# Part 6: Statement of Risks

## Risks to the Budget – Overview

The forward estimates of revenue and expenses in the 2024–25 Mid‑Year Economic and Fiscal Outlook (MYEFO) incorporate assumptions and judgments based on the best information available at the time of publication, together with a range of economic assumptions and other forecasts and projections.

Events that could affect fiscal outcomes include:

* changes in economic and other parameters, which may be driven by the evolution of and responses to domestic and global inflationary pressures, volatility in global commodity prices, further global instability stemming from conflicts in Europe and the Middle East, and the challenges associated with the transition towards net zero emissions
* matters not included in the fiscal forecasts because of uncertainty about their timing, magnitude or likelihood
* the realisation of contingent liabilities or assets.

The revenue and expense estimates and projections published in the 2024–25 MYEFO are based on a range of economic and other parameters that are consistent with the domestic and international outlook detailed in Part 2: Economic Outlook. Economic outcomes that differ from the parameters used in the MYEFO represent a material risk to the MYEFO estimates. *Part 5:* Sensitivity Analysis examines the impact on receipts and payments of altering some of the key economic assumptions underlying the MYEFO estimates.

A significant portion of government expenditure is for demand‑driven programs. Outcomes for these programs could differ from the estimates and projections due to changes in economic outcomes, particularly for inflation and wages growth. For a number of demand‑driven support programs, including the National Disability Insurance Scheme, aged care programs and health programs, outcomes depend on the wide range of factors that affect the take‑up of and cost of these programs.

Revenue forecasting relies heavily on the observed relationships between the economy, tax bases and tax revenues. Such relationships may shift over time as the economy changes, presenting further risk to the estimates. For example, the ability of entities to use tax losses to offset profits may continue to pose heightened challenges in estimating the profile for company and resource tax receipts. Revenue forecasts also incorporate costings for new policies that typically involve a degree of uncertainty.

The estimates and projections of revenue are also subject to general risks that can affect taxation collections. These risks include the ability of the tax system to keep pace with changes in the business environment, the potential for tax avoidance, pending court decisions and Australian Taxation Office rulings, and the uncertain outcomes of compliance programs. The manifestation of these risks may result in a shift in the composition of taxation collected from the various tax bases or a change in the size of the tax base.

Many agencies rely on external revenue to fund the delivery of some of their services. Estimates included in the MYEFO for these agencies reflect the latest information about the likely amount of external revenue they will raise. The external revenue actually collected is not certain and depends on some common factors, including economic conditions, which can affect estimates for individual agencies and for the Budget as a whole.

The forward estimates in the MYEFO include the impact of all policy decisions, including those that remain unlegislated or where negotiations on agreements are continuing. There is a risk of a variation to the fiscal position outlined in the MYEFO where legislation is not passed in time for the commencement of the measure on the anticipated commencement date, the legislation is passed with amendments to the original decision, the legislation fails to pass the Parliament, or where negotiations deliver outcomes that go beyond the funding offer.

### The risks associated with climate change

Over time, climate change is expected to have a significant impact on the Budget, both in terms of risks and opportunities. The Australian Government is managing these impacts by reducing emissions and supporting the economic opportunities presented by the net zero transition. However, there is still significant uncertainty about the trajectory of global greenhouse gas emissions and the impacts climate change will have on Australia.

Climate change can affect macroeconomic and fiscal outcomes in various ways. These include the physical impacts of climate change, the indirect impacts climate change will have on Australia**’**s industry mix, and the impacts of policy responses to reduce emissions or adapt to the impacts of a changing climate. Each of these has the potential to affect receipts, payments, and the Australian Government**’**s balance sheet. They also have the potential to influence general economic outcomes, which may, in turn, affect Budget outcomes**.**

Policy responses taken by the Australian Government to address climate change include the establishment of the Capacity Investment Scheme in the 2023–24 Budget and its expansion in the 2023–24 MYEFO to drive investment in renewable dispatchable capacity and ensure reliability in Australia’s energy market. The Budget impact of the Capacity Investment Scheme will depend on future developments in energy prices, which may present risks that are not fully reflected in the Budget estimates. The Government has finalised contracts resulting from the first Capacity Investment Scheme tender in South Australia and Victoria which are now reflected as a quantifiable contingent liability in the Statement. Additional specific risks associated with this program will be reflected in the Statement once further contracts are finalised and if it is determined that they meet the materiality thresholds for inclusion.

Measures in the 2024–25 Budget to support the Government’s Future Made in Australia agenda and reduce emissions in the Australian economy included the Hydrogen Production Tax Incentive and Critical Minerals Production Tax Incentive. The uncertainty surrounding these measures could affect Budget estimates.

MYEFO Part 6: Statement of Risks sets out specific risks where they may have an impact on the Budget in the Budget year or over the forward estimates period. Some of these risks, such as those associated with the cyclone and related flooding reinsurance pool and disaster recovery arrangements, are likely to be exacerbated by climate change over time. Other specific risks may emerge that will impact the Budget beyond the forward estimates period. These would be included in this Statement when it is apparent that the potential impact on the Budget would exceed the materiality threshold.

