	Exchange rate	8.5	(234,073)	(234,073)
IFI investments	Exchange rate	(8.5)	277,450	277,450
IMF Quota	Exchange rate	8.5	(1,033,538)	(1,033,538)
IMF Quota	Exchange rate	(8.5)	1,225,068	1,225,068
IMF SDR holdings asset	Exchange rate	8.5	(804,823)	(804,823)
IMF SDR holdings asset	Exchange rate	(8.5)	953,969	953,969
IMF PRGT investment	Exchange rate	8.5	(157,254)	(157,254)
IMF PRGT investment	Exchange rate	(8.5)	186,396	186,396
IMF RST reserve account	Exchange rate	8.5	(2,390)	(2,390)
IMF RST reserve account	Exchange rate	(8.5)	2,833	2,833
IMF RST deposit account	Exchange rate	8.5	(23,903)	(23,903)
IMF RST deposit account	Exchange rate	(8.5)	28,332	28,332
Accrued interest - IMF related transactions	Exchange rate	8.5	(8,307)	(8,307)
Accrued interest - IMF related transactions	Exchange rate	(8.5)	9,846	9,846
IMF NAB loans	Exchange rate	8.5	(2,006)	(2,006)
IMF NAB loans	Exchange rate	(8.5)	2,377	2,377
IMF PRGT loan	Exchange rate	8.5	(33,113)	(33,113)
IMF PRGT loan	Exchange rate	(8.5)	39,249	39,249
IMF RST loan	Exchange rate	8.5	(2,229)	(2,229)
IMF RST loan	Exchange rate	(8.5)	2,642	2,642
Promissory notes	Exchange rate	8.5	5,236	5,236
Promissory notes	Exchange rate	(8.5)	(6,206)	(6,206)
IMF SDR allocation liability	Exchange rate	8.5	1,475,441	1,475,441
IMF SDR allocation liability	Exchange rate	(8.5)	(1,748,862)	(1,748,862)
IMF related money owing	Exchange rate	8.5	9,416	9,416
IMF related money owing	Exchange rate	(8.5)	(11,161)	(11,161)

Accounting Policy

Administered financial instruments

AASB 9 identifies three classifications for financial instruments - those measured at (a) amortised cost; (b) fair value through other comprehensive income (FVOCI); and (c) fair value through profit or loss (FVPL).

A financial asset shall be classified as at amortised cost if the financial asset is held within a business model to collect contractual cash flows and that the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

With the exception of dividends receivable, which is measured at fair value, financial assets at amortised cost are initially recognised at fair value and subsequently measured using the effective interest method. Financial assets at amortised cost include:

- International Monetary Fund (IMF) related monies receivable;
- Loans to the IMF under the New Arrangements to Borrow;
- Loans to the IMF under the Poverty Reduction and Growth Trust;
- Loans to the IMF under the Resilience and Sustainability Trust;
- Loans to Housing Australia;
- Loans to States and Territories;
- Loans to AEMO;

Accounting Policy - Administered financial instruments (continued)

- International assistance loans;
- GST revenue allocation receivable; and
- Accrued interest.

A financial asset shall be classified as at fair value through other comprehensive income (FVOCI) when the financial asset is held within a business model to collect contractual cash flows and to sell the financial asset. In addition, the Department of Finance has mandated that all equity instruments must be recorded as FVOCI.

Financial assets recorded at FVOCI are initially measured at cost and subsequently measured at fair value and include:

- The IMF quota and Special Drawing Right (SDR) holdings;
- Investments in the IMF PRGT and RST;
- Investments in development banks;
- Investment in the Australian Business Growth Fund; and
- Investments in Government entities.

Financial liabilities shall be classified as at amortised cost except for financial guarantee contracts.

Financial liabilities at amortised cost are initially measured at fair value and subsequently measured using the effective interest rate method. Financial liabilities at amortised cost include:

- Special Drawing Right (SDR) allocation;
- Grants payables
- Promissory notes; and
- International Monetary Fund (IMF) related monies payable.

The contractual terms of promissory notes are non-interest bearing making the effective interest rate nil. Therefore, the measurement would be the initial value less any repayments plus or minus movements in exchange rates as a result of translation on the balance date.

The Treasury's administered financial guarantee contracts relate to the Small and Medium Enterprises recovery loan schemes. They are classified as financial liabilities at fair value through profit or loss. They are not treated as contingent liabilities, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

The amounts recognised for the Small and Medium Enterprises recovery loan schemes financial guarantee contracts are the expected losses on the total loan balance discounted to reporting date for these Schemes.
The carrying amount of financial instruments is a reasonable approximation of fair value.

7.5. Fair Value Measurement

Note 7.5A: Fair value measurement

	Fair value measurements at the end of the reporting period	
	2024	2023
	$'000	$'000
Non-financial assets[1,2]		
Property, plant and equipment - Assets Under Construction (AUC)	**2,067**	521
Property, plant and equipment	**7,795**	9,337
Library	**576**	764
Buildings - AUC	**527**	207
Buildings	**20,692**	18,293
Total non-financial assets	**31,657**	29,122

1. The Treasury's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all non-financial assets is considered their highest and best use.
2. No non-financial assets were measured at fair value on a non-recurring basis as at 30 June 2024.

Accounting Policy

Comprehensive valuations are carried out once every three years. In the intervening years, an annual materiality review is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. The Treasury appointed Jones Lang LaSalle (JLL) to undertake a full revaluation of all tangible property, plant and equipment assets as at 30 June 2024.

Accounting judgements and estimates

Where possible, asset valuations are based upon observable inputs to the extent they are available. Where this information is not available, valuation techniques rely upon unobservable inputs. The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

Replacement cost

The value of the library was determined on the basis of the average cost for items within each collection. The replacement cost has considered purchases over recent years and these have been evaluated for reasonableness against current market prices.

All Asset Classes - Physical Depreciation and Obsolescence

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the Depreciated Replacement Cost approach. Under the Depreciated Replacement Cost approach, the estimated cost to replace the asset is calculated and then adjusted to take into account physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all leasehold improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

The Treasury's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There have been no transfers between level 1 and level 2 of the hierarchy during the year.

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7.6. Administered - Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value.
The different levels of the fair value hierarchy are defined below.
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Note 7.6A: Fair Value Measurements, Valuation Techniques and Inputs Used

Recurring fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2024

	Fair value measurements at the end of the reporting period using			
	2024 $'000	2023 $'000	**Category (Level 1, 2 or 3)**	**Valuation technic inp**
Financial assets:				
International financial institutions:				
Asian Development Bank	**609,706**	617,924		
Asian Infrastructure and Investment Bank	**1,114,432**	1,113,423		
European Bank for Reconstruction and Development	**101,033**	102,640		
International Bank for Reconstruction and Development	**516,505**	483,206		
International Finance Corporation	**699,327**	667,816		
Multilateral Investment Guarantee Agency	**9,361**	9,353		
Total international financial institutions	**3,050,364**	2,994,362	**3**	**Value of shares he**
Australian Government entities:				
Australian Reinsurance Pool Corporation	**1,663,288**	953,250		
Housing Australia	**1,851,219**	834,025		
Total Australian Government entities	**3,514,507**	1,787,275	**3**	**Net assets**
Other investments:				
Australian Business Growth Fund	**25,508**	28,689	**3**	**Net assets**
IMF Quota	**13,045,653**	13,221,485		
IMF SDR holdings	**10,059,537**	10,295,664		
IMF PRGT investment	**1,984,915**	2,011,668	**3**	**Value of quota hel lent**
IMF RST reserve account	**30,171**	30,577		
IMF RST deposit account	**301,707**	305,774		
Total Other Investments	**25,447,491**	25,893,857		
Total financial assets	**32,012,362**	30,675,494		
Total fair value measurements	**32,012,362**	30,675,494		

1. Significant observable inputs only.

Fair value measurements

The highest and best use of Treasury's investments in Australian Government entities does not differ because the fair value is based on the net asset position of the entity.
The highest and best use of Treasury's investments in International Financial Institutions does not differ because the fair value is based on the value of shares held in the relevant institution.

Note 7.6B: Level 1 and Level 2 transfers for recurring fair value measurements

No assets were transferred between Level 1 and Level 2.

Note 7.6C: Reconciliation for recurring Level 3 fair value measurements

Recurring Level 3 fair value measurements - reconciliation for assets

	Financial assets	
	Investments	
	2024	2023
	$'000	$'000
As at 1 July	**30,675,494**	29,063,993
Total gains/(losses) recognised in other comprehensive income	**1,419,421**	285,045
Total gains/(losses) recognised in net cost of services		
IMF Quota foreign exchange gain/(loss)	**(175,832)**	506,453
IMF SDR holdings foreign exchange gain/(loss)	**(135,590)**	508,615
IMF PRGT investment foreign exchange gain/(loss)	**(26,753)**	(26,237)
IMF RST reserve account foreign exchange gain/(loss)	**(406)**	256
IMF RST deposit account foreign exchange gain/(loss)	**(4,067)**	2,562
International Financial Institutions (IFI) foreign exchange gain/(loss)	**(9,929)**	113,106
Share Purchases		
Increase in investments in ABGF	**4,630**	20,000
Increase in investments in Housing Australia	**300,000**	165,000
Increase in investments in the IFI	**65,931**	65,000
Transfers out of Level 3		
IMF SDR holdings transferred to IMF RST Loan	**(100,537)**	(28,299)
Total as at 30 June	**32,012,362**	30,675,494
Changes in unrealised gains/(losses) recognised in net cost of services for the year ended 30 June	**(352,577)**	1,104,755

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8. Other Information

8.1. Current/Non-current Distinction for Assets and Liabilities

	2024 $'000	2023 $'000
Note 8.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**1,839**	305
Trade and other receivables	**121,068**	127,198
Prepayments	**7,042**	6,028
Total no more than 12 months	**129,949**	133,531
More than 12 months		
Land and buildings	**132,912**	140,565
Plant and equipment	**10,466**	10,671
Intangibles	**2,766**	4,328
Prepayments	**420**	595
Total more than 12 months	**146,564**	156,159
Total assets	**276,513**	289,690
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers		
Employee benefits	**6,886**	7,172
Suppliers	**12,097**	17,722
Other payables	**3,512**	4,694
Leases	**11,584**	11,089
Employee provisions	**20,949**	17,676
Provision for restoration	**182**	-
Total no more than 12 months	**55,210**	58,353
More than 12 months		
Provisions		
Leases	**112,237**	122,231
Employee provisions	**61,235**	58,447
Provision for restoration	**6,022**	5,974
Total more than 12 months	**179,494**	186,652
Total liabilities	**234,704**	**245,005**

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Note 8.1B: Administered - Current/non-current distinction for assets and liabilities	2024 $'000	2023 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**766,690**	947,977
Loans and other receivables	**1,271,305**	642,247
Total no more than 12 months	**2,037,995**	1,590,224
More than 12 months		
Loans and other receivables	**2,675,355**	2,416,562
Investments	**32,012,362**	30,675,494
Total more than 12 months	**34,687,717**	33,092,056
Total assets	**36,725,712**	34,682,280
Liabilities expected to be settled in:		
No more than 12 months		
Grants	**1,486,046**	380,503
IMF and other payables	**128,123**	856,269
Financial guarantees	**56,929**	65,521
Provisions	**1,849,303**	3,656,640
Total no more than 12 months	**3,520,401**	4,958,933
More than 12 months		
IMF and other payables	**18,623,503**	18,874,514
Promissory notes	**9,442,699**	8,706,866
Financial guarantees	**510,721**	688,292
Provisions	**8,645,231**	2,819,088
Total more than 12 months	**37,222,154**	31,088,760
Total liabilities	**40,742,555**	36,047,693

Part 5 – Appendices

Methodology for the Annual Stakeholder Survey

Treasury uses an annual stakeholder survey to assess the performance of the department's policy advice, effectiveness of working relationships (performance measures 1 and 11) and administration of regulator functions (performance measure 9). An external provider was engaged to develop, conduct, and report on the annual stakeholder survey for 2023–24.

Fieldwork and data collection

The fieldwork for the stakeholder survey was conducted between May and June 2024.

The research involved quantitative and qualitative data collection. The external provider emailed survey participants an invitation and a secure unique link to access the survey. Ministers or their delegates were interviewed by senior Treasury officers. A senior member from the external provider also attended as an independent observer and note taker.

Data was collected via 4 separate and tailored surveys (covering different types of stakeholders):

- One for the 4 Treasury portfolio ministers – addressing their perceptions of Treasury's performance in providing advice (performance measure 1) and perceptions of working with the Treasury (performance measure 11)
- One for Treasury's key stakeholders from Australian Government entities and other external stakeholders – addressing their perceptions of Treasury's performance in providing advice (performance measure 1) and perceptions of working with the Treasury (performance measure 11)
- One for stakeholders of the Foreign Investment Framework (performance measure 9)
- One for stakeholders of the Payment Times Reporting Scheme (performance measure 9).

Sample selection

Sampling occurred through a census approach. All relevant stakeholders were invited to participate in a survey. A systematic approach was adopted to selecting relevant stakeholders, to address the risk of selection bias (adhering to Department of Finance better practice guidance), via transparent operational selection rules for Treasury's business units (set out below). The external provider also independently assessed the integrity of the proposed lists of stakeholders to be surveyed.

Stakeholder selection operational rules

Performance measure 1 – Treasury's policy advice

- Ministerial survey: All Treasury portfolio ministers, or their delegated ministerial adviser, were invited to participate. In 2024, the Treasurer was represented at the interview by his chief of staff, while all other ministers participated in their respective interviews.
- Survey of key Australian Government entity stakeholders: Senior executives Australian Government entity stakeholders: Senior executives in other Australian Government entities who had dealt with Treasury between 1 April 2023 and 31 March 2024 (the referenced period). In-scope stakeholders included:
  - » Treasury's Senior Executive Service (SES) counterparts in the Department of Finance and the Department of the Prime Minister and Cabinet
  - » SES officers of other Australian Government entities who had dealt with Treasury at least 4 times in the referenced period.
    - A 'dealing' was defined as a number of interactions in relation to a particular collaboration activity (such as preparing a cabinet submission, preparing a round of economic forecasts). Therefore, for example, a stakeholder who only had 4 meetings with Treasury in the preparation of one cabinet submission would be defined to have dealt with Treasury only once and hence would not be in scope.

Performance measure 9 – Treasury's regulatory functions

- Survey of key stakeholders of the Foreign Investment Framework:
  - » Investors and/or agents of regulated entities who received a decision between 1 January to 31 March 2024 and who had submitted at least 4 investment proposals over the preceding year (1 April 2023 to 31 March 2024)
  - » Members of the Law Council's Foreign Investment Committee
  - » Active members of the Foreign Investment Review Board, as at 31 March 2024, who had attended a minimum of 2 monthly meetings
  - » Senior officers (Executive Level 2/equivalent and above) from Australian Government entities and senior executives from other organisations who had dealt with Treasury at least 2 times in relation to the Foreign Investment Framework between 1 April 2023 and 31 March 2024.
    - In 2024, all stakeholders of this type who were invited to complete the survey were from Australian Government entities. There were no senior executives from other organisations invited to complete the Foreign investments Framework
    - A 'dealing' was defined as a number of interactions in relation to a particular matter/issue to do with the Foreign Investment Framework.

