



# Review of the Australian Office of Financial Management - Terms of Reference

An independent review into the Australian Office of Financial Management (AOFM) has been commissioned by the Secretary to the Treasury.

The AOFM is Australia's sovereign debt manager with around \$990 billion of securities on issue. The AOFM's key roles and intended outcomes are:

- Meet the government's annual financing task while considering costs and risks.
- Ensure the government can always meet its cash outlay requirements.
- Conduct market facing activities in a manner that supports a well-functioning Australian Government Securities (AGS) market.

Over 2025, the AOFM undertook an extensive organisational design process to clarify roles and accountabilities, reduce complexity, and implement a structure that is fit for purpose.

The review has been asked to consider the operations, capability and organisational effectiveness of the AOFM and assess whether the AOFM is delivering, and can deliver upon, its intended outcomes for Government. This includes reviewing the effectiveness of its:

1. Approach to financing the operations of government including the development of delivery of the annual issuance (borrowing) program.
2. Management of the cash portfolio, including the development and implementation of its Liquidity Management Strategy.
3. Frameworks for risk management and compliance.
4. External reporting and governance structures between AOFM and Treasury.

In considering these matters the review should have regard to the AOFM's organisational structure, business processes and skill and experience of its workforce.

## Recommendations and findings

The review should provide the Secretary with a report of the findings, and any recommended actions, in April 2026.

The report should be prepared on the basis that it will be published.

Where the reviewer considers that inclusion of particular material would be inappropriate for publication (for example, due to personal privacy, market sensitivity, or legal professional privilege), the reviewer should provide that material in a separate confidential annex and notify the Secretary of the reasons for confidentiality.

The report should distinguish factual findings from analysis and recommendations and should focus on capability and system level issues.