### Specialist Investment Vehicles

Successive Australian Governments have established Specialist Investment Vehicles (SIVs) to achieve policy outcomes. These include the National Reconstruction Fund Corporation, Export Finance Australia, the Clean Energy Finance Corporation, and the Northern Australia Infrastructure Facility. These SIVs have been established with robust governance arrangements, including independent boards, which are charged with making investment decisions that manage risk and deliver outcomes in line with each SIV’s relevant legislative framework and investment mandate. Details of each SIV is set out in Budget Paper No. 2 or Appendix A to the MYEFO when they are established and, where relevant, presented in the ‘Government loans’ section of this Statement, including the total value of loans issued by each entity. This Statement includes reference to specific risks associated with these SIVs at the time it is apparent that those risks associated with the investments exceed or are expected to exceed the materiality threshold.

### Specific risks to the Budget

The Budget is subject to contingent liabilities. Many of these reflect indemnities, including those relating to the Department of Defence, the Future Fund Management Agency and Future Fund Board of Guardians, and the Reserve Bank of Australia. The Australian Government has also issued guarantees, including those relating to guarantee schemes for the banking and financial sector, payments by Export Finance Australia, and the superannuation liabilities of the Commonwealth Bank prior to its sale. Other significant contingent liabilities relate to uncalled capital subscriptions and credit facilities to international financial institutions and legal cases concerning the Australian Government. The Government has robust and conservative strategies in place to reduce its potential exposure to these contingent liabilities.

Fiscal risks arise from general developments or specific events that may affect the fiscal outlook. Some developments or events raise the possibility of a fiscal impact. In other cases, the likelihood of a fiscal impact may be reasonably certain but will not be included in the forward estimates because the timing or magnitude of the impact is not known.

Table 6.1 outlines how fiscal risks, assets and liabilities, and contingent assets and liabilities, are disclosed in the MYEFO.

Table 6.2 summarises fiscal risks, contingent liabilities and contingent assets with a possible impact on the forward estimates greater than $20 million in any one year, or $50 million over the forward estimates period. Risks that are new or that have materially changed are detailed by portfolio after Table 6.2.

The Australian Government’s annual consolidated financial statements and the annual financial statements of departments and other Government entities also set out information on contingent liabilities and contingent assets.

The Government also makes direct loans for policy purposes. All loans contain some element of credit risk (that is, they will not be repaid in full) although, in many cases, this risk is small. Details of Government loans that exceeded $200 million at 30 June 2024 are included at the conclusion of Part 6.

Table 6.1: Disclosure of fiscal risks, contingent assets and contingent liabilities, and assets and liabilities in the Budget papers

|  |  |  |
| --- | --- | --- |
| Category | Type(a) | Disclosure |
| Fiscal Risks | Fiscal Risks | Statement of Risks |
| Contingent assets and contingent liabilities | Significant contingent assets and liabilities considered remote | Statement of Risks |
|  | Unquantifiable contingent assets and liabilities that are improbable but not remote | Statement of Risks |
|  | Quantifiable contingent assets and liabilities that are improbable but not remote | Statement of Risks |
|  | Contingent assets and liabilities excluded on the basis of immateriality(b) | None |
| Assets and liabilities | Assets and liabilities that are probable and can be reliably measured | Balance sheet(c) (d) |
|  | Assets and liabilities that are probable but have an uncertain timing or amount (provisions) | Balance sheet |

1. Items that are described as probable have a 50 per cent or higher chance of occurrence.
2. Only risks with a possible impact on the forward estimates greater than $20 million in any one year, or $50 million over the forward estimates period, are considered material and disclosed in this Statement.
3. Unearned income from charging guarantee fees is shown as a liability in the balance sheet.
4. Additional disclosure to increase transparency on loans over $200 million is included in this Statement.

Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks(a)

|  |  |
| --- | --- |
| Agriculture, Fisheries and Forestry | ****Status**** |
| Contingent liabilities – unquantifiable |  |
| Commonwealth liabilities in respect of matching payments to industries for research and development contributions | Unchanged |
| Emergency pest and disease response arrangements | Modified |
| White spot syndrome virus and disease 2016 outbreak | Unchanged |
| Attorney‑General’s | Status |
| Significant but remote contingency |  |
| Indemnities relating to the Air Security Officer Capability | Unchanged |
| Contingent liabilities – unquantifiable |  |
| Current and prospective investor‑state claims against the Australian Government | Modified |
| Native Title costs | Unchanged |
| Contingent asset – unquantifiable |  |
| Civil penalty relating to the Anti‑Money Laundering and Counter‑Terrorism Financing Act 2006 | Modified |
| Climate Change, Energy, the Environment and Water | Status |
| Fiscal Risk |  |
| Snowy Hydro Limited | Unchanged |
| Significant but remote contingencies |  |
| Snowy Hydro Limited – Board Members’ indemnity | Modified |
| Snowy Hydro Limited – Termination of the Equity Subscription Agreements | Unchanged |
| Underwriting of Transmission Projects | Unchanged |
| Contingent liabilities – unquantifiable |  |
| Gorgon liquefied natural gas and carbon dioxide storage project – long‑term liability | Unchanged |
| Liability for costs incurred in a national liquid fuel emergency | Unchanged |
| Marinus Link Project – Shareholders’ agreement | Unchanged |
| Murray‑Darling Basin Reform – risk assignment | Unchanged |
| Remediation of Jabiru Township | Unchanged |
| United States Strategic Petroleum Reserve Lease Agreement – indemnity under certain conditions | Unchanged |
| Contingent liabilities – quantifiable |  |
| Capacity Investment Scheme | New |
| Underwriting of the Marinus Link Project | Modified |
| Defence | Status |
| Fiscal Risks |  |
| Implementation of the nuclear‑powered submarine program | Unchanged |
| Major operations of the Australian Defence Force in 2024‑25 | Unchanged |
| Significant but remote contingencies |  |
| ADI Limited – Officers’ and Directors’ indemnities | Unchanged |
| Litigation cases | Unchanged |
| Remote contingencies | Modified |
| Contingent liabilities – unquantifiable |  |
| Cockatoo Island Dockyard | Unchanged |
| Land decontamination, site restoration and decommissioning of Defence assets | Unchanged |
| Contingent liability – quantifiable |  |
| Claims against the Department of Defence | Modified |

Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks(a) (continued)

|  |  |
| --- | --- |
| Employment and Workplace Relations | Status |
| Fiscal Risk |  |
| Recovery of inappropriately claimed VET FEE‑HELP payments from VET providers | Unchanged |
| Contingent liabilities – quantifiable |  |
| ParentsNext program | Modified |
| Workforce Australia – Employment Fund | Modified |
| Finance | Status |
| Significant but remote contingency |  |
| Australian Naval Infrastructure Pty Ltd – Termination of the Equity Funding Agreement | Unchanged |
| Contingent liabilities – unquantifiable |  |
| ASC Pty Ltd – Directors’ and Executives’ indemnities | Unchanged |
| ASC Pty Ltd – Guarantee of Indemnity from ASC in favour of ASC Shipbuilding Pty Limited | Unchanged |
| Australian Government general insurance fund – Comcover | Unchanged |
| Commonwealth Superannuation Corporation – immunity and indemnity | Unchanged |
| Finance owned estate | Unchanged |
| Future Fund Management Agency and Future Fund Board of Guardians – indemnity | Unchanged |
| Googong Dam | Unchanged |
| Indemnities for the Reserve Bank of Australia and private sector banks | Unchanged |
| Indemnities relating to other former asset sales, privatisations and information technology outsourcing projects | Unchanged |
| Foreign Affairs and Trade | Status |
| Fiscal Risk |  |
| Export Finance Australia – National Interest Account | Modified |
| Contingent liabilities – quantifiable |  |
| Export Finance Australia | Unchanged |
| Papua New Guinea Rugby League Franchise | New |
| Health and Aged Care | Status |
| Fiscal Risk |  |
| Fair Work Commission decision – Aged Care Work Value Case | Unchanged |
| Contingent liabilities – unquantifiable |  |
| Accommodation Payment Guarantee Scheme | Unchanged |
| Advance Purchasing Agreements for COVID‑19 vaccines | Unchanged |
| Australian Red Cross Society – indemnities | Unchanged |
| Blood and blood products liability cover | Unchanged |
| CSL Ltd | Unchanged |
| Indemnities relating to vaccines | Unchanged |
| Major sporting events | Unchanged |
| Medical Indemnity Exceptional Claims Scheme | Unchanged |
| Medical Rural Bonded Scholarship Waivers | Unchanged |
| mRNA manufacturing facility – indemnities | Unchanged |
| Contingent asset – unquantifiable |  |
| Legal action seeking compensation | Unchanged |

Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks(a) (continued)

|  |  |
| --- | --- |
| Home Affairs | Status |
| Fiscal Risk |  |
| Regional processing arrangements | Modified |
| Contingent liabilities – unquantifiable |  |
| Australian victims of terrorism overseas payment | Unchanged |
| Commonwealth Community Safety Order Scheme – Federation Funding Agreement – indemnity | New |
| Disaster Recovery | Unchanged |
| Facilities, garrison, transferee arrivals and receptions, and health services in the Republic of Nauru – liability limit | Unchanged |
| Immigration detention services by state and territory governments – liability limit | Unchanged |
| Immigration detention services contract (Serco) – liability limit | Modified |
| Immigration detention services contract (Secure Journeys) – liability limit | New |
| Industry, Science and Resources | Status |
| Fiscal Risk |  |
| Rehabilitation of the Ranger Uranium Mine | Unchanged |
| Significant but remote contingencies |  |
| Liability for damages caused by space and certain high‑power rocket activities | Unchanged |
| Operations and maintenance of the Northern Endeavour and associated infrastructure | Modified |
| Contingent liabilities – unquantifiable |  |
| Australian Nuclear Science and Technology Organisation – asbestos contamination | Unchanged |
| Australian Nuclear Science and Technology Organisation – indemnity | Unchanged |
| Australian Nuclear Science and Technology Organisation – legacy waste management to final disposal | Unchanged |
| Former British atomic test site at Maralinga | Unchanged |
| Land decontamination and site restoration for CSIRO property | Unchanged |
| Infrastructure, Transport, Regional Development, Communications and the Arts | Status |
| Fiscal Risks |  |
| Australia Post’s financial stability | Modified |
| Infrastructure Investment Program project slippage adjustment | New |
| Inland Rail – delivery | Unchanged |
| Significant but remote contingencies |  |
| Inland Rail – Termination of the Equity Financing Agreement | Unchanged |
| Maritime Industry Finance Company Limited – Board Members’ indemnity | Unchanged |
| Moorebank Intermodal Project – Glenfield Waste Site Easement | Unchanged |
| National Intermodal Corporation Limited – Termination of the Funding Agreement | Unchanged |
| Telstra Financial Guarantee | Unchanged |
| Tripartite deeds relating to the sale of federal leased airports | Unchanged |
| WSA Co Limited – Board Members’ indemnities | Unchanged |
| WSA Co Limited – Sydney Metro – Western Sydney Airport indemnity | Unchanged |
| WSA Co Limited – Termination of the Equity Subscription Agreement | Unchanged |

Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks(a) (continued)

|  |  |
| --- | --- |
| Infrastructure, Transport, Regional Development, Communications and the Arts (continued) | Status |
| Contingent liabilities – unquantifiable |  |
| Australian Maritime Safety Authority – ship‑sourced pollution incident costs | Unchanged |
| Aviation rescue and firefighting services potential per‑ and poly‑fluoroalkyl substances contamination | Modified |
| Indemnity provided to the New South Wales Rural Fire Fighting Service in relation to the Jervis Bay Territory | Unchanged |
| Moorebank Intermodal Project – Georges River rail crossing | Unchanged |
| Service Delivery Arrangement Indemnities – Indian Ocean Territories and Jervis Bay Territory | Unchanged |
| Prime Minister and Cabinet | Status |
| Contingent liability – unquantifiable |  |
| *McDonald v Commonwealth* (Stolen Wages Class Action) | Removed |
| Contingent liability – quantifiable |  |
| Indigenous Land and Sea Corporation – Voyages Indigenous Tourism Australia | Unchanged |
| Social Services | Status |
| Fiscal Risks |  |
| COVID‑19 and disaster social security debt pause for specified areas | Removed |
| National Disability Insurance Scheme | Modified |
| Contingent liabilities– unquantifiable |  |
| Income apportionment and debt pause | Unchanged |
| Prygodicz v Commonwealth | New |
| Contingent asset – quantifiable |  |
| National Redress Scheme | Modified |
| Treasury | Status |
| Fiscal Risks |  |
| Guarantee for the Asia Development Bank’s Innovative Finance Facility | New |
| Significant but remote contingencies |  |
| Asbestos Injuries Compensation Fund | Unchanged |
| Financial Claims Scheme | Unchanged |
| Guarantee for Housing Australia | Unchanged |
| Guarantees under the Commonwealth Bank Sale Act 1995 | Modified |
| Reserve Bank of Australia – Guarantee | Modified |
| Contingent liabilities – unquantifiable |  |
| Compensation scheme of last resort | Unchanged |
| Establishment of a cyclone and related flooding reinsurance pool | Unchanged |
| Government guarantees for housing | Unchanged |
| Indemnities for specialised external advisers during the COVID‑19 pandemic | Unchanged |
| Small and Medium Enterprise (SME) Guarantee Scheme and SME Recovery Loan Scheme | Unchanged |
| Terrorism insurance – commercial cover | Unchanged |

Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks(a) (continued)

|  |  |
| --- | --- |
| Treasury (continued) | Status |
| Contingent liabilities – quantifiable |  |
| Australian Taxation Office – tax disputes | Modified |
| International financial institutions – uncalled capital subscriptions | Modified |
| International Monetary Fund – 16th General Review of Quota | Modified |
| International Monetary Fund – New Arrangements to Borrow & Bilateral Borrowing Agreement | Modified |
| International Monetary Fund – Poverty Reduction and Growth Trust | Modified |
| International Monetary Fund – Resilience and Sustainability Trust | Modified |
| Veterans’ Affairs | Status |
| Fiscal Risk |  |
| Defence Service Homes Insurance Scheme | Unchanged |

1. Detailed descriptions of the modified and new items are in the following text.

## Agriculture, Fisheries and Forestry

### Contingent liabilities – unquantifiable

#### Emergency pest and disease response arrangements

National emergency response arrangements for animal, plant and environmental pest and disease incursions are largely funded through cost‑sharing agreements between Australian governments and affected agricultural industry bodies. Under the terms of the emergency response cost‑sharing agreements, the Australian Government is typically liable for 50 per cent of the total government funding for a nationally agreed response to a pest or disease incursion. Funding is provided in the forward estimates for the Australian Government’s contributions under the emergency response agreements, which are then paid to the state or territory governments undertaking relevant activities.

There are currently 14 national cost‑shared emergency responses. Since the 2024–25 Budget, the Australian Government has provided an additional $154.6 million for its share of three large scale responses for High Pathogenicity Avian Influenza H7 in Victoria, New South Wales and the Australian Capital Territory, and for its share of potential further detections in the high‑risk period over spring.

The Australian Government has also provided a further $95.0 million across the agriculture, environment and health portfolios to manage the increased risk of an incursion of High Pathogenicity Avian Influenza H5N1, with a new national agreement to be developed to manage cross‑sectoral governance and cost‑sharing arrangements.

The Australian, state and territory governments developed a draft Aquatic Emergency Animal Disease Deed (the Deed) covering aquatic emergency animal diseases and have consulted prospective industry signatories. If the Deed is finalised, potential liabilities for the Australian Government will be increased. The extent of these liabilities will depend on which parties sign the Deed and what emergency aquatic incursions occur that would be subject to the Deed arrangements.