- Survey of key stakeholders of the Payment Times Reporting Scheme (scheme):
  - Senior management from regulated entities, industry bodies, professional advisers identified on the regulator's stakeholder liaison list and senior officers (Executive Level 2/equivalent and above) from Australian Government entities who had dealt with Treasury at least 2 times in relation to the scheme between 1 April 2023 and 31 March 2024.
    - A 'dealing' was defined as an interaction in relation to matters regarding the scheme. This included, but was not limited to, raising specific issues with reporting, making enquiries, self-nominating for involvement or participating in stakeholder liaison groups, stakeholder engagement or consultations.
    - The 'regulator's stakeholder liaison list' consisted of representatives from regulated entities, corporate and financial sector peak bodies and professional services advisors who had self-nominated to be a part of a contact list for the Payment Times Reporting Scheme news items, updates on new resource availability, the Stakeholder Liaison Forum dates and other relevant communications.

Performance measure 11 – Working with Treasury:

- Ministerial survey and survey of Australian Government entity stakeholders as defined in performance measure 1 – Treasury's policy advice.
- Survey of external stakeholders: Senior executive level stakeholders from organisations other than Australian Government entities who had dealt with Treasury at least 4 times between 1 April 2023 and 31 March 2024 in engagements or consultations.
  - A 'dealing' was defined as a number of interactions in relation to a particular engagement/consultation matter (for example a particular stage of a reform process).
  - In-scope organisations included state and territory government entities, community sector organisations, businesses, peak bodies and unions.

For all stakeholders, in the event that a targeted stakeholder was not available to participate in the survey (e.g. had left the organisation, was on leave), another contact who was, at most, one reporting level below the initially invited officer from the stakeholder's organisation, was to be substituted and invited to participate in the survey, subject to the nominated substitute having also dealt with Treasury as defined by the operational rules. No such substitution was attempted in the data collection stage of this year's survey.

Performance measure calculation methodology

Weighting of survey results

Given the relative importance of the Treasurer as the senior Treasury minister, the survey ratings of the Treasurer (or delegate) have been weighted more highly than those of other ministers. The weighting formula has a ratio of 3:1:1:1, with the Treasurer's responses accounting for 50 per cent of the aggregate performance metrics derived from the survey, while each other 3 ministers' responses account for 17 per cent. Given all 4 Treasury portfolio ministers responded to the survey, the Treasurer's response has been counted as 2 responses and each of the other ministers' responses as 0.67 responses. This is the same weighting formula that was used in the 2023 survey.

Approach to calculating policy advice performance measures

Policy advice refers to an output provided by Treasury to help ensure that government decisions are appropriately supported and informed. This includes briefing documents, submissions and oral briefings.

Performance measure 1 – Proportion of Treasury ministers that rate Treasury advice highly

The ministerial stakeholder questionnaire asked ministers to rate specific aspects/attributes of the policy advice that they had received from Treasury in 2023–24 via an intuitive, clear and familiar 5-point 'agreement' rating scale (where 1 = 'strongly disagree' and 5 = 'strongly agree'). These attributes were drawn from the Treasury Policy Advice Matrix and are outlined in Table 33.

Table 33: Attributes drawn from the Treasury Policy Advice Matrix

In general, Treasury's policy advice ...		
1. Informed	**2. Influential**	**3. Impactful**
Was supported by relevant evidence	Was tailored to your needs	Resulted in government decisions consistent with the advice
Was supported by contemporary/up-to-date evidence	Was timely	Led to tangible outcomes
Where applicable, considered the views of relevant stakeholders and experts	Was considered in your decision-making	

The individual attribute ratings provided by ministers were aggregated (formula set out below) to derive numerical scores that indicate 'High', 'Moderate' and 'Low' performance.

Performance measure 1 – Proportion of key government entities and stakeholders that rate Treasury advice highly

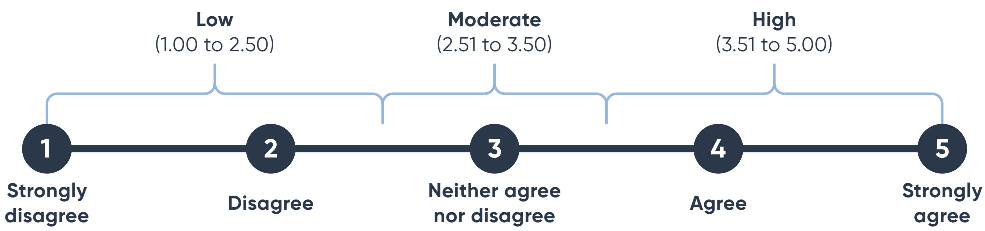
A similar approach was taken for this element of performance measure 1. The survey questionnaire asked Australian Government entity stakeholders to rate specific aspects/attributes of the policy advice that they had seen from Treasury in different areas (for example, macroeconomic policy, fiscal policy, tax policy) in 2023–24 via the 5-point 'agreement' rating scale.

For both ministers and Australian Government entity stakeholders, performance measure 1 has been calculated as follows:

- For each stakeholder respondent, the average (mean score out of 5) rating has been calculated across all questions answered that relate to:
  - » the 'Informed' criterion (Average 1)
  - » the 'Influential' criterion (Average 2)
  - » the 'Impactful' criterion (Average 3).
- For each respondent, the average of these average ratings has been calculated (effectively giving equal weight to each criterion) (Average 4).

As illustrated on the graphic below, if Average 4 = 1.00–2.50, this has been classified as 'Low', 2.51–3.50 has been classified as 'Moderate', and 3.51–5.00 as 'High'.

Figure 21: Stakeholder survey 2023–24, average score classification



The weighted percentage of ministers rating High overall (Average 4) has been reported for the performance measure.

The unweighted percentage of Australian Government entity stakeholders rating High overall (Average 4) has been reported for the performance measure.

Approach to calculating the effectiveness of working relationships and administration of regulator functions (performance measures 9 and 11)

Stakeholders were asked to indicate the extent to which they agree or disagree with the questions on a 5 point scale: strongly disagree (1), disagree (2), neither agree nor disagree (3), agree (4) or strongly agree (5).

Performance was calculated on the average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) for applicable question items.

'Don't Know / Not Applicable' responses were excluded.

Advertising and market research

Treasury is required to report on all payments to advertising agencies, market research organisations, polling organisations, media advertising organisations and direct mail organisations.

During 2023–24 Treasury delivered the Tax Cuts Campaign, aimed at informing Australian taxpayers of the changes associated with the *Treasury Laws Amendments (Cost of Living Tax Cuts) Act 2024*. Development of the Supporting Australians Campaign commenced in 2023–24, seeking to increase awareness of the support the Australian Government is providing to Australians.

Credit notes, cost recovery and invoices issued for campaign expenditure for advertising agencies, market research organisations and media advertising organisations were as outlined in campaign expenditure for advertising agencies, market research organisations and media advertising organisations in Table 34 to Table 36.

Campaign compliance information is available at treasury.gov.au and in the reports on government advertising prepared by the Department of Finance and published at finance.gov.au/advertising. These Department of Finance reports provide details of campaigns for which expenditure was greater than $250,000 (including GST).

Treasury did not make any payments to polling organisations or direct mailing organisations in 2023–24.

Table 34: Advertising agencies 2023–24

Provider	Service Provided	Cost (inc. GST)
Clemenger BBDO Pty Ltd	Creative services (Tax Cuts Campaign)	$2,249,309.17
Clemenger BBDO Pty Ltd	Creative services (Supporting Australians Campaign)	$39,999.42

Table 35: Market research organisations 2023–24

Provider	Service Provided	Cost (inc. GST)
WhereTo Pty Ltd	Developmental research services (Tax Cuts Campaign)	$425,695.59
WhereTo Pty Ltd	Developmental research services (Supporting Australians Campaign)	$75,735.00
Hall and Partners Pty Ltd	Evaluation research services (Tax Cuts Campaign)	$157,150.95

Note: Hall and Partners Pty Ltd is the whole of government campaign evaluation research agency for all Commonwealth Government advertising.

Table 36: Media advertising 2023–24

Provider	Service Provided	Cost (inc. GST)
Universal McCann Australia	Advertising services (Tax Cuts Campaign)	$17,846,381.15

Note: Universal McCann Australia is the master media agency for all Commonwealth Government advertising.

Grants

Information on grants awarded by Treasury for 2023–24 is available on GrantConnect at grants.gov.au.

Information publication scheme

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) must meet requirements as part of the Information Publication Scheme. Part II of the FOI Act requires each agency to display a plan on its website showing what information it publishes in accordance with the Information Publication Scheme. Treasury's plan is available at treasury.gov.au.

Work health and safety

Treasury recognises its responsibility and obligations as outlined in the *Work Health and Safety Act 2011* and is committed to creating and maintaining a safe and healthy environment for all its employees, workers, and visitors.

The health and wellbeing of Treasury employees remains a priority. Treasury's wellbeing strategy, *Healthy Minds: Our mental wellbeing strategy 2022–2025*, is a critical part of the ongoing prevention and management of mental health risks in our workplace. The strategy reinforces the importance of enhancing appropriate capability, culture and programs to support Treasury's employees. Since the introduction of the strategy in 2022, 44 key deliverable activities have been achieved (56 per cent) and 22 (15 per cent) are in progress.

The Health and Safety Committee met quarterly in 2023–24. The committee has oversight of the work health and safety standards required across Treasury. There were 37 work health and safety (WHS) incidents and hazards reported in 2023–24. The majority were attributed to slips, trips, and falls. One notifiable incident was reported to Comcare. This notifiable incident was categorised as a serious injury due to a slip. No investigations were conducted, and no notices were issued in 2023–24.

Treasury has 9 health and safety representatives, 18 workplace harassment contact officers, 26 first aid officers and 109 emergency officers. During 2023–24, Treasury provided role specific training including mental health first aid, first aid, bullying and harassment in the workplace, emergency response, and health and safety representative training.

Treasury proactively undertook internal inspections and reviews of policies and procedures as part of preventative measures to mitigate risks. This included annual office-based workplace inspections across all office locations and reviewing the WHS Management System. Treasury also participated in a Comcare proactive engagement inspection on incident management and reporting. The Comcare inspection resulted in no non-compliance findings and 5 improvement-based recommendations for consideration. Two of these recommendations were implemented and the remaining 3 are under consideration.

Throughout the year, Treasury invested in a range of initiatives to ensure it provides a healthy and safe workplace.

- Professional counselling and support for employees through our Employee Assistance Program. Services were available to employees online and remotely via teleconferencing and video conferencing, including a dedicated helpline service for managers and First Nations employees.
- Access to an annual influenza vaccination, employer-subsidised eyesight testing for screen-based work, lifestyle contribution initiative and workstation assessments.
- Access to wellbeing, health and safety training, such as appropriate workplace behaviours, introduction to WHS, active bystander, and compassionate foundation (suicide prevention) for the Senior Executive Service and Executive Level leaders.
- Treasury provided resilience and good mental health in the workplace training, resilience coaching, regular promotion of mental health-related events such as RU OK? Day, STEPtember and Safe Work week.
- An early intervention program supported employees experiencing an illness or injury. This program gave employees access to valuable advice, services and financial support to assist them in remaining at, or returning to, work as soon as practicable.
- Access to a support program for employees living with cancer and those caring for a family member. The program provides access to digital, science-based tools, personalised coaching and educational resources to help employees gain a better understanding of diagnoses, adopt positive behavioural changes and be engaged in cancer care.

Disability reporting

Australia's Disability Strategy 2021–2031 (the Strategy) is a national framework signed by all governments in Australia. It sets out a plan for continuous improvement in the lives of people with disability in Australia.

The Strategy's vision is for an inclusive Australia that ensures people with disability can fulfil their potential as equal members of the society. The Strategy outlines practical changes to assist people with disability.

In line with Australia's commitments under the United Nations *Convention on the Rights of Persons with Disabilities*, the Strategy helps protect, promote and realise the human rights of people with disability.

The Australian Public Service Disability Employment Strategy 2020–2025 aims to increase employment of people with disability across the Australian Public Service to 7 per cent by 2025. Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the Australian Public Service Statistical Bulletin. These reports are available at apsc.gov.au.

Annual child safety statement of compliance

Treasury is committed to promoting and maintaining a culture of child safety and wellbeing.

In line with the Commonwealth Child Safe Framework (the Framework), Treasury undertook a child safety risk assessment for 2023–24 and determined the risk as low. The assessment determined that the identification and evaluation of risks to the safety and protection of children and young people was thorough, measures implemented to mitigate those risks were appropriate, and Treasury was compliant with the 4 requirements of the Framework.

While Treasury's business activities and functions rarely involve direct interaction with children, we work to ensure departmental activities are child safe and any work undertaken ensures children's rights, needs and interests are met.

Treasury will continue to embed child safe initiatives into our culture and work practices. We will ensure that our employees remain aware of the requirements of the Framework, including the National Principles for Child Safe Organisations. Employees undertaking a specific role in child-related programs or activities will participate in the necessary education and training, including undertaking Working with Vulnerable People checks and participating in child-safety training through the Australian Human Rights Commission.

Ecologically sustainable development and environmental performance

Treasury remains committed to the principles of ecologically sustainable development consistent with relevant Commonwealth, state and territory environmental legislation, regulations, policies and initiatives. The Treasury Environmental Management Plan sets out our environmental policies and performance action plans, to meet environmental best practice wherever practicable.

In 2023–24 we minimised our impact on the environment in the areas of energy efficiency, waste and water use through:

- maintaining LED lighting systems in all new office fit outs
- reducing paper consumption by defaulting office printers to black-and-white and two-sided printing, and supporting the use of electronic document management and collaboration as well as digital and mobile technology solutions for staff (iPads and laptops)
- using energy-saver mode for most office equipment when not in use across all office locations
- using technology such as teleconferencing and videoconferencing to facilitate meetings with interstate and overseas colleagues where appropriate
- purchasing 5-star energy rated electrical appliances (where available)
- participating in Earth Hour
- encouraging recycling by providing waste recycling stations, segregating waste into approved recycling streams (including waste to landfill, mingled waste and compost), engaging waste management providers to recycle used paper waste and secure paper materials
- establishing a fit-out and furniture recycling strategy that reuses the department's existing office fit-out infrastructure, including workstations; and sourcing redundant office fit-out and workstations from other government departments when available
- recycling toner cartridges, fluorescent light tubes and batteries
- utilising low emissions vehicles (LEV) which has increased the current vehicle fleet up to 50% LEV
- using water flow restriction controls and water efficient appliances in kitchens and bathrooms to minimise use across the Treasury building tenancy.

In 2023–24, Treasury collected an average of 101.7 kilograms of organic waste weekly through organic waste bins in all kitchens for food scraps, coffee grinds, tea bags and paper towels. Canberra-based waste management business Global Worming processes this waste which reduces the greenhouse gases otherwise produced. Peak collection during Budget week preparations in May 2024 was 121.4 kilograms.

Commonwealth Climate Disclosure

This is Treasury's first Annual Report to include climate-related disclosures in accordance with the criteria in the Commonwealth Climate Disclosure Pilot Guidance. Commonwealth Climate Disclosure is the Government's policy for Commonwealth entities to publicly disclose their exposure to climate risks and opportunities, as well as their actions to manage them.

The Performance and Risk Committee, the independent Audit and Risk Committee and the Executive Board provide the Secretary with assurance that risk is being appropriately managed. See Part 3 of this report for an overview of Treasury's risk management and governance arrangements.

Climate Risk

Treasury began its first climate risk and opportunity assessment in line with our obligations under the Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–26. A Treasury team began assessing and consulting on current and future states of the environment and identifying associated risks and opportunities across the department. The assessment will be completed in 2024–25.

As per section 12 of the PGPA Act, the Secretary is the accountable authority for Treasury. Under section 16 of the PGPA Act, the Secretary is responsible for establishing and maintaining systems of internal control and risk oversight. This responsibility encompasses climate-related risks and related disclosures. Treasury's planned roles and responsibilities for oversight and administration of governance processes, controls and procedures of climate-related risks and opportunities are outlined in Table 37. Treasury's Executive Board has endorsed these interim governance arrangements, for inclusion in an updated Risk Management Policy and Risk Management Framework which will be approved by the Secretary in 2024–25. Climate risk management will be a specialist risk category under Treasury's revised Risk Management Framework.

Table 37: Treasury's planned governance roles for climate-related risks

Role	Risk Responsibility
Secretary	Accountable authority with responsibility for having systems of risk management in place – this includes determining risk appetite, tolerance and a positive risk culture. Deputises climate risk management oversight to the Executive Board. This includes the establishment and oversight of climate-related risk assessment processes and performance targets, such as (but not limited to) the development of emissions reduction targets for inclusion in the department's Emissions Reduction Plan.
Executive Board	Principle assignee responsible for overseeing climate-related risk and approving the department's climate-related strategies, targets, policies, activities and performance.
Performance and Risk Committee	Responsible for supporting the Executive Board to implement climate risk and opportunity management, including identification and prioritisation of these risks and opportunities. Meets regularly and can escalate risks, including climate-related risks, to the Executive Board and Secretary. Reports to Executive Board on the progress of climate risk management implementation at least once a year, and as required, to bring urgent and/or critical risks to the attention of the Secretary.
Audit and Risk Committee	Responsible for providing independent advice to the Secretary on the appropriateness of the department's key governance arrangements, including system of risk oversight and management, and the system of internal control. This encompasses climate risk and opportunity monitoring and disclosures.
Chief Risk Officer (CRO)	Deputy Secretary responsible for overseeing the risk management framework and governance as well as advising the Secretary and Executive Board, including through their role on the Performance and Risk Committee.
Enterprise Risk and Program Advisory	Responsible for maintaining the risk management policy and risk management framework, and underlying toolsets, and for leading on climate risk and opportunity work.

As required under the Commonwealth Risk Management Policy, Treasury maintains an appropriate level of capability to administer its risk management framework and manage its risks. Treasury will assess capability and requirements through its climate risk and opportunity assessment and will make decisions about resource allocation in line with its climate risk profile, broader operating environment and funding from government. This includes considering the trade-offs between climate-related risks and other government policy constraints. For example, putting in place appropriate checks and balances to ensure any new property management activities align with the emissions reduction articulated in the department's Emissions Reduction Plan.

Climate-related metrics

Emissions are required to be calculated in line with the APS Net Zero Emissions Reporting Framework provided by Department of Finance, consistent with the whole-of-government approach as part of the APS Net Zero by 2030 policy.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2023–24 period. For the emissions calculation method, please see the Pilot Metrics and Targets Factsheet. Treasury has not deviated from this methodology.

Figures for 2023–24 include the addition of the following emission categories as required by expansion 2 of the APS Net Zero Emissions Reporting Framework:

- refrigerants (reported as scope 1)
- solid waste disposal and treatment (reported as scope 3)
- employee domestic business travel (hire car and accommodation) (reported as scope 3).

The greenhouse gas emissions inventory covers the 2023–24 period. Results are presented as carbon dioxide equivalent (CO_2-e) emissions based on the best available data at the time of reporting. Amendments to data may be required in future reports.

Table 38 shows Treasury's greenhouse gas emissions for the 2023–24 reporting period.

Table 38: Treasury's Greenhouse Gas Emissions Inventory 2023–24

Emission source	Scope 1 t CO_2-e	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e
Electricity (location-based approach)	n/a	510.363	40.828	551.191
Natural gas	0.000	n/a	0.0000	0.0000
Solid waste(a)(b)	n/a	n/a	52.992	52.992
Refrigerants(a)(c)	0.000	n/a	n/a	0.000
Fleet vehicles(d)	0.716	n/a	0.182	0.898
Domestic commercial flights	n/a	n/a	508.302	508.302
Domestic hire car(a)(e)	n/a	n/a	3.226	3.226
Domestic travel accommodation(a)	n/a	n/a	351.073	351.073
Other energy	0.000	n/a	0.000	0.000
Total t CO_2-e	**0.716**	**510.363**	**956.603**	**1,467.683**

Notes: CO_2-e = carbon dioxide equivalent.

The table above presents emissions related to electricity usage using the location-based accounting method.

Domestic travel includes flight data for the Department of the Treasury, Australian Reinsurance Pool Corporation, the Inspector-General of Taxation, and the Financial Reporting Council.

Australian Office of Financial Management data for natural gas, electricity and solid waste could not be separated from Department of the Treasury data and has been included in the Treasury Annual Report.

Australian Reinsurance Pool Corporation data for domestic travel could not be separated from Department of the Treasury data and has been included in the Treasury Annual Report.

Inspector-General of Taxation data for accommodation could not be separated from Department of the Treasury data and has been included in the Treasury Annual Report.

a) Indicates emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

b) Not all solid waste data was available at the time of the report and amendments to data may be required in future reports.

c) Indicates optional emission source for 2023–24 emissions reporting.

d) Emissions data for electricity consumed by electric and plug-in hybrid vehicles has been reported for electricity directly purchased by the Treasury. Emissions associated with electricity consumption from public charging stations has not been reported for 2023–24.

e) Emissions data for hire cars in 2023–24 was sourced from third party providers and may be incomplete.

Applying the market-based method, which accounts for factors such as GreenPower usage, purchased large-scale generation certificates, power purchasing agreements, the renewable power percentage and the jurisdictional renewable power percentage (ACT only), the total emissions for electricity are as shown in Table 39.

Table 39: Treasury's Electricity Greenhouse Gas Emissions 2023–24

Emission source	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e	Percentage of electricity use
Location-based electricity emissions	510.363	40.828	551.191	100%
Market-based electricity emissions (residual emissions)	215.236	26.572	241.808	35.78%
Total renewable electricity	–	–	–	64.22%
Mandatory renewables[a]	–	–	–	*18.72%*
Voluntary renewables[b]	–	–	–	*45.50%*

Notes: CO_2-e = carbon dioxide equivalent.

The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods.

a) Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

b) Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

The difference in carbon dioxide equivalent in location versus market-based emissions is due to the Department of the Treasury having most of its operations within the ACT, which has a jurisdictional renewable power percentage.

Climate-related targets

The department is following the APS Net Zero by 2030 target in full, as per the Net Zero Government Operations Strategy. Treasury has finalised our first Emissions Reduction Plan. The Emissions Reduction Plan sets out Treasury's commitment to reduce emissions to net zero by 2030 and includes planned and new emissions-reduction initiatives. Initiatives within the Emissions Reduction Plan are signed off by the Executive Board. We will monitor our progress and report additional measures if required. Full details on the APS Net Zero by 2030 target are detailed in the Pilot Metrics and Targets Factsheet.

Australia and the international financial institutions

Program 1.2: Payments to international financial institutions (see Figure 2), outlines various payments made by Treasury to the:

- Asian Development Bank
- Asian Infrastructure Investment Bank
- European Bank for Reconstruction and Development
- International Monetary Fund (IMF)
- World Bank.

The following legislation requires further reporting on the IMF and the World Bank for 2023–24:

- Section 10 of the *International Monetary Agreements Act 1947* requires reporting on the operations of the Act and of the operations, insofar as they relate to Australia, of the Articles of Agreement of the IMF and the International Bank for Reconstruction and Development during each financial year.
- Section 7 of the *International Bank for Reconstruction and Development (General Capital Increase) Act 1989* requires reporting on the operations of the Act during each financial year.

Treasury is responsible for managing the Australian Government's shareholdings with the International Financial Institutions. DFAT has further interactions relating to the Government's aid program (see DFAT annual report for information).

The IMF and the World Bank publish annual reports on their operations and provide information at imf.org and worldbank.org.

Australia and the International Monetary Fund

Mandate

The purposes of the IMF (set out in Article I of its Articles of Agreement) are to:

- promote international monetary cooperation
- facilitate the expansion and balanced growth of trade, contributing to high levels of employment and real income
- promote exchange rate stability and avoid competitive devaluation
- assist in the establishment of a multilateral system of payments and in the elimination of foreign exchange restrictions that hamper the growth of world trade
- make resources available to members to reduce the costs of balance of payments adjustments.

Australia's representation at the International Monetary Fund

Australia interacts with the International Monetary Fund through:

- the International Monetary Fund Board of Governors
- the International Monetary and Financial Committee
- the International Monetary Fund Executive Board
- the International Monetary Fund's Article IV consultation on Australia's economic developments and policy.

Board of Governors

The Board of Governors is the highest authority within the IMF. It consists of one governor and one alternate governor for each of the 190 member countries. Australia is represented on the Board of Governors by the Treasurer of the Commonwealth of Australia. The Secretary to the Treasury is Australia's Alternate Governor. Governors' votes on IMF resolutions during 2023–24 are noted in Table 40.

Table 40: Australian Governor's votes on International Monetary Fund 2023–24 resolutions

Resolution title	Date	Australian Governor's vote
Direct Remuneration of Executive Directors and their Alternates	24 August 2023	Abstained from voting
Sixteenth General Review of Quotas	15 December 2023	Approved
Membership for the Principality of Liechtenstein	8 April 2024	Approved

International Monetary and Financial Committee

The International Monetary and Financial Committee advises the Board of Governors on the functioning and performance of the international monetary and financial system but does not have a decision-making role.

International Monetary Fund Executive Board, Executive Director and constituency office

The IMF Executive Board conducts the day-to-day business of the IMF and determines matters of policy under the overall authority of the Board of Governors.

Australia belongs to a constituency which, in 2023–24, included Kiribati, the Republicof Korea, the Marshall Islands, the Federated States of Micronesia, Mongolia, the Republic of Nauru, New Zealand, Palau, Papua New Guinea, Samoa, Seychelles, Solomon Islands, Tuvalu and Vanuatu.

At 30 June 2024, Australia held around 1.33 per cent of the total voting power at the IMF. The constituency, as a whole, held around 3.78 per cent.

By agreement between members, the staffing of Australia's constituency office rotates among constituency members. At 30 June 2024, Mr Robert Nicholl of Australia held the constituency's Executive Director position.

Australia's Article IV consultation

In accordance with Article IV of its Articles of Agreement, the IMF conducts regular consultations with the authorities of member countries on economic policies and conditions. In preparation for the Article IV consultations, the IMF conducted a virtual staff visit including consultation with stakeholders from across government and the private sector in July 2023. The IMF's Article IV consultation with Australia was held in person from 18 October to 1 November 2023. The 2024 Article IV consultation is scheduled for September 2024.

Australia's quota in the International Monetary Fund and financial transactions

Australia's shareholding in the International Monetary Fund

A member's allocated shareholding in the IMF is known as its 'quota', which broadly reflects its weight in the global economy. Australia's quota at 30 June 2024 was 6,572.4 million Special Drawing Rights (equivalent to approximately A$13,046 million at 30 June 2024). Part of Australia's quota is held in reserve by the IMF in Special Drawing Rights and gold. Part is held in Australia by the Reserve Bank of Australia in a combination of non-interest-bearing promissory notes and cash amounts in Australian dollars. As part of the IMF's Sixteenth General Review of Quotas, the Australian Government has agreed to approve a 50 per cent increase to the IMF quota. Under the agreement, Australia's quota will increase to SDR 9.9 billion Special Drawing Rights (approximately A$19.7 billion). The timing of the quota increase is uncertain, but it will come into effect no earlier than 15 November 2024 and is subject to conditions including consent by members representing 85 per cent of existing quota. If the IMF quota increase is implemented it will be largely offset by reductions in Australia's other IMF commitments.

Australia's financial transactions with the International Monetary Fund

Australia conducts a range of financial transactions to manage its obligations with the IMF. Transactions in 2023–24 were all completed in a timely and efficient manner. They are described in the following sections, on a cash basis.

Special Drawing Right charges, interest and assessment fee

The Special Drawing Right is an international reserve asset created by the IMF to supplement the official reserves of member countries. Its value is based on a basket of 5 international currencies (the US dollar, the Japanese yen, the British pound sterling, the Chinese renminbi and the euro).

Australia's cumulative Special Drawing Right allocation at 30 June 2024 was 9.38 billion, while our actual holdings were around 9.86 billion. The Australian Government and the Reserve Bank of Australia each hold a portion of Australia's Special Drawing Right holdings, with the Australian Government owning 5.07 billion and the Reserve Bank of Australia owning 4.80 billion. The Reserve Bank of Australia's holdings were sold to it by the Australian Government in exchange for Australian dollars. Australia's cumulative allocation is the sole responsibility of the Australian Government.

The IMF levies charges on the Special Drawing Rights that have been allocated to each member. It pays interest on the Special Drawing Right held by each member. In 2023–24, the Australian Government paid charges of 381.36 million in Special Drawing Rights (approximately A$777.80 million) on Australia's cumulative allocation. During this period Australia received a total of 399.34 million (approximately A$814.42 million) in interest from the IMF on Australia's Special Drawing Right holdings. Of this interest, the Australian Government received 207.33 million in Special Drawing Rights (approximately A$422.87 million) and the Reserve Bank of Australia received 192.01 million in Special Drawing Rights (approximately A$391.55 million).