## Attorney‑General’s

### Contingent liability – unquantifiable

#### Current and prospective investor‑state claims against the Australian Government

The Commonwealth received a notice of arbitration from Singapore registered company Zeph Investments Pte Ltd (Zeph) concerning a dispute about the Iron Ore Processing (Mineralogy Pty Ltd) Agreement Amendment Act 2020 (WA). Zeph raised this claim under Chapter 11 (Investment) of the Agreement Establishing the ASEAN‑Australia‑New Zealand Free Trade Area (AANZFTA)*.*

Subsequently, the Commonwealth has received three further notices of arbitration from Zeph. The first concerns a dispute about exploration permits held by Waratah Coal Pty Ltd (Waratah) in the Galilee Basin of Queensland. The second concerns a dispute about a coal mine proposed by Waratah in the Galilee Basin. The third concerns a dispute about a coal‑fired power station proposed by Waratah in the Galilee Basin. Zeph raised each of these claims under Chapter 11 (Investment) of the AANZFTA.

Should the Australian Government be unsuccessful in these proceedings, it would be liable for any compensation found to be payable to Zeph. Any such potential liability cannot be quantified at this stage.

### Contingent asset – unquantifiable

#### Civil penalty relating to the Anti‑Money Laundering and Counter‑Terrorism Financing Act 2006

On 30 November 2022, the Australian Transaction Reports and Analysis Centre (AUSTRAC) applied to the Federal Court of Australia for a civil penalty order against The Star Pty Limited and The Star Entertainment QLD Limited (The Star entities) for alleged serious contraventions of the Anti‑Money Laundering and Counter‑Terrorism Financing Act 2006(AML/CTF Act).

AUSTRAC alleges that The Star entities failed to comply with obligations under the AML/CTF Act, including failures to properly assess money laundering and terrorism financing risks, and failures to undertake appropriate customer due diligence. The outcome of this matter is unknown, including whether any penalties will be imposed by the Court and, if so, the quantum of any penalties.

## Climate Change, Energy, the Environment and Water

### Significant but remote contingency

#### Snowy Hydro Limited – Board Members’ indemnity

The Australian Government has provided an indemnity for some of the Directors of Snowy Hydro Limited to protect them against certain claims relating to their employment as Directors. Until the indemnity agreements are varied or ceased, they will remain as contingent and unquantifiable liabilities.

### Contingent liabilities – quantifiable

#### Capacity Investment Scheme

The Australian Government has announced six projects in South Australia and Victoria   
to enter into underwriting agreements under the Capacity Investment Scheme. These underwritings are expected to generate 3,626 megawatt hours in storage capacity.

Under the terms of these underwriting agreements, once the projects are built and operational, if the annual revenue earned by a project is below the agreed revenue floor, the Australian Government will pay the project operator 90 per cent of the revenue shortfall up to the agreed annual cap for 15 years. If annual revenue earned by a project exceeds the agreed ceiling, the project operator pays the Australian Government 50 per cent of revenue above the ceiling up to the agreed cap.

The Australian Government’s maximum liability and estimated payments under these agreements are not for publication due to commercial sensitivities. While estimated payments under these agreements are not for publication, they are reflected in the   
Budget estimates from 2026–27. Final payments will depend on future electricity prices   
and the resulting impact on project revenues.

#### Underwriting of the Marinus Link Project

The Australian Government has underwritten up to A$165.75 million for the Cancellation Fee payable for the Cable Engineering, Procurement, and Construction (EPC) Contract for the Marinus Link project (signed 31 July 2024).

The condition for this underwriting agreement to be called on relates to agreement to proceed with the project not being reached and the associated notices to proceed not being issued to the cable contractors by 31 August 2025.

## Defence

### Significant but remote contingency

#### Remote contingencies

As at 30 June 2024, the Department of Defence carried 412 instances of quantifiable remote contingent liabilities valued at $7.95 billion and 592 instances of unquantifiable remote contingent liabilities.

Details of these significant but remote contingent liabilities are not given due to commercial and/or national security sensitivities.

### Contingent liability – quantifiable

#### Claims against the Department of Defence

The Department of Defence (Defence) has 15 instances of non‑remote, quantifiable contingent liabilities in respect of claims against Defence valued at $17.9 million.

The estimated figure is determined by an objective analysis of the probable amount payable for all matters managed by firms engaged by Defence using the Attorney‑General’s Whole of Australian Government Legal Services Panel and those being handled in‑house by Defence Legal Division. However, the exact amount payable under those claims is uncertain. Defence is defending the claims or trying to resolve them through alternative dispute resolution.

## Employment and Workplace Relations

### Contingent liabilities – quantifiable

#### ParentsNext program

ParentsNext supported parents to identify their education and employment related goals   
to build their work readiness, and plan and prepare for employment by the time their youngest child starts school. The program ceased on 31 October 2024.

Under the program, providers accumulated one‑off credits which accrued to their provider’s Participation Fund on commencement of a participant.

Currently, providers are forecast to spend less than the value of the available credits, creating a surplus of credits that present a contingent liability. As at 31 August 2024, there was $84.7 million in unspent Participation Fund credits in the Participation Fund notional bank. The surplus of credits will decline as providers seek reimbursement for funds expended before the end of the ParentsNext program.

A new voluntary pre‑employment service for parents, called Parent Pathways, commenced on 1 November 2024.