The IMF levies an annual assessment fee to cover the cost of operating its Special Drawing Right department. This is determined according to participants' net cumulative Special Drawing Right allocations. Australia's annual assessment fee for the International Monetary Fund's financial year ending 30 April 2024 was 71,577 in Special Drawing Rights (approximately A$143,326).

Remuneration

Remuneration is interest earned on quota resources held by the IMF, excluding gold. In 2023–24 Australia received remuneration of 69.49 million in Special Drawing Rights (approximately. A$141.77 million).

Maintenance of value

The part of Australia's IMF quota held in Australian dollars is subjected to changes in value. This is because the exchange rate between the Australian dollar and the Special Drawing Right fluctuates throughout the year.

Under the International Monetary Fund Articles of Agreement, members are required to maintain the Special Drawing Right value of their quota through a 'maintenance of value' adjustment (that is, a payment or receipt as necessary) following the close of the IMF's financial year on 30 April 2024.

For the IMF's 2022–23 financial year, the Australian dollar depreciated against the Special Drawing Right. As a result, the 2022–23 maintenance of value adjustment involved a payment from Australia to the IMF of around A$735.8 million, with settlement made in July 2023.

For the IMF's 2023–24 financial year, the Australian dollar appreciated against the Special Drawing Right. As a result, the 2023–24 maintenance of value adjustment will involve a payment from the IMF to Australia of around A$83.59 million. Payment for the 2023–24 maintenance value adjustment was scheduled to be made in July 2024. Table 41 provides details of individual Financial Transactions Plan transactions and the resulting reserve position at the IMF.

Table 41: Transactions with the International Monetary Fund in 2023–24 (cash basis)

	Amount in Special Drawing Rights (SDRs)	Amount in A$
Total interest received on Australia's Special Drawing Right holdings	399,340,763	814,424,654
Total remuneration received for Australian holdings at the International Monetary Fund	69,488,057	141,770,566
Total charges paid on Australia's Special Drawing Right allocation	381,363,758	777,795,438
Annual Assessment Fee paid to Special Drawing Right department	71,577	143,326
Maintenance of value transaction for 2022–23 payment made in July 2023		735,811,355

Note: Interest on Special Drawing Right holdings are shared proportionally between the Reserve Bank of Australia and Treasury.

Lending-related transactions and Australia's reserve position in the International Monetary Fund

The IMF manages its lending of quota resources through the Financial Transactions Plan. This is the mechanism through which the IMF selects the currencies to be used in IMF lending transactions. It also allocates the financing of lending transactions among members. Only currencies of IMF members with sufficiently strong balance of payments and reserve positions – such as Australia – are selected for use in the Financial Transactions Plan.

Table 42: Australia's reserve tranche position in the International Monetary Fund 2023–24

Date	Description	Debit (SDRs)	Debit (A$)	Credit (SDRs)	Credit (A$)
Reserve tranche position at 30 June 2023				1,900,321,068	3,822,814,460
Financial Transactions Plan (FTP) payments					
10-Jul-23	FTP Loan to Costa Rica			32,230,000	64,525,946
15-Dec-23	FTP Loan to Senegal			26,870,000	54,426,867
19-Jan-24	FTP Loan to Kenya			24,000,000	48,605,725
4-Jun-24	FTP Loan to Ecuador			88,000,000	175,487,926
FTP receipts					
10-Jul-23	FTP Repayment from Tunisia	3,000,000	6,006,138		
17-Jul-23	FTP Repayment from Egypt	5,000,000	10,014,581		
28-Sep-23	FTP Repayment from Egypt	35,000,000	71,747,335		
5-Oct-23	FTP Repayment from Ukraine	1,370,833	2,836,936		
27-Oct-23	FTP Repayment from South Africa	45,000,000	92,398,859		
16-Dec-23	FTP Repayment from Costa Rica	6,175,000	12,507,849		
21-Dec-23	FTP Repayment from Jamaica	4,720,000	9,381,795		
18-Jan-24	FTP Repayment from Egypt	30,800,000	62,003,644		
12-Feb-24	FTP Repayment from Seychelles	1,451,665	2,948,447		
15-Mar-24	FTP Repayment from Ukraine	59,675,833	120,393,309		
18-Apr-24	FTP Repayment from Sri Lanka	25,100,000	50,926,104		
2-May-24	FTP Repayment from Mongolia	2,184,066	4,411,408		
13-May-24	FTP Repayment from Egypt	120,000,000	240,718,303		
Reserve tranche position at 30 June 2024				1,731,943,671	3,437,760,364

Note: Because Australia's reserve tranche position is denominated in Australian dollar/Special Drawing Right exchange rates vary during the year, when expressed in Australian dollars the closing position does not exactly equal the summation of the opening position and transactions during the year.

Financial Transactions Plan transactions (and any transfers for administrative purposes) directly impact on Australia's reserve position at the IMF. In 2023–24 the amount of Australia's Special Drawing Right reserves held by the IMF decreased from around 1.90 billion to around 1.73 billion.

Through the New Arrangements to Borrow, Australia and 39 other member countries have committed to lend additional resources to the IMF. The New Arrangements to Borrow constitutes a second line of funding defence to supplement IMF resources to forestall or cope with an impairment of the international monetary system.

The New Arrangements to Borrow is used in circumstances in which the IMF needs to supplement its quota resources for lending purposes. The New Arrangements to Borrow is covered by general activation periods of up to 6 months, with each activation period subject to a specified maximum level of commitments. Australia has received New Arrangements to Borrow repayments following past New Arrangements to Borrow lending. However, the New Arrangements to Borrow is not currently active or being called upon.

In 2023–24, Australia received total New Arrangements to Borrow repayments of 12.75 million in Special Drawing Rights (approximately A$25.80 million). Australia has no outstanding New Arrangements to Borrow lending at 30 June 2024.

Table 43: Australia's New Arrangements to Borrow transactions in 2023–24

Description	Debit (SDRs)	Debit (A$)	Credit (SDRs)	Credit (A$)
Total New Arrangements to Borrow loans (payments)			0	0
Total New Arrangements to Borrow receipts (repayments)	12,754,177	25,803,270		
Net New Arrangements to Borrow payments for 2023–24	12,754,177	25,803,270		

Note: The Australian Government earns interest on any money lent under the New Arrangements to Borrow. In 2023–24, the Australian Government received interest payments on its New Arrangements to Borrow loans of 352,120 in Special Drawing Rights (approximately A$723,139). Interest is calculated using the Special Drawing Right interest rate, accrued daily and paid quarterly.

Australia entered into agreements with the IMF to lend to the Poverty Reduction and Growth Trust (Table 44) on 23 October 2020 and 7 October 2022. The Poverty Reduction and Growth Trust provides concessional financial support to help low-income countries to achieve, maintain or restore a stable and sustainable macroeconomic position consistent with strong and durable poverty reduction and growth.

Table 44: Australia's Poverty Reduction and Growth Trust (PRGT) transactions in 2023–24

Description	Debit (SDRs)	Debit (A$)	Credit (SDRs)	Credit (A$)
Poverty Reduction and Growth Trust Loan Account				
Total Poverty Reduction and Growth Trust loans (payments)			49,980,000	99,206,034
Total Poverty Reduction and Growth Trust receipts (repayments)	0	0		
Net Poverty Reduction and Growth Trust payments for 2023–24	0	0	49,980,000	99,206,034

Note: The Australian Government earns interest on any money lent or contributed under the Poverty Reduction and Growth Trust. In 2023–24, the Australian Government received interest payments on its Poverty Reduction and Growth Trust loans of 9.34 million (approximately A$19.02 million). Interest is calculated using the Special Drawing Right interest rate, accrued daily and paid quarterly. As part of our 2022 agreement, Australia also made an investment of 1 billion in Special Drawing Rights in the Poverty Reduction and Growth Trust Pooled Investments. In 2023–24, the Australian Government received interest payments on its Poverty Reduction and Growth Trust Investment contribution of 40.65 million in Special Drawing Rights (approximately A$82.90 million).

Australia entered into an agreement with the IMF to lend to the Resilience and Sustainability Trust on 7 October 2022. The Resilience and Sustainability Trust provides affordable long-term financing to help low-income countries, small states and vulnerable middle-income countries build economic resilience and sustainability to address the risks stemming from climate change and pandemics.

There were no payments to, or repayments from, the Resilience and Sustainability Trust Loan Account in 2023–24. The Australian Government earns interest on any funds lent to the Resilience and Sustainability Trust Loan Account or deposited in the Resilience and Sustainability Trust Deposit Account. In 2023–24, the Australian Government received interest payments on its Resilience and Sustainability Trust loans of 493,429 in Special Drawing Rights (approximately A$1.00 million). As part of our Resilience and Sustainability Trust agreement, Australia also contributes to the Resilience and Sustainability Trust Deposit Account and Reserve Account. These contributions support the loan contribution by enabling the International Monetary Fund to build sufficient reserves over time to manage risks associated with Resilience and Sustainability Trust lending. In 2023–24, the Australian Government received interest payments on its Resilience and Sustainability Trust Deposit Account deposit of 6.18 million in Special Drawing Rights (approximately A$12.60 million). Contributing to the Resilience and Sustainability Trust Reserve Account will not generate interest, but upon liquidation of the Trust, Australia will receive its share of the Resilience and Sustainability Trust Reserve Account.

Australia and the World Bank

Australia's shareholding and relations with the World Bank

Mandate

The World Bank is a multilateral development bank charged with providing financial services, through advice, direct loans, grants, and brokerage to support stable and inclusive growth within countries and across and between regions. It works closely with the IMF, which is responsible for ensuring the stability of the international monetary system.

The World Bank's mission is to end extreme poverty and boost shared prosperity on a liveable planet.

World Bank strategic priorities

The World Bank is committed to collaborating with multilateral institutions, sovereign nations and the private sector to mobilise financing and leverage knowledge to ensure assistance is harmonised and effective. It is also committed to working with the private sector and is implementing an overarching strategy to substantially increase the volume of private sector funds invested in developing and emerging market economies.

Institutions of the World Bank

- International Bank for Reconstruction and Development
- International Development Association
- International Finance Corporation
- Multilateral Investment Guarantee Agency
- International Centre for Settlement of Investment Disputes.

The International Bank for Reconstruction and Development and International Development Association make up the core of the World Bank. The International Bank for Reconstruction and Development lends to governments of middle-income and credit-worthy low-income countries, while the International Development Association provides grants and interest-free or concessional loans to governments of poorer countries.

The International Finance Corporation is the largest global development institution focused exclusively on the private sector. It helps developing countries achieve sustainable growth by financing – in association with private investors – the establishment, improvement and expansion of productive private enterprises which will contribute to the development of its member countries.

The Multilateral Investment Guarantee Agency promotes foreign direct investment into developing countries by offering political risk insurance (guarantees) to investors and lenders. The International Centre for Settlement of Investment Disputes provides international facilities for conciliation and arbitration of investment disputes.

Australia's membership of the International Bank for Reconstruction and Development, International Finance Corporation and Multilateral Investment Guarantee Agency require the Australian Government to hold shares in these institutions. Australia's shareholdings at 30 June 2024 and Australia's shareholding and voting power are indicated in Table 45 and Table 46 respectively.

Table 45: Australian shareholdings at the World Bank at 30 June 2024

	International Bank for Reconstruction and Development (IBRD)	International Finance Corporation (IFC)	Multilateral Investment Guarantee Agency (MIGA)
Shares	39,054	463,234	3,019
Price per share (US$)	120,635	1,000	10,820
Value of total capital (US$ millions)	4,711.28	463.23	32.67
Value of paid-in capital (US$ millions)	342.13	463.26	6.20
Value of callable capital (US$ millions)	4,369.15	0.00	26.46
Value of total capital (A$ millions)	7,065.51	694.71	49.00

Table 46: Australia's shareholding and voting power in the World Bank

	IBRD	IDA	IFC	MIGA
Shareholding (per cent of total)	1.46	0	1.99	1.70
Voting power (per cent of total)	1.41	1.23	1.91	1.47

Note: Shareholdings and voting power at 30 June 2024. Shareholding and voting power differ in International Bank for Reconstruction and Development, International Finance Corporation and Multilateral Investment Guarantee Agency due to the allocation of basic votes across countries. At International Centre for Settlement of Investment Disputes, the Administrative Council comprises a representative from each contracting state with equal voting power.

Each arm of the World Bank has its own arrangement for allocating votes and shares among members. The Board of Governors and Executive Directors continue to work towards ensuring the World Bank has adequate resources to complete its mission and that its shareholding reflects changes in the world economy.

In addition to the shareholdings managed by Treasury, DFAT contributes to replenishments to International Development Association and funds for joint activities through Australia's country, regional and global programs. DFAT's annual report provides information on Australia's aid program.

Australia's cooperation with the World Bank

Australia is actively involved in World Bank strategy, supporting efforts to strengthen its governance and optimise its effectiveness. Membership also enables Australia to pursue economic development outcomes for our region as well as promote the benefits of an open global economy.

Australia is a strong voice at the World Bank and in G20 forums and has called for optimal use of the World Bank's balance sheet and the 'crowding in' of private sector finances.

Australia's representation at the World Bank

Board of Governors

The highest decision-making body of the World Bank is the Board of Governors, comprising one governor from each of the 189 member countries. In 2023–24, Australia's Governor was the Treasurer, and the Alternate Governor was the Assistant Treasurer.

Table 47 outlines the Australian Governor's votes for the 2023–24 financial year.

Table 47: Australian Governor's votes on World Bank resolutions in 2023–24

Institution	Resolution title	Date	Australian Governor's vote
IBRD	Transfer from Surplus to Replenish the Trust Fund for Gaza and the West Bank	21 August 2023	Approved
IBRD	Transfer from Surplus to the IBRD Fund for Innovative Global Public Goods Solutions	21 August 2023	Approved
IBRD	Direct Remuneration of Executive Directors and their Alternates	24 August 2023	Abstained from voting
IFC	2018 IFC General Capital Increase Resolution No. 272 – Amendment to Extend the Subscription Deadline	1 April 2024	Approved
ICSID	Election of the Secretary-General	30 April 2024	Approved
IDA	Membership of Suriname	7 May 2024	Approved

Executive Director and Constituency Office

The World Bank's Executive Boards (International Bank for Reconstruction and Development, International Development Agency, International Finance Corporation, and Multilateral Investment Guarantee Agency) conduct the day-to-day business of the World Bank and determine matters of policy under the overall authority of the Board of Governors.

Australia belongs to a constituency of countries from the Asia-Pacific region that includes Cambodia, Kiribati, the Republic of Korea, Marshall Islands, Federated States of Micronesia, Mongolia, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, Solomon Islands, Tuvalu and Vanuatu. One Executive Director represents the constituency on the Board of Executive Directors. By agreement, Australia and Korea rotate this role every 2 years. At 30 June 2024, Mr Il Young Park of the Republic of Korea held the constituency's Executive Director position.

Foreign investment

Foreign investment is crucial to Australia's prosperity and is a core part of the Government's economic policy and investment strategy. It helps drive economic growth, creates skilled jobs, improves access to overseas markets, and improves productivity, competition and innovation.

Foreign investment is important in delivering Australia's national priorities including helping to deliver the net zero transformation, increasing Australia's housing supply, supporting the objectives of Australia's Critical Minerals Strategy, and harnessing the potential of critical technologies.

The foreign investment statistics for 2023–24 cover the full year, including activities before and following the Government's announcement on 1 May 2024 of reforms to streamline and strengthen the foreign investment framework.

Foreign investment policy developments

On 1 May 2024, the Government announced reforms to Australia's foreign investment framework, focused on delivering a stronger, more streamlined and transparent approach to foreign investment. This includes strengthening the risk-based approach to foreign investment by applying greater scrutiny to high-risk investment proposals and enhancing monitoring and enforcement activities to protect the national interest. It also includes streamlining the assessment of low-risk investment proposals to quickly bring in the capital Australia needs. The Government announced additional targeted policy changes to increase attraction of foreign investment, including applying lower fees for investment in Build-to-Rent developments and providing fee refunds for foreign investors who are unsuccessful in competitive bidding processes. The 2024–25 Budget included additional funding for Treasury to implement these reforms, which is progressing.

Treasury continues to implement the Government's changes to the legislative framework for foreign investment. From 9 April 2024 this included tripling the fee for purchases of established residential property and doubling the vacancy fee for all foreign-owned dwellings purchased since 9 May 2018. Treasury also undertook public consultation in May 2024 on draft Regulation amendments to exempt passive or low-risk inter-funding transactions from mandatory notification requirements and fees.

In line with reforms focused on increased transparency, Treasury continues to enhance engagement with stakeholders and update policy documents to help provide clarity and certainty for investors.

Foreign investment framework and regulation

The foreign investment framework ensures investments are in Australia's national interest. It strikes a balance between attracting critical investment to support economic growth and maintaining community confidence.

Treasury's regulatory functions and powers are set out in the *Foreign Acquisitions and Takeovers Act 1975* and the *Foreign Acquisitions and Takeovers Fees Impositions Act 2015* and associated regulations. Administration of the legislative framework is set out in Australia's Foreign Investment Policy and Guidance Notes on the specific application of the law.

Under the *Foreign Acquisitions and Takeovers Act 1975*, the Treasurer is responsible for Australia's foreign investment policy and the foreign investment framework. Decision making delegations exist to allow Treasury portfolio ministers and Treasury and Australian Taxation Office (ATO) officials to act on the Treasurer's behalf.

Treasury is responsible for the foreign investment policy framework and day-to-day administration of the framework in relation to business, agricultural land and commercial land proposals. The ATO has responsibility for day-to-day administration of residential real estate proposals. The ATO is also responsible for the Register of Foreign Ownership of Australian assets and administers vacancy fees for foreign-owned residential real estate.

Review of foreign investment review proposals

Table 48 and Table 49 provide an overview of the approved investment proposals during the reporting period.

There were 1,224 commercial investment proposals approved in 2023–24 (see Table 48). There were 249 commercial investment proposals withdrawn in 2023–24.

The value of approved commercial investment proposals was $186.9 billion (Table 49). The ATO approved 5,581 residential real estate proposals in 2023–24.

Investment proposals by number and value

Table 48: Number of investment proposals 2021–22 to 2023–24

	Commercial			Residential real estate		
	2021–22	2022–23	2023–24	2021–22	2022–23	2023–24
Approved with conditions	737	547	472	3,667	4,768	4,042
Approved without conditions	724	768	752	1,766	1,808	1,539
Total approved	1,461	1,315	1,224	5,433	6,576	5,581
Withdrawn	195	149	249	144	74	139
Prohibition orders	0	1	1	0	0	0
Disposal orders	0	0	5	0	0	0

Note: Residential real estate figures do not include property developer New Dwelling Exemption Certificate sales.

Variations from previously published statistics are due to the reconciliation processes.

Table 49: Value of investment proposals approved ($ billion) 2021–22 to 2023–24

	Commercial			Residential real estate		
	2021–22	2022–23	2023–24	2021–22	2022–23	2023–24
Approved with conditions	268.7	132.5	133.8	5.9	6.1	4.8
Approved without conditions	58.8	40.6	53.2	1.6	1.8	1.8
Total	327.5	173.1	186.9	7.6	7.9	6.6

Note: Anomalous values or values that could identify specific transactions have been removed. The ATO assessed some commercial applications received before December 2022.

Variations from previously published statistics are due to the reconciliation processes.

Approved investment proposals by investment source and industry sector

In 2023–24 the United States was the largest source country for commercial investment proposals by number and value ($65.7 billion from 503 proposals). The next 4 largest source countries by value were Japan ($20 billion), France ($10.4 billion), Singapore ($9.3 billion) and Germany ($6.4 billion).

Table 50: Top 10 sources of investment by value of approved commercial investment proposals 2021–22 to 2023–24

	Number			Value ($ billion)		
Country	**2021–22**	**2022–23**	**2023–24**	**2021–22**	**2022–23**	**2023–24**
United States	715	604	503	118.4	34.6	65.7
Japan	130	139	112	7.1	14.0	20.0
France	85	67	72	2.5	0.5	10.4
Singapore	359	238	264	23.5	14.4	9.3
Germany	112	84	87	6.0	2.0	6.4
Canada	369	342	316	31.5	14.4	6.3
United Arab Emirates	174	129	158	6.1	2.9	4.9
China	255	200	200	4.6	9.5	4.2
Saudi Arabia	83	77	60	0.6	1.2	3.9
United Kingdom	217	174	168	6.3	6.5	2.9

Note: This table is sorted by the value of approved proposals in the 2023–24 financial year. Proposals involving more than one source country are counted against each source country.

Variations from previously published statistics are due to the reconciliation processes.

In 2023–24, China was the largest source of investment for approved residential real estate investment proposals by number and value ($2.6 billion from 1,998 proposals). The next 4 largest sources of residential investment by value were Hong Kong ($0.4 billion), Taiwan ($0.4 billion), Vietnam ($0.4 billion) and India ($0.4 billion).

Table 51: Top 10 sources of investment by value of approved residential real estate proposals 2021–22 to 2023–24

	Number			Value ($ billion)		
Country	**2021–22**	**2022–23**	**2023–24**	**2021–22**	**2022–23**	**2023–24**
China	2,317	2,601	1,998	2.4	3.4	2.6
Hong Kong	689	650	409	0.6	0.6	0.4
Taiwan	133	330	395	0.1	0.3	0.4
Vietnam	391	423	363	0.4	0.4	0.4
India	306	451	550	0.2	0.2	0.4
Nepal	140	281	321	0.1	0.2	0.3
United Kingdom	201	226	197	0.2	0.2	0.2
Singapore	173	316	268	0.1	0.3	0.2
Indonesia	95	190	194	0.1	0.2	0.2
Malaysia	158	215	145	0.2	0.2	0.1

Note: This table is sorted by the value of approved proposals in the 2023–24 financial year. Variations from previously published statistics are due to reconciliation processes.

The two largest target sectors for proposed investment for 2023–24 by value were Services, and Mineral Exploration and Development, with a total value of $54.9 billion each. The third largest sector was Commercial Real Estate ($35.8 billion).

Table 52: Number and value of approved investment proposals by industry sector 2021–22 to 2023–24

	Number			Value ($ billion)		
	2021–22	**2022–23**	**2023–24**	**2021–22**	**2022–23**	**2023–24**
Services	487	389	340	109	43.9	54.9
Mineral exploration & development	135	126	129	14.7	13.2	54.9
Commercial Real Estate	511	424	463	63.3	50.2	35.8
Manufacturing, Electricity & Gas	134	168	136	37.2	24.8	14.5
Residential Real Estate	5,433	6,576	5,581	7.6	7.9	6.6
Finance & Insurance	105	79	79	94.7	32.4	6.2
Agriculture, Forestry and Fishing	188	204	131	8.5	8.5	5.3

Note: This table is sorted by the value of approved proposals in the 2023–24 financial year.
Variations from previously published statistics are due to the reconciliation processes.

Median processing times

Treasury's median processing time for approved commercial investment proposals was 42 days in 2023–24. This is similar to the median processing time of 41 days in 2022–23, and lower than the median processing time of 52 days in 2021–22.

The Government announced on 1 May 2024 that Treasury will adopt a new performance target of processing 50 per cent of investment proposals within the 30-day statutory decision period, from 1 January 2025.

Table 53: Median processing times for approved commercial investment proposals 2021–22 to 2023–24

2021–22	2022–23	2023–24
52 days	41 days	42 days

In 2023–24, 72 per cent of cases were processed in 60 days or less.

Figure 22: Approved investment proposal processing times (number of days) 2021–22 to 2023–24

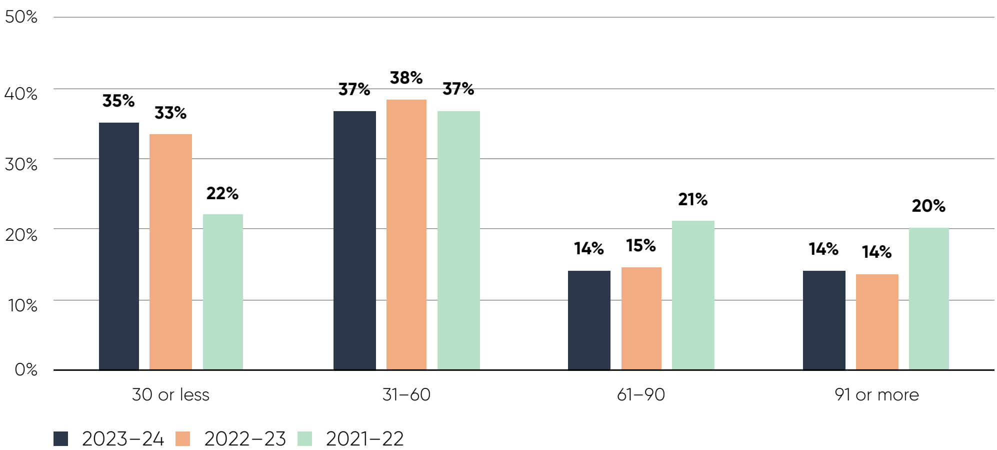


Table 54: Residential real estate investment proposal processing times 2021–22 to 2023–24

2021–22	2022–23	2023–24
5 days	7 days	6 days

The ATO's residential real estate median processing time is largely consistent from previous financial years with a 6-day average for 2023–24.

National security

The May 2024 reforms included dedicating greater resources and applying more scrutiny to foreign investment proposals in critical and sensitive sectors of the economy. These reforms build on changes which took effect in January 2021, to strengthen the foreign investment framework's national security powers and increase the types of transactions subject to mandatory notification. These changes enabled investors to voluntarily notify actions that may pose national security concerns.[51]

Of the 1,224[52] commercial foreign investment proposals approved in 2023–24, 79 related to national security actions with a total value of $2.7 billion that would not have been captured prior to January 2021. Of these national security actions, 53 were mandatory notifications and 26 were voluntary.

Table 55: Number of approved national security investment proposals 2021–22 to 2023–24

		2021–22	2022–23	2023–24
Mandatory	Approved with conditions	15	15	12
	Approved without conditions	45	68	41
	Total	60	83	53
Voluntary	Approved with conditions	19	3	1
	Approved without conditions	15	26	25
	Total	34	29	26
Both	Approved with conditions	5	0	0
	Approved without conditions	8	3	0
	Total	13	3	0

Note: Proposals are categorised as either mandatory, voluntary or both mandatory and voluntary notifications.

Variations from previously published statistics are due to the reconciliation processes.

Table 56: Value of approved national security investment proposals ($ billion) 2021–22 to 2023–24

	2021–22	2022–23	2023–24
Approved with conditions	6.3	1.0	0.3
Approved without conditions	3.8	4.7	2.4
Total	10.1	5.7	2.7

Note: Slight variations from previous quarterly reports are due to rounding of a decimal value.

51 See Guidance Note 8 on National Security, foreigninvestment.gov.au/guidance/types-investments/national-security.

52 See Table 48.

Treasury foreign investment compliance activities

Treasury adopts a risk-based approach to compliance with the foreign investment laws, focusing efforts on areas of greatest risk to the national interest or national security. The aim is to ensure investors are complying with their obligations and to detect and address non-compliance, while encouraging and supporting investors to comply voluntarily.

The *Foreign Acquisitions and Takeovers Act 1975* provides a broad range of enforcement powers to enable a proportionate response to non-compliance. Consideration of enforcement action takes account of the nature of the contravention, the extent of the non-compliance, the investor's response to identified non-compliance and history. More information about Treasury's compliance approach, focused on education, market intelligence, compliance assurance and enforcement, can be found on our website foreigninvestment.gov.au and the Foreign Investment Compliance Framework Policy Statement.

Treasury continued to promote compliance with the *Foreign Acquisitions and Takeovers Act 1975* during 2023–24. This included educating investors about their obligations to notify investments, conducting investigations and running reminder campaigns about reporting obligations. Treasury's enforcement activities in 2023–24 ranged from issuing warnings and infringement notices to recommendations that the Treasurer exercise the call-in power for reviewable national security actions.

Treasury has an ongoing focus on investors compliance within sensitive, high-risk and complex areas. These include data security, investments in proximity to sensitive Australian Government facilities, critical minerals, and critical infrastructure. Ongoing direct engagement with foreign investors to address potential non-compliance and educate them on the framework has helped improve behaviours. This includes efforts to remediate non-compliance and ensure it is avoided in the future.

Treasury's 2 audit programs – the Regulator Audit Program (Treasury-led in-house audits) and the Independent Audit Program (condition-mandated audits conducted by independent assurance practitioners) – serve important compliance assurance roles. The number of audits completed in the Independent Audit Program remained steady in 2023–24. The program helped improve Treasury's visibility of, and ability to respond to, investor non-compliance with conditions imposed on investment proposals.

Treasury compliance activities summary

Table 57 to Table 62 provide a summary of the compliance activities undertaken across the 2023–24 financial year. Further details can be found in the Quarterly Reports on Foreign Investment.

The Treasurer issued 6 call-in notices for national security review under section 66A of the *Foreign Acquisitions and Takeovers Act 1975* during the reporting period. Once called in, the investments were reviewed to determine if the actions posed risks to Australia's national security. During the financial year 2023–24, the Treasurer issued 5 disposal orders.

Table 57: Number of condition mandated reports 2021–22 to 2023–24

	2021–22	2022–23	2023–24
Condition mandated reports received	2,009	2,577	2,785
Condition mandated reports assessed[a]	2,524[b]	3,027	3,188

a) Condition mandated reports assessed may include reports carried over from the previous financial years.

b) As the date of assessment was not recorded for the entirety of 2021–22, this data point is an estimate and includes assessments of reports from multiple financial years.