#### Workforce Australia – Employment Fund

Since July 2022, with the introduction of Workforce Australia, contracted service providers and the Digital Services Contact Centre have had access to the Employment Fund, which can be used to purchase goods and services to help participants to get and keep a job.

* Providers accumulate a $1,600 Employment Fund credit upon commencement of each participant in Workforce Australia Provider Services. This will reduce to $1,500 from 1 July 2025 as part of a measure announced at the 2024–25 Budget
* Participants in Workforce Australia Online attract an Employment Fund credit, credited after a participant has been in Digital Services for two months. The credit amount reduced from $300 to $250 in June 2024 as part of a measure announced at the   
  2024–25 Budget.

Currently, Employment Fund expenditure is expected to be less than the value of the available credits, creating an accumulating surplus of credits that present a contingent liability. As at 31 August 2024, there was $643.3 million in unspent Employment Fund Credits in the Workforce Australia Employment Fund notional bank.

## Foreign Affairs and Trade

### Fiscal Risk

#### Export Finance Australia – National Interest Account

There are five financing facilities under Export Finance Australia’s National Interest Account, set out below.

The Australian Infrastructure Financing Facility for the Pacific (AIFFP) started operation on 1 July 2019. The AIFFP can provide up to $4 billion in facilities, including up to $1 billion in grants and the balance in loans and guarantees, to support high priority infrastructure development in Pacific countries and Timor‑Leste. To date, the Australian Government has agreed to provide loans, guarantees and grants to support the development of 21 infrastructure projects in ten countries. As at 31 October 2024, the maximum loan exposure is $1.1 billion, of which $208.8 million was drawn down.

The Critical Minerals Facility (CMF) was established on 28 September 2021 to provide finance to critical minerals projects in Australia where private sector finance is unavailable or insufficient. In the 2023–24 MYEFO, the Australian Government expanded the CMF by $2.0 billion for a maximum aggregate exposure of $4.0 billion. To date, the Government has agreed to provide a total of approximately $2.63 billion to support five projects under the facility. As at 31 October 2024, $195.0 million was drawn down from the CMF.

The Defence Export Facility (DEF) was established to grow Australia’s defence exports by helping to overcome difficulties in accessing private sector finance. The DEF has a maximum aggregate exposure of US$3.0 billion (approximately A$4.4 billion as at 22 September 2024). To date, three loans under the DEF have been agreed for a total signing value of A$228 million. As at 31 October 2024, A$168.2 million was outstanding.

The COVID‑19 Export Capital Facility was announced on 15 April 2020, with a maximum aggregate exposure of $500 million. The COVID‑19 Export Capital Facility expired in April 2021. As at 31 October 2024, $0.9 million was outstanding.

The Southeast Asia Investment Financing Facility (SEAIFF) was announced on 5 March 2024. The SEAIFF will provide up to $2.0 billion in loans, guarantees, equity and insurance for projects that would boost Australian trade and investment in Southeast Asia, particularly in support of the region’s clean energy transition and infrastructure development. In the 2024–25 MYEFO, the Australian Government agreed to provide US$50 million (approximately A$73.2 million as at 22 September 2024) to support one project under the SEAIFF. As at 31 October, no transactions have occurred.

The Australian Government has also agreed to amend the Export Finance and Insurance Corporation Act 1991to enable Export Finance Australia to finance domestic projects in the national interest where they are consistent with the Future Made in Australia Framework. The Government will be able to consider supporting projects on the National Interest Account through financing including debt or equity, where projects are unable to progress solely through commercial financing.

### Contingent liability – quantifiable

#### Papua New Guinea National Rugby League Franchise

The Australian Government has agreed to provide support to the Australian Rugby League Commission and the NRL Bid 25 Limited to establish and support the operation of the Papua New Guinea National Rugby League franchise.

The support will include contingent liabilities for the Commonwealth. Details of these liabilities are not provided as they include commercial‑in‑confidence sensitivities.

## Home Affairs

### Fiscal Risk

#### Regional processing arrangements

Under a Memorandum of Understanding between Australia and the Republic of Nauru on the Enduring Regional Processing Capability in the Republic of Nauru, the Australian Government supports the Government of Nauru to provide support and services to transferees residing in Nauru. Any significant changes in the number of transferees, the arrangements that underpin the provision of those services, relevant litigation or legislative changes, may incur a cost or generate cost reductions which are unquantifiable at this time.

### Contingent liabilities – unquantifiable

#### Commonwealth Community Safety Order Scheme – Federation Funding Agreement – indemnity

The Department of Home Affairs has negotiated arrangements for the Community Safety Order (CSO) scheme and has, on behalf of the Commonwealth, entered into a Federation Funding Agreement (FFA) with New South Wales (NSW) ending on 30 June 2025. The FFA provides for delivery of services to CSO offenders including evidence collection, specialist legal support, accommodation (in prison) and case management support for offenders in the community.

The accommodation component of the services is governed by a housing agreement that stipulates baseline detention under a Community Safety Detention Order (CSDO). The housing agreement indemnifies NSW, and each of its employees, officers and agents, for all costs reasonably sustained or incurred in the operation of the housing agreement.