Note: Any changes in historical figures are due to quality assurance activities.

Table 58: Number of regulator audits completed 2021–22 to 2023–24

	Completed		
	2021–22	2022–23	2023–24
Regulator audits	6	6	7

Table 59: Number of independent audits completed 2021–22 to 2023–24

	2021–22	2022–23	2023–24
Proposals approved	56	76	76
Reports completed	46	78	67

Table 60: Number of matters sourced via non-compliance referrals and assessments by information source 2021–22 to 2023–24

	2021–22	2022–23	2023–24
Self-reported potential non-compliance with conditions (voluntary disclosures outside mandatory reporting)	44	25	11
Failure to notify related referrals/reports from the public[a]	45	43	33
Failure to notify related referrals/reports identified from other source[b]	29	46	57
Total	118	114	101

a) Including retrospective notifications received from investors.

b) Referrals from other sources can include internal referrals from other areas of the Treasury or Government, as well as Treasury-initiated referrals from media monitoring and market scanning for non-compliance.

Note: Any changes in historical figures are due to quality assurance activities.

Table 61: Number of infringement notices issued 2021–22 to 2023–24

	2021–22	2022–23	2023–24
Infringement notices issued	0	1	19

Table 62: Number of investigation matters completed 2021–22 to 2023–24

	2021–22	2022–23	2023–24
Investigations	3	2	4

Note: Any changes in historical figures are due to quality assurance activities.

Australian Taxation Office's compliance activities

The Australian Taxation Office (ATO) is committed to strengthening Australia's foreign investment framework and working with Treasury to ensure that foreign investors meet the foreign investment rules and comply with their obligations.

The ATO's regulation of foreign investment involves administration of residential application screening and fee collection, asset registration requirements, vacancy fee obligations and targeted residential compliance action. ATO officers consider all applications to purchase residential real estate on a case-by-case basis to ensure the proposed investment is in Australia's national interest. The ATO uses sophisticated data matching and community tip offs to detect foreign investors who purchase residential real estate without approval. The ATO also identifies those who breach the foreign investment rules for residential real estate and do not comply with conditions of their approval. This includes collection of annual vacancy fee returns and conducting compliance checks over these statements.

The ATO helps foreign investors to comply with their obligations by using data and analytics to drive early intervention and prevention of non-compliance. Targeted prompts may be sent to foreign investors to remind them of their conditions of approval and lodge vacancy fee returns. Consequences of breaching the foreign investment rules include forced divestment, infringement notices and civil penalties. The ATO's website includes further information about its compliance approach for foreign investment in residential assets.

From 1 January 2024, the Government committed additional funding to enhance the ATO's compliance regime. This will allow for additional focus on foreign investors purchasing residential properties to ensure they comply with fee, notification and other regulatory requirements such as selling their property when required or developing land within conditional timeframes.

In 2023–24 the ATO identified 688 residential real estate compliance cases for investigation resulting in 141 properties found to be in breach of the foreign investment rules. These included divestments, retrospective approvals and variations. The ATO also issued 38 infringement penalty notices totalling $773,268 and raised over $2 million in vacancy fee liabilities as part of the annual vacancy return lodgement compliance program.

Table 63: Residential real estate compliance investigations 2021–22 to 2023–24

Investigations[(a)]	2021–22	2022–23	2023–24
Identified[(b)]	664	428	688
Completed	591	410	602
Properties in breach	220	145	141

a) Investigation includes 476 compliance activities identified and completed during the year using prompter campaigns. A prompter campaign uses an educational approach to compliance aimed at assisting investors to comply with their obligations.

b) The total number of identified cases includes new cases identified in the prior financial year which remained open at the end of that financial year. At the close of the 2022–23 year, 18 cases were carried forward into 2023–24 and at the close of 2023–24, 86 cases will be carried over into 2024–25.

Table 64: Outcomes of residential real estate investigations by property that identified breaches 2021–22 to 2023–24

	2021–22		2022–23		2023–24	
Compliance outcomes	No.	Percentage	No.	Percentage	No.	Percentage
Divestment[(a)]	125	56.82	55	37.93	66	46.80
Retrospective approval[(b)]	43	19.55	21	14.48	18	12.77
Change of conditions[(c)]	49	22.27	69	47.59	57	40.43
Total outcomes	220	100.00	145	100.00	141	100.00

a) Includes voluntary property disposals following an ATO investigation.

b) Approval is provided after the property has been purchased.

c) In the course of an investigation, the ATO determines a foreign investor is in breach of their approval condition and works with the investor to remedy the breach. Where appropriate, an infringement notice is also issued in these situations for failure to comply with conditions.

Note: Previous year percentages may not equal 100 due to rounding.

Foreign investment digital transformation

To support the expanded remit flowing from the 2021 legislative reforms, the 2020–21 Budget measure, *Strengthening Australia's Foreign Investment Framework,* provided $86.3 million over 4 years (2021–24) to deliver business and digital transformation programs to support the work of Treasury and the ATO.

As part of the digital transformation program, Treasury is progressing the delivery of an end-to-end integrated system to enable investors, advisers and government consultation partners to engage with Treasury more efficiently. The technology solution will deliver new digital capabilities including:

- a full-service case management system for Treasury to strengthen case and compliance management and deliver refined reporting tools
- a new portal for investors and their agents to streamline the submission and management of foreign investment proposals
- a new portal for government consultation partners to improve engagement and interaction with Foreign Investment Division on foreign investment matters
- an ATO-led Register of Foreign Ownership of Australian Assets to provide a consolidated view of foreign-owned assets in Australia.

The Foreign Investment Review Board

The Foreign Investment Review Board is a non-statutory body that advises the Treasurer and Government on foreign investment matters. The Treasurer is responsible for decisions about Australia's Foreign Investment Policy and proposals. The Treasury's Foreign Investment Division administers Australia's foreign investment regulatory framework and supports the Board's work.

The Foreign Investment Review Board's members have deep knowledge and experience in areas impacting foreign investment, including foreign affairs, national security, business, investment, finance and specific sectors. Strong probity procedures are in place to ensure conflicts of interest, real or perceived, are managed appropriately.

The role of the Foreign Investment Review Board is to:

- examine proposed investments in Australia that are subject to the *Foreign Acquisitions and Takeovers Act 1975* and supporting legislation and covered by the Foreign Investment Policy, and to make recommendations to the Treasurer and other Treasury portfolio ministers on these proposals
- provide advice to the Treasurer on the operation of Australia's Foreign Investment Policy and the *Foreign Acquisitions and Takeovers Act 1975*
- foster an awareness and understanding in Australia and abroad about the Foreign Investment Policy and the *Foreign Acquisitions and Takeovers Act 1975*.

Foreign Investment Review Board membership

On 30 June 2024, the Foreign Investment Review Board had 7 members, made up of 6 part-time members and one full-time executive member – the First Assistant Secretary of Treasury's Foreign Investment Division.

Table 65: Members of the Foreign Investment Review Board at June 2024

Name	Qualifications and experience	Date of commencement
Mr Bruce Miller AO (Chair)	Mr Miller has had a distinguished career in international relations and intelligence occupying senior positions in the Department of Foreign Affairs and Trade, the Department of the Prime Minister and Cabinet, and the Office of National Assessments. He served as Australian Ambassador to Japan (2011–17). He has several private and public sector board roles.	Non-executive member since 6 April 2022
Mr Steven Skala AO	Mr Skala is the Vice Chairman, Australia of Deutsche Bank AG (since 2004), Chairman of Clean Energy Finance Corporation (since 2017) and an ex officio member of the Commonwealth's recently established Technology Investment Advisory Council. He is active beyond banking and commerce as the Chairman of the Heide Museum of Modern Art, Deputy Chairman of The General Sir John Monash Foundation, a Director of the Centre for Independent Studies and a Member of the International Council of the Museum of Modern Art (MoMA) in New York. He brings extensive experience in business and banking, as well as government-related and not-for-profit organisations.	Non-executive member since 18 September 2020
Ms Carolyn Kay	Ms Kay is a non-executive director of NAB Scentre Group, Myer Family Investments and Rothschild Australia. In the not-for-profit sector she is a non-executive director of The General Sir John Monash Foundation and Sydney Grammar School. In 2001 she was awarded the Centenary Medal for services to Australian society in business leadership and brings extensive experience to FIRB as an executive and non-executive director with more than 30 years' experience in the finance sector.	Non-executive member since 20 November 2021

Name	Qualifications and experience	Date of commencement
Dr Sarah Pearson	Dr Pearson is a Director of Royal Automobile Club of Queensland (RACQ) and Royal Flying Doctor Service (QLD), as well as a Member of ANU Council, Adjunct Professor at the University of Queensland, member of Main Sequence Ventures Investment Committee, and Chair of Inspiring Australia QLD. She has represented Australia globally as Chief Scientist and Chief Innovation Officer at the Commonwealth Department of Foreign Affairs and Trade (DFAT). She brings significant experience in public and private science and innovation roles, including in relation to technology and data, medical and biotechnology, food science, consumer goods, financial services, social impact, venture capital and startups.	Non-executive member since 7 December 2023
Ms Linda Apelt	Ms Apelt is a Director of the Australian Retirement Trust as well as Chair of Opera Queensland and a Member of the Griffith University Council. She served as Agent-General for Queensland in the United Kingdom and the Queensland Trade and Investment Commissioner, Europe between 2017 and 2021 and was a former Director General for Departments of Communities and Housing with the Queensland Government. Ms Apelt was previously a Director with the Association of Economic Representatives in London, Adjunct Professor at The University of Queensland, Chair of Screen Queensland and Chair of Common Ground Queensland.	Non-executive member since 7 December 2023
Ms Kellie Benda	Ms Benda has held senior executive positions with AGL Limited, Origin Energy Limited, Emeco Holdings Limited, and Aurizon Limited, and is a Fellow of the Australian Institute of Company Directors (AICD). She founded a charity (ReadytoWork) serving disadvantaged women, that merged with a global organisation. She brings experience to FIRB across a broad range of industries including mining and resources, energy, utilities, infrastructure, technology, health services, agriculture, insurance, and professional services	Non-executive member since 7 December 2023
Mr Chris Tinning	The position of Executive Member is held by the First Assistant Secretary of Treasury's Foreign Investment Division. The Executive Member is the link between FIRB and the Division, which administers Australia's foreign investment regulatory framework and supports FIRB's work.	Executive member since 19 June 2023

Table 66: Foreign Investment Review Board meeting attendance during 2023–24

	No. of meetings attended	No. of meetings eligible to attend
Bruce Miller AO	8	8
Nick Minchin AO (former non-executive member to December 2023)	3	4
Margaret (Meg) McDonald (former non-executive member to March 2024)	6	6
Steven Skala AO	8	8
Carolyn Kay	8	8
Linda Apelt (from December 2023)	4	4
Sarah Pearson (from December 2023)	3	4
Kellie Benda (from December 2023)	3	4
Chris Tinning	7	8

Payment Times Reporting

Payment Times Reporting Scheme

This report has been prepared in accordance with section 56 of the *Payment Times Reporting Act 2020* (the PTR Act). Section 56 requires the Payment Times Reporting Regulator (the regulator) to publish a report on the operation of the PTR Act and include it in Treasury's annual report.

The Payment Times Reporting Scheme (the scheme) commenced on 1 January 2021. Long and late payment times can have significant and negative impacts on small business, placing pressure on cash flow, hindering their ability to grow, employ staff and, in some cases, requiring adjustments to short-term finance.

Under the scheme, large businesses and some government enterprises (collectively known as reporting entities) must give a payment times report to the regulator every 6 months. These reports contain information on how a reporting entity pays their small business suppliers, including standard payment terms, actual payment performance and the use of supply chain financing arrangements.

The regulator publishes payment times reports on the Payment Times Reports Register (the register). This information is accessible free at paymenttimes.gov.au. The scheme's transparency aims to:

- improve payment times for small businesses
- support them to make more informed decisions about potential customers, and
- create incentives for reporting entities to improve their payment terms and practices.

Section 57A of the PTR Act requires an independent review of the operation of the Act. On 31 August 2023, the Minister for Small Business, the Hon Julie Collins MP, tabled the Statutory Review of the PTR Act (the review) by the Hon Dr Craig Emerson in Parliament. The government released its response on 5 December 2023.

The review identified the need for continued government intervention to improve payment times to small businesses and the need to reform the current scheme as payment times had not improved since it began in January 2021. Accordingly, the government has progressed significant reforms to the PTR Act. On 29 May 2024, the government introduced the Payment Times Reporting Amendment Bill 2024 to implement many of the Review's recommendations,[53] which will be subject to reporting as part of the 2025–26 Treasury Annual Report.

53 The Payment Times Reporting Amendment Bill 2024 passed both houses of Parliament and received Royal Assent on 9 July 2024. The *Payment Times Reporting Amendment Act 2024* will commence the day after 60 days from this date.

The Payment Times Reporting Regulator

The regulator's role is to provide a reliable and transparent source of information about the payment terms and performance of reporting entities to their small business suppliers.

Its core functions are to receive payment times reports from large businesses twice a year and to publish these on the register. Before publication, the regulator screens the reports in accordance with the relevant provisions of the PTR Act.

The regulator's objectives in administering the scheme are to:

- encourage voluntary compliance by making it easy to comply
- provide a register that is accessible, reliable and complete
- promote improved payment times to small businesses, and
- ensure entities with obligations under the PTR Act take those obligations seriously.

In undertaking its core functions, the regulator must also consider applications made by reporting entities, including applications for further time to report and applications for a determination to cease to be a reporting entity.

Operation of the scheme

The PTR Act defines reporting entities as those with total individual income or total group income of more than $100 million. In some cases, where an entity is part of a group with income of more than $100 million, a subsidiary in the group may also be required to report if its income is greater than $10 million. Entities may voluntarily report under the scheme if their income is below these thresholds.

The scheme website paymenttimes.gov.au includes guidance notes and information sheets to help reporting entities comply with their obligations and understand how the regulator administers the scheme.

To allow time for reporting entities to meet their reporting obligations under the scheme, compliance and enforcement powers in the PTR Act did not come into effect until 1 January 2022. Prior to the commencement of these powers, the regulator relied on reporting entities voluntarily complying with their obligations and compliance focused on facilitation and the provision of assistance. Reporting entities submit reports to the regulator portal via the scheme website.

The regulator can assist reporting entities achieve compliance by registering revised payment times reports, granting further time to submit, and redacting certain information from a report. Reporting entities can apply for a review of certain decisions made by the regulator.