#### Immigration detention services contract (Serco) – liability limit

The Department of Home Affairs entered into a contract with Serco Australia Pty Ltd (Serco), which commenced on 11 December 2014, to deliver immigration detention services at facilities in Australia on behalf of the Australian Government. The contract limits Serco’s liability to the Commonwealth to a maximum of any insurance proceeds recovered by Serco up to a value of $330 million for the term of the contract. Serco’s liability is unlimited for specific events defined under the contract. This liability limit will operate simultaneously with a new immigration detention services contract until completion of transition activities.

#### Immigration detention services contract (Secure Journeys) – liability limit

The Department of Home Affairs entered into a new contract with Secure Journeys Pty Ltd (Secure Journeys) commencing on 11 December 2024, to deliver immigration detention services at facilities in Australia on behalf of the Australian Government. The contract limits Secure Journey’s total liability to the Commonwealth under the contract to a maximum of $300 million. Secure Journey’s liability is unlimited for specific events defined under the contract.

## Industry, Science and Resources

### Significant but remote contingency

#### Operations and maintenance of the Northern Endeavour and associated infrastructure

On 31 March 2022, Petrofac Facilities Management Limited (Petrofac) was engaged to deliver Phase One of the decommissioning of the Northern Endeavour. This will see the floating production storage and offtake facility (FPSO) disconnected from the sub‑sea equipment and temporary suspension of the wells. On 30 September 2022, the operational control of the facility transitioned from Upstream Production Solutions Pty Ltd to Petrofac.

The contract with Petrofac has adopted an industry standard ‘knock‑for‑knock’ risk and liability allocation arrangement, that positions risks so that they are borne by the party most likely to be able to financially manage the consequences of a risk materialising. Petrofac is liable, to a pre‑determined cap, for several insured risks, including to property, pollution and the environment. Petrofac will also bear responsibility for some instances of loss or damage to the extent it is caused by Petrofac’s negligence or wilful misconduct.

The Australian Government has obtained protection and indemnity, facility damage and control of well insurance, and taken out membership with oil spill response agencies. These limit the Government’s potential risk and financial exposure.

The risk of an incident is remote. The floating production storage offtake facility is being maintained with safety critical maintenance carried out, limited oil in storage and no further oil production taking place. The additional works to prepare for disconnection are not considered to materially increase the risk.

Petrofac Limited, the parent company of Petrofac, is experiencing financial difficulties and is pursuing a financial restructure to resolve its solvency issues. So far, delivery of Phase One decommissioning of the Northern Endeavour has remained largely unaffected by this financial situation, however solvency issues could increase project delivery risks and potentially lead to delays and increase costs. The Australian Government continues to work with Petrofac to anticipate and minimise any potential impacts to program delivery.

The Australian Government has committed to decommission the Northern Endeavour FPSO and remediate the Laminaria‑Corallina oil fields. The cost to deliver Phase One of the decommissioning, including the disconnection and disposal of the FPSO, is taken into account in the forward estimates. However, costs for the subsequent phases of the decommissioning – the permanent plug and abandonment of the wells (Phase Two) and the removal of subsea infrastructure (Phase Three), which are estimated to commence over the forward estimates period – are not able to be fully quantified until procurement activities for those Phases have been completed. Actual costs associated with Northern Endeavour decommissioning will be recovered through the Offshore Petroleum (Laminaria and Corallina Decommissioning Cost Recovery Levy) Act 2022*.*

## Infrastructure, Transport, Regional Development, Communications and the Arts

### Fiscal Risks

#### Australia Post’s financial stability

Australia Post is a Government Business Enterprise wholly owned by the Australian Government. In the 2023–24 financial year, Australia Post reported a full financial year pre‑tax loss of $88.5 million. This is Australia Post’s second annual loss since 2014–15. It reflects the way in which digitisation of the global and national economy is changing how many people and businesses use postal and related services. Australia Post does not receive financial support from the Australian Government but is required to meet a range of Community Service Obligations.

On 6 December 2023, the Australian Government announced a package of reforms to enable Australia Post to boost productivity, increase its focus on parcel delivery services, and improve financial sustainability. The Government is monitoring the implementation of these reforms to assess whether they are achieving meaningful financial benefits as intended.

Given the uncertainty surrounding Australia Post’s financial position, there is a risk that the Australian Government will need to consider providing financial assistance to Australia Post in the future.

#### Infrastructure Investment Program project slippage adjustment

The Infrastructure Investment Program includes a slippage adjustment to take account of historical experience, including the timing of states claiming payments against milestones and the complexity of delivery. Details of the slippage adjustment are published in   
2024–25 MYEFO Appendix C: Australia’s Federal Financial Relations.

As the adjustment does not affect the Australian Government’s commitments to individual states and territories, there is an equivalent financial risk to the Australian Government should the states and territories meet all current project milestones. A similar adjustment was implemented in the 2020–21 Budget.

### Contingent liability – unquantifiable

#### Aviation rescue and firefighting services potential per‑ and poly‑fluoroalkyl substances contamination

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) has identified a number of sites in Australia potentially contaminated with per‑ and poly‑fluoroalkyl substances (PFAS), which were contained in firefighting foams.

PFAS contaminants do not naturally break down in the environment and several have been listed on the Stockholm Convention as persistent contaminants. Australian health and environmental agencies have set a range of standards for environmental protection and precautionary health measures.