Between 1 July 2023 and 30 June 2024, the regulator received:

- 1,523 requests to register a revised version of a payment times report (a 19 per cent increase on 2022–23)
- 396 applications for further time to submit reports (a 24 per cent increase on 2022–23)

- 93 applications for a determination that an entity has ceased to be a reporting entity (a 111 per cent increase on 2022–23)
- 18 notifications that an entity has elected to volunteer to become a reporting entity (a 20 per cent increase on 2022–23), and
- 3 applications for reconsideration of a reviewable decision (a 200 per cent increase on 2022–23).

Payment Times Reports Register

The regulator published reports to the register regularly. The regulator updated the register 11 times between 1 July 2023 and 30 June 2024, with the exception of March 2024.

The regulator received 24,881 payment times reports (a 48 per cent increase on 2022–23) from 10,925 reporting entities (a 23 per cent increase on 2022–23) between 1 July 2023 and 30 June 2024 and subsequently registered under the PTR Act. On the register, 8,162 entities reported as part of a group and 3,540 entities reported individually.

Stakeholder engagement

The regulator engages with stakeholders to educate them about the scheme, report on payment times data and receive feedback.

The regulator maintains a dedicated enquiry email address to guide and assist reporting entities to meet their obligations. There were 6,826 email enquiries actioned in 2023–24 (a 192 per cent increase on 2022–23). Most enquiries were about payment times reports, including status of reports, uploading documents and revising reports. Reporting entities and other stakeholders can access general assistance through a call centre (open from 8 am to 8 pm across Australia, Monday to Friday). There were 1,090 contacts in 2023–24, most were requests for technical assistance.

The regulator notifies stakeholders about events through the biannual Regulator's Update (published in July 2023 and January 2024), a biannual stakeholder liaison forum (held in September 2023 and February 2024), articles published on the scheme website and email updates.

On 11 December 2023, the regulator published updates to guidance materials initiating implementation of the Government's response to the review. The regulator's website details key changes to the scheme:

- Information sheet 6: Small Business Identification (SBI) Tool
- Information sheet 8: Reporting credit card transactions
- GN1: Key concepts
- GN2: Preparing a payment times report, and
- GN2.1: Payment times reporting template instructions.

To encourage greater use of the register by small businesses, the regulator provided communication packages to peak industry bodies and other small business associations for dissemination through stakeholder networks. The regulator also engaged with other government departments and statutory agencies.

The regulator will continue to engage with reporting entities and stakeholders and seek feedback on its performance.

Payment Times compliance

The regulator continues to monitor and enforce compliance with the scheme.

The regulator takes an escalating approach to compliance and enforcement that is risk-based and data-driven. The regulator undertakes routine and targeted compliance programs, including responding to intelligence and emerging trends, to ensure reporting entities meet their responsibilities.

The regulator has been taking a facilitative approach to compliance for reporting entities that act in good faith and demonstrate a willingness to comply. The regulator may consider more serious action with recidivists or when non-compliant behaviour ranges from indifferent to intentional.

Enforcement tools include:

- undertaking monitoring or investigation activities under the *Regulatory Powers Act 2014*
- requiring a reporting entity to undergo a compliance audit
- publishing non-compliance on the register
- issuing infringement notices, and
- commencing legal action for civil penalties.

Regulator staff conducted compliance activities focused on entities that have not previously registered for the scheme and registered entities that have failed to report for one or more reporting periods. As a result of this targeted compliance program, between 1 July 2023 and 30 June 2024:

- the regulator received 2,672 additional reports
- 329 entities became reporters for the first time, and
- the regulator published 99 'failure to comply' notices for 33 entities that did not comply with the PTR Act (there were zero 'failure to comply' notices published in 2022–23).

This targeted compliance program is ongoing, with additional compliance activities due to commence in the 2024–25 financial year.

The successful implementation of the scheme reforms announced by the Government should enhance the ability of the regulator to influence regulated entity behaviour and improve payment performance toward small businesses.

Australian Small Business and Family Enterprise Ombudsman

The mission of the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) is to help Australia be the best place to start, grow and transform a business. Small business is a dynamic, fast-growing and exciting sector fuelled by people with entrepreneurial spirits. The ASBFEO celebrates the vital and deeply personal commitment to Australia's prosperity, wellbeing, and our communities made by more than 2.5 million small and family businesses.

The Ombudsman, the Hon Bruce Billson, is an independent, statutorily appointed Public Office Holder. ASBFEO's activities are governed by the *Australian Small Business and Family Enterprise Ombudsman Act 2015* (the ASBFEO Act). Under the Act, ASBFEO delivers its functions for small businesses and family enterprises defined as businesses with fewer than 100 employees or revenue of less than $5 million per year.

ASBFEO has 3 functions to:

- assist with dispute resolution and resource access for small and family businesses
- advocate for policy development, regulatory design and the business support system
- inform small and family businesses about 'better practice' guidance, support tools and helpful resources.

ASBFEO acts as a trusted adviser and advocate to government, the Parliament and regulators, drawing on significant and unique expertise to identify issues affecting small business and family enterprises. Policy makers and program designers look for and value ASBFEO's agility and in-depth insights, rich field evidence, problem-solving ability, and deep stakeholder engagement.

ASBFEO's economics and data analytics team conducts surveys and draws together public and private sector data to produce tailored and accessible information.

Since its establishment in 2016, ASBFEO has received 46,766 requests for assistance from small businesses. These are principally to resolve disputes with other businesses or government agencies outside the legal system. ASBFEO received and responded to 6,254 requests for assistance in 2023–24 by providing:

- contact centre guidance
- referral to other (more appropriate) agencies
- personalised case management
- access to mental health support
- tools to help people start and grow a business and make better business decisions.

Most disputes involving small businesses in 2023–24 related to payments. ASBFEO provided one-to-one assistance for a record 587 such disputes in 2023–24.

ASBFEO responds to requests from small and family businesses while ensuring it does not duplicate the functions of other Commonwealth, state or territory agencies, offering triage-style services when appropriate. ASBFEO works cooperatively with government agencies to promote alternative dispute resolution processes.

ASBFEO builds and strengthens relationships across business and government by supporting the following events and groups:

- the Ombudsman convenes the ASBFEO Small Business Forum that routinely hosts ministers to meet with small and family business facing industry and professional associations
- the Ombudsman chairs the Federal Regulatory Agency Group, which meets quarterly and comprises Commonwealth-level regulators including the ACCC, Australian Securities and Investments Commission, ATO, Australian Financial Complaints Authority, Australian Financial Security Authority, Fair Work Ombudsman and Treasury
- the Ombudsman co-chairs with an ATO Deputy Commissioner, the Small Business Stewardship Group that provides input and feedback on the ATO's approach to small business
- the Ombudsman hosts regular meetings of state-based Small Business Commissioners to collaborate, share information, identify best practice and provide a united voice of influence for small businesses.

ASBFEO communicates with small businesses and family enterprises through a range of activities, communication channels and networks including social media, stakeholder engagement, media, newsletters, products and events and operates a sponsorship and outreach program to connect with small businesses and family enterprises and their trusted advisors directly at small and family business focused events including expos, tradeshows, field days and summits.

A particular focus in 2023–24 was a public information strategy for the Tax Concierge Service. ASBFEO also leads the Australian celebrations for the United Nations Micro, Small and Medium-sized Enterprises Day on 27 June each year.

The ASBFEO Small Business Hub provided free short-term office space for small and family business industry associations and policy advocates.

Advocacy

ASBFEO conducted research, advocacy and inquiries initiated by the Ombudsman and conducted under ministerial referral in 2023–24.

These included assessing the impact on small and family businesses of the inquiry into the implementation of the 1 July 2022 changes to Commonwealth Procurement Rules and the Buy Australian Plan. ASBFEO made 11 recommendations. These included that the Government adopt commercially accessible checklists for sourcing suppliers and assessing value-for-money outcomes. The checklists would capture broader value-for-money considerations and encourage more consistent and transparent procurement decisions across departments.

ASBFEO advised the Minister in June 2024 on environmental, social and governance (ESG) considerations for small businesses particularly the Government's mandatory climate-related financial disclosure requirements for large businesses and the Sustainable Finance Strategy.

The ASBFEO's insights were obtained at the 'ESG for SMEs Symposium' in March 2024, as well as research, analysis and consultation with other Commonwealth entities.

This work reinforced the importance of:

- clarifying and streamlining what government and regulators require small businesses to do
- ensuring cascading information requests from large organisations to small businesses are reasonable
- providing tailored support to small businesses at relevant decision-making points.

ASBFEO provided quarterly updates to the Minister about operations of the Ombudsman's Office and relevant legislation, policies and practices affecting small business (available via asbfeo.gov.au).

ASBFEO provided significant policy input during 2023–24 on:

- changes to workplace relations law
- merger reform
- supermarket competition and the Food and Grocery Code
- revisions to the Banking Code of Conduct
- privacy reform and digital information management
- the cost and availability of insurance
- payment times
- mandatory country-of-origin labelling for seafood in hospitality
- the shutdown of the 3G mobile network.

In 2023–24 the ASBFEO provided feedback to agencies on a range of regulatory options affecting small and family business.

The Ombudsman made 40 submissions to entities including:

- Attorney-General's Department
- Australian Competition and Consumer Commission
- Australian Securities and Investment Commission
- Department of Agriculture, Fisheries and Forestry
- Department of Finance
- Department of Home Affairs
- Department of Industry, Science and Resources
- Department of Infrastructure, Transport, Regional Development, Communications, and the Arts
- Department of Prime Minister and Cabinet
- Department of the Treasury
- Fair Work Commission
- Insurance Council of Australia
- Jobs and Skills Australia
- National Emergency Management Agency
- Parliamentary Committees
- Productivity Commission
- Reserve Bank of Australia
- Senate Select Committee on Supermarket Prices
- Simplified Trade Systems Implementation Taskforce.

Assistance

The Ombudsman received 6,254 requests for assistance in 2023–24. These comprised 4,858 calls to the Ombudsman's contact centre and 1,396 formal requests for assistance in accordance with the ASBFEO Act. No formal requests for assistance about 'no adverse cost' orders were received.

The Ombudsman provided one-to-one assistance to small and family businesses in 1,396 disputes with other businesses or Australian Government agencies in 2023–24. Of these, 26 per cent were disputes with digital platforms or other digital services providers. In many cases, small business accounts were disabled, and the small businesses were unable to access any effective internal resolution support with the platforms.

Consistent with previous years, the most common types of disputes in 2023–24 were payment disputes (42 per cent), contract disputes (20 per cent) and the Franchising Code of Conduct (9 per cent). The Ombudsman referred 91 cases to alternative dispute resolution, including 84 under the franchising code. This includes cases received in previous financial years.

The Ombudsman finalised 1,479 cases including 87 per cent of all cases received in 2023–24. The Ombudsman referred 310 cases (21 per cent of all cases received in 2023–24) to small business commissioners in the states and territories. A further 16 cases were referred to Commonwealth and other agencies.

When the Ombudsman recommended an alternative dispute resolution process, resolution resulted from 36 disputes in the 2023–24 financial year. The Ombudsman worked closely with Commonwealth, state and territory agencies, but did not require entry into any formal cooperative arrangements.

Table 67: Outcome of disputes actively managed by ASBFEO during 2023–24

Resolution	Count	Percentage of total
Referral to more appropriate agency		
• state small business commissioners	297	21%
• referred to appropriate agency (including Australian Financial Complaints Authority, Fair Work Ombudsman, and so on)	16	1%
Resolved by Ombudsman contact with one or more party	824	59%
Referred to alternative dispute resolution (including under the Franchising, Horticulture, Oil and Dairy Codes)	23	2%
Referred to Small Business Tax Concierge lawyer	9	1%
Cases currently in progress with Ombudsman	227	16%
Total cases received by ASBFEO requiring active case management	1,396	100%

Note: This table is accurate at date of compilation on 29 July 2024. The Ombudsman takes great care to ensure the quality and reliability of data, sourced from a case management system that is constantly updated.

Data Standards

The Consumer Data Right (CDR) aims to empower consumers, drive innovation, and increase competition. It puts individuals and businesses in control of data held about them, enabling them to safely share that data and make more informed decisions.

The CDR has a multi-agency delivery model. It involves Treasury (including the Data Standards Body), the Australian Competition and Consumer Commission (ACCC) and the Office of the Australian Information Commissioner.

Mr Andrew Stevens is the Data Standards Chair (the Chair) for the CDR. Mr Stevens was re-appointed to this role on 1 March 2023 for a further 2 years, having been inaugural Chair since the role was created in 2018. As outlined under section 56FP of the *Competition and Consumer Act 2010*, Treasury is required to include information about the Chair's performance, and the exercise of their powers, in the Treasury annual report.

The Chair issued 7 iterations of the Data Standards in 2023–24. The Chair also released 6 iterations of consumer experience guidelines. The Data Standards Body increased its general technical guidance material sources including instructional videos.

The Chair convened 9 meetings of the Data Standards Advisory Committee in 2023–24. The annual renewal of membership and terms of reference review occurred in November 2023, enabling the Chair to reconsider appropriate representation and function, including further diversity and more robust representation from privacy and consumer advocates.

The Chair also established an Information Security Consultative Group, and a Non-Functional Requirements Consultative Group, both met 5 times in 2023–24. Their membership, minutes, and terms of reference are published on consumerdatastandards.gov.au.

The Data Standards are subject to consumer testing under the CDR Rules, as considered appropriate by the Chair. In 2023–24, consumer experience research paid special attention to authentication.

A further 3 research reports commissioned for the Chair focused on the management of risk, including cyber security risk and information security, and threats posed by dark or deceptive patterns. These reports support the Chair to set authentication standards that meet best-practice security requirements, as required by the CDR's Rules.

The Chair recognises and acknowledges the continuing contributions and dedication of the Data Standards Body. The Chair notes his appreciation of the Data Standards Advisory Committee, and other consultative groups, whose members volunteer their time and expertise, including several over many years.

Australian National Contact Point for Responsible Business Conduct

The Australian National Contact Point for Responsible Business Conduct promotes responsible business conduct under the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. It engages with stakeholders including business, government, civil society, unions and academics. The Australian National Contact Point provides a free conciliation service within a non-judicial OECD framework to help resolve complaints against multinational enterprises when the Australian Government becomes aware of alleged non-observance of the guidelines.

Treasury contracted 4 independent examiners in 2023–24 to assess, conciliate and make recommendations on individual complaints through public statements. Treasury also provides secretariat support, conducts promotional activities to raise awareness and contributes to policy development. The function is supported by a Governance and Advisory Board which meets biannually and comprises representatives from government, civil society, business and unions.

In 2023–24 the Australian National Contact Point supported 4 events, used social media for promotion and worked directly with government and non-government stakeholders to promote responsible business conduct through their member networks.

The Australian National Contact Point managed 8 complaints in 2023–24:

- one is in ongoing mediation
- 3 are undergoing a final statement following mediation or a declined mediation offer
- one is still subject to initial assessment (whether to accept, reject or transfer)
- 3 were closed.