Up to 37 airport sites are potentially contaminated with PFAS (20 federally‑leased airports and 17 regional airports), which relate to the Australian Government’s provision of firefighting services. DITRDCA is undertaking PFAS investigations at these airports to understand the risks and develop management plans for any identified PFAS contamination. These investigations are funded under DITRDCA’s $130.5 million PFAS Airports Investigation Program (the Program). Airservices Australia (Airservices) is continuing to implement the National PFAS Management Program, which includes ongoing PFAS investigations at 18 airport sites. The costs of potential long‑term management options cannot be accurately quantified at this time.

For Commonwealth‑owned airports that are leased on a long‑term basis, Airport Lessee Companies are responsible for environmental management of their airport sites. Airport leases indemnify the Commonwealth in relation to damages or injury to the environment, including in respect of costs and claims arising due to such damages or injury. However, these leases do not indemnify Airservices, as it is a corporate Commonwealth entity. The Commonwealth is not indemnified for 16 airports (which are privately or local government owned) in the Program’s scope because the Commonwealth is not a party to any lease deed at these airports. The costs of potential long‑term management options cannot be quantified at this time.

A number of Airport Lessee Companies have requested that Airport Environment Officers (AEOs) issue remedial orders to Airservices for PFAS contamination under the Airports (Environment Protection) Regulations 1997. Two Environmental Remedial Orders (EROs) have been issued to Airservices, directing it to undertake specified remedial work at Launceston and Canberra airports, within a set timeframe. AEOs are also actively considering regulatory action at Brisbane, Moorabbin and Sydney Airports.

Brisbane Airport Corporation has commenced legal proceedings in the Queensland Supreme Court against Airservices concerning legacy PFAS contamination from Airservices’ use of firefighting foams containing PFAS at the airport. Australia Pacific Airports Launceston and Perth Airport Pty Ltd have also commenced legal proceedings against Airservices in relation to PFAS contamination in the Federal Court. Potential costs relating to these matters are unquantifiable at this time.

## Social Services

### Fiscal Risk

#### National Disability Insurance Scheme

The National Disability Insurance Scheme (NDIS/Scheme) provides Australians with permanent and significant disability with financial support to build capacity, increase independence and establish stronger connections with their community.

As with other demand‑driven programs, the estimated costs for the NDIS are subject to adjustments to reflect observed changes in actual payments. Scheme projections are liable to change as significant reform initiatives are implemented and the Scheme continues to mature. Reform initiatives may lead to revisions to forecasts of the number of Scheme participants, the funds allocated in participant support packages, the payments by participants from those funds for supports, and the resourcing required by the National Disability Insurance Agency to effectively administer the Scheme.

National Cabinet has committed to a NDIS Financial Sustainability Framework to ensure the Scheme is sustainable in the long term, with an annual growth target for Scheme costs of no more than 8 per cent from 1 July 2026.

The National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No. 1) Act 2024 (the amending Act) commenced on 3 October 2024. Changes in the amending Act and subsequent amendments to NDIS rules and other legislative instruments will moderate growth in NDIS expenditure by determining NDIS participant plan budgets more consistently based on participant need and supporting participants to spend in accordance with their plans.

The 2024–25 MYEFO estimates for the NDIS align with the NDIS Scheme Actuary’s June 2024 projections reported in the Annual Financial Sustainability Report 2023–24   
which have been reviewed by the Australian Government Actuary. The Scheme Actuary’s June 2024 projections align with National Cabinet’s commitment to the NDIS Financial Sustainability Framework.

### Contingent liability – unquantifiable

#### Prygodicz v Commonwealth

In September 2024, Gordon Legal filed an extension application in the Federal Court of Australia to appeal settlement orders granted in the Prygodicz v Commonwealth class action on behalf of representative applicants impacted by the Income Compliance Program (the Robodebt scheme). Costs associated with the appeal (if any) and any potential related future litigation are not quantifiable until the matter is determined by the Court or otherwise resolved.

### Contingent asset – quantifiable

#### National Redress Scheme

The National Redress Scheme for Institutional Child Sexual Abuse Act 2018supports people who experienced institutional child sexual abuse by providing a monetary payment and facilitating access to counselling and psychological services and a direct personal response from the institution determined to be responsible for the abuse. The Department of Social Services (DSS) administers the National Redress Scheme. In this capacity, DSS makes the monetary payment to the survivor and then recovers this amount from the responsible institution.

As at 22 September 2024, DSS has an administered quantifiable contingent asset of $532.2 million in relation to the probable recovery from responsible institutions of monetary payments that may be made to survivors. The value is based on applications that have been referred to an independent decision maker for assessment and average payment values.

As at 22 September 2024, DSS has an administered quantifiable contingent liability of $334.1 million in relation to applications made under the National Redress Scheme that have been referred to an independent decision maker for assessment. The amount is based on the number of applications and average payment values.

The difference between the contingent asset and the contingent liability represents the net risk to the Budget from the National Redress Scheme.

## Treasury

### Fiscal risk

#### Guarantee for the Asia Development Bank’s Innovative Finance Facility

The Australian Government has committed to enter into a 25‑year guarantee capped at US$200 million (A$306.2 million) with the Asian Development Bank (ADB) to support its Innovative Finance Facility for Climate in Asia and the Pacific (the facility). The facility will support climate mitigation and adaptation finance projects of sovereign nations identified by ADB in the Asia and Pacific region.

The guarantee transfers a