The Australian National Contact Point reports annually to the OECD and complaint statements are available at ausncp.gov.au.

Information correcting the record

Treasury previously published foreign investment proposals by number and value, and compliance statistics for the 2021–22 and 2022–23 periods in the Treasury Annual Report 2022–23. Treasury changed the methodology for these calculations in 2023–24 and where applicable, has revised the figures accordingly. The variations from previously published statistics are due to this reconciliation process. Revised information is provided in the tables on pages 223 to 227 of this report.

Abbreviations and acronyms

ACCC	Australian Competition and Consumer Commission
AM	Member of the Order of Australia
ANAO	Australian National Audit Office
AO	Officer of the Order of Australia
APS	Australian Public Service
ASBFEO	Australian Small Business and Family Enterprise Ombudsman
ATO	Australian Taxation Office
CDR	Consumer Data Right
DFAT	Department of Foreign Affairs and Trade
EL	Executive Level
FIRB	Foreign Investment Review Board
FTP	Financial Transactions Plan
G20	The Group of Twenty
GDP	Gross domestic product
GST	Goods and Services Tax
IBRD	International Bank for Reconstruction and Development
ICSID	International Centre for Settlement of Investment Disputes
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
MIGA	Multilateral Investment Guarantee Agency
MP	Member of Parliament
OECD	Organisation for Economic Co-operation and Development
PBS	Portfolio Budget Statements
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PRGT	Poverty Reduction and Growth Trust
PSM	Public Service Medal
RBA	Reserve Bank of Australia
SES	Senior Executive Service
SDR	Special Drawing Rights
SME	Small and medium-sized enterprise
The Ombudsman	Australian Small Business and Family Enterprise Ombudsman
WHS	Work, Health and Safety
WRC	Workplace Relations Committee

Glossary

Accountable Authority instructions	Instructions issued to manage the affairs of an entity to promote the efficient, effective, economical and ethical use of Commonwealth resources.
Activities	The actions/functions performed by agencies to deliver government policies.
Administered item	Items that are usually managed by an entity on behalf of the Government. Entities do not have control over these items which are normally related to activities governed by eligibility rules and conditions established by legislation (for example, grants, subsidies and benefit payments).
Annual performance statements	Commonwealth entities report, through their annual performance statements, on the extent to which they have fulfilled the purposes they articulate at the beginning of a reporting year in their corporate plan. They must also report on performance criteria in the portfolio budget statements, portfolio additional estimates statements or other portfolio estimates statements.
Appropriation	Public monies the Parliament authorises the Government to withdraw from the Consolidated Revenue Fund for a specified purpose.
APS employee	A person engaged under section 22, or a person who is engaged as an Australian Public Service employee under section 72, of the *Public Service Act 1999*.
Budget	Sets out the fiscal and economic outlook for Australia, including expenditure and revenue estimates for the current financial year, the budget year and 3 forward financial years. It identifies the Government's social and political priorities and how they will be achieved.
Clear read principle	Under the outcomes' arrangements, there is an essential clear link between the appropriation bills, the Portfolio Budget Statements, the portfolio additional estimates statements, and annual reports of agencies. Information should be consistent across these and other Budget documents, and, where possible, duplication of reporting within the Portfolio Budget Statements should be avoided. This is called the clear read between the different documents. Under this principle, the planned performance in the Portfolio Budget Statements is to be provided on the same basis as actual performance in the annual reports covering the same period, to permit a clear read across planning and actual performance reporting documents. Agencies should take this into account in designing their performance reporting arrangements.
Consolidated Revenue Fund	The Consolidated Revenue Fund consists of all revenues and moneys raised or received by the executive government of the Commonwealth. The fund is self-executing in nature, which means that all money received by the Commonwealth automatically forms part of the fund.

Consultant	A person or organisation providing professional, independent, expert advice or services. The term is used to describe the application of expert skills to investigate or diagnose a defined issue or problem; carry out defined research, reviews or evaluations; or provide independent advice, information or creative solutions to assist an entity in management decision-making.
Contractor	A person engaged by an agency, usually on a temporary basis. Treated as an employee of the agency for the purposes of program performance reporting.
Corporate governance	The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
Corporate plan	The primary planning document of a Commonwealth entity that sets out the objectives and strategies the entity intends to pursue in achieving its purposes over at least 4 reporting periods. A corporate plan explains: • what an entity's purposes are • what it will do to achieve its purposes • how it will know that it has achieved its purposes.
Departmental item	Departmental items are usually appropriations managed by an entity, and over which the entity has control. That is, the entity's accountable authority has discretion in delivering the activities and/or allocating resources. Typically, these items include the day-to-day operations and program support activities of an entity.
Enterprise agreement	An employment agreement made directly between an employer and employees.
Finance law	Refers to: • The PGPA Act 2013; or • rules issued under the PGPA Act 2013; or • any instrument made under the PGPA Act; or • an Appropriation Act.
Financial results	The results shown in the financial statements of an agency.
Fraud	Dishonestly obtaining a benefit, or causing a loss, by deception or other means. Accountable authorities of Commonwealth entities must take all reasonable measures to prevent, detect and deal with fraud in accordance with section 10 of the Public Governance, Performance and Accountability Rule 2014.
Full-time equivalent	The effective number of full-time employees in an entity, where an FTE of 1.0 is the equivalent of one full-time person. Part-time employees are converted to full-time equivalents.

Grant	An arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth under which relevant money or other Consolidated Revenue Fund money is to be paid to a recipient other than the Commonwealth which is intended to assist the recipient achieve its goals to help it address one or more of the Government's policy objectives and under which the recipient may be required to act in accordance with specified terms or conditions.
Materiality	Considers the planned outcome and the relative significance of the resources consumed in contributing to the achievement of that outcome.
Mid-Year Economic and Fiscal Outlook	The Mid-Year Economic and Fiscal Outlook (MYEFO) provides an update of the Government's Budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the Government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.
Non-ongoing APS employee	A person engaged as an Australian Public Service employee under subsection 22(2)(a) of the *Public Service Act 1999*.
Official Public Account	The Commonwealth's central bank account. The Official Public Account is one of a group of linked bank accounts, referred to as the Official Public Account Group of Accounts. The Reserve Bank of Australia maintains the Official Public Accounts.
Ongoing APS employee	A person engaged as an ongoing Australian Public Service employee under section 22(2)(a) of the *Public Service Act 1999*.
Operations	Functions, services and processes performed in pursuing the objectives or discharging the functions of an entity.
Outcomes	The results, impacts or consequences of a purpose or activity, as defined in the annual appropriation acts and the Portfolio Budget Statements, by a Commonwealth entity and company.
Performance information	Evidence about performance that is collected and used systematically, which may relate to appropriateness, effectiveness and efficiency and the extent to which an outcome can be attributed to an intervention. While performance information may be quantitative (numerical) or qualitative (descriptive), it should be verifiable.
Portfolio Budget Statements	The Portfolio Budget Statements inform parliamentarians and the public of the proposed allocation of resources to government outcomes. They also assist the Senate standing committees with their examination of the Government's budget. Portfolio Budget Statements are tabled in Parliament on Budget night and published as Budget related papers.

Programs	Commonwealth programs deliver benefits, services or transfer payments to individuals, organisations, or the community as a whole, and/or policy advice to inform Government decisions. A program is comprised of activities or groups of activities, as defined in the annual appropriation acts and Portfolio Budget Statements, by a Commonwealth entity and company.
Public Governance, Performance and Accountability Act 2013	The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) replaced the *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997* on 1 July 2014. As the primary piece of Commonwealth resource management legislation, the PGPA Act establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. The PGPA Act applies to all Commonwealth entities and Commonwealth companies. A list of Commonwealth entities and companies can be found at: finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/pgpa-act-flipchart-and-list.
Risk management	The systematic application of policies, procedures and practices to clearly identify, analyse, evaluate, treat and monitor risks associated with identified opportunities. Risk is broadly defined as the effect of uncertainty on objectives or the impacts of unforeseen events or undesirable outcomes.
Senate Estimates hearings	Senate standing committees hold hearings to scrutinise the appropriation bills and any explanatory documentation tabled to accompany them. Public servants are called as witnesses to hearings.
Specific Purpose Payments	Commonwealth payments to the states for specific purposes to pursue important national policy objectives in areas that may be administered by the states.

List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement
17AD(g)	**Letter of transmittal**		
17AI	Letter of transmittal	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	**Aids to access**		
17AJ(a)	Table of contents	Table of contents	Mandatory
17AJ(b)	Index	Alphabetical index	Mandatory
17AJ(c)	Abbreviations and acronyms Glossary	Glossary of abbreviations and acronyms	Mandatory
17AJ(d)	List of requirements	List of requirements	Mandatory
17AJ(e)	Introduction and guide to the report	Details of contact officer	Mandatory
17AJ(f)	Introduction and guide to the report	Entity's website address	Mandatory
17AJ(g)	Introduction and guide to the report	Electronic address of report	Mandatory
17AD(a)	**Review by accountable authority**		
17AD(a)	Secretary's review	A review by the accountable authority of the entity.	Mandatory
17AD(b)	**Overview of the entity**		
17AE(1)(a)(i)	Departmental overview	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	Departmental overview	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	Departmental overview	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	Departmental overview	A description of the purposes of the entity as included in corporate plan.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AE(1)(aa)(i)	Departmental overview	Name of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(ii)	Departmental overview	Position title of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	Departmental overview	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory
17AE(1)(b)	Portfolio overview	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, mandatory
17AD(c)	**Report on the Performance of the entity**		
	Annual performance statements		
17AD(c)(i); 16F	Annual performance statements	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	**Report on Financial Performance**		
17AF(1)(a)	Financial performance	A discussion and analysis of the entity’s financial performance.	Mandatory
17AF(1)(b)	Resources tables	A table summarising the total resources and total payments of the entity.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AF(2)	Resources tables	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, mandatory
17AD(d)	**Management and Accountability**		
17AG(2)(a)	Corporate governance	Information on compliance with section 10 (fraud systems).	Mandatory
17AG(2)(b)(i)	Letter of transmittal	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	Letter of transmittal	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating, or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	Letter of transmittal	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	Corporate governance	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d)–(e)	N/A	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
	Audit Committee		
17AG(2A)(a)	Corporate governance	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	Corporate governance	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	Corporate governance	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	Corporate governance	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	Corporate governance	The remuneration of each member of the entity's audit committee.	Mandatory
	External Scrutiny		
17AG(3)	External Scrutiny	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	External Scrutiny	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, mandatory
17AG(3)(b)	External Scrutiny	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, mandatory
17AG(3)(c)	External Scrutiny	Information on any capability reviews on the entity that were released during the period.	If applicable, mandatory
	Management of Human Resources		
17AG(4)(a)	Our people	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(aa)	Our people	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: a) statistics on full-time employees b) statistics on part-time employees c) statistics on gender d) statistics on staff location.	Mandatory
17AG(4)(b)	Our people	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: • Statistics on staffing classification level • Statistics on full-time employees • Statistics on part-time employees • Statistics on gender • Statistics on staff location • Statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	Our people	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*.	Mandatory
17AG(4)(c)(i)	Our people	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	Our people	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	Our people	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	Our people	Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory
17AG(4)(d)(ii)	Our people	Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(d)(iii)	Our people	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, mandatory
17AG(4)(d)(iv)	Our people	Information on aggregate amount of performance payments.	If applicable, mandatory
	Assets management		
17AG(5)	Assets management	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
	Purchasing		
17AG(6)	Procurement	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory
	Reportable consultancy contracts		
17AG(7)(a)	Consultants and non-consultants	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (including GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (including GST).	Mandatory
17AG(7)(b)	Consultants and non-consultants	A statement that *'During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of $[specified million]'.*	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(7)(c)	Consultants and non-consultants	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	Consultants and non-consultants	A statement that *'Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.'*	Mandatory
	Reportable non-consultancy contracts		
17AG(7A)(a)	Consultants and non-consultants	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (including GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (including GST).	Mandatory
17AG(7A)(b)	Consultants and non-consultants	A statement that *'Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.'*	Mandatory
17AD(daa)	**Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts**		
17AGA	Consultants and non-consultants	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
	Australian National Audit Office Access Clauses		
17AG(8)	Procurement	If an entity entered into a contract with a value of more than $100,000 (including GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, mandatory
	Exempt contracts		
17AG(9)	Procurement	If an entity entered into a contract or there is a standing offer with a value greater than $10 000 (including GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, mandatory
	Small business		
17AG(10)(a)	Procurement	A statement that *'[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.'*	Mandatory
17AG(10)(b)	Procurement	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(10)(c)	Procurement	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that *'[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website.'*	If applicable, mandatory
	Financial Statements		
17AD(e)	Financial statements	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
	Executive Remuneration		
17AD(da)	Executive remuneration	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule.	Mandatory
17AD(f)	**Other Mandatory Information**		
17AH(1)(a)(i)	Advertising and market research	If the entity conducted advertising campaigns, a statement that *'During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.'*	If applicable, mandatory
17AH(1)(a)(ii)	Advertising and market research	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, mandatory
17AH(1)(b)	Grants	A statement that *'Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].'*	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AH(1)(c)	Disability reporting	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	Information Publication Scheme	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	Information correcting the record	Correction of material errors in previous annual report.	If applicable, mandatory
17AH(2)	Work health and safety Ecologically sustainable development and environmental performance Australia and the international financial institutions Data Standards Chair	Information required by other legislation. Information required by other Acts or instruments to be included in the annual report must be included in one or more appendices to the report.	Mandatory

Commonwealth Climate Disclosures pilot index

Disclosure No.	Part of Report	Requirement summary
G1	Climate risk	Identification of the accountable authority
G2	Table 37	How the accountable authority executes their role in overseeing climate-related risks and opportunities.
	Table 37	a) the responsibilities for climate-related risks and opportunities
	Climate risk	b) determining appropriate skills and competencies
	Table 37	c) how the accountable authority is informed about climate-related risks and opportunities
	Climate risk	d) oversight of the entity's strategy and risk management processes and related policies
	Table 37	e) target setting and monitoring related to climate-related risks and opportunities
	Climate risk	f) how risk oversight is deputised to a specific management-level position or management level committee.
G3	Climate risk	Oversight and administration of governance processes, controls and procedures including:
		a) controls and procedures to support the oversight and management of climate-related risks and opportunities.
RM1	Climate risk	Progress in completing its organisation-wide climate risk and opportunity assessment.
MT1	Climate-related metrics	The annual greenhouse gas emissions produced by the department.
MT2	Climate-related metrics	The approach used to measure greenhouse gas emissions.
MT3	Climate-related metrics	Summary of the entity's Emissions Reduction Plan.
MT4	Climate-related metrics	Information on the APS Net Zero by 2030 target.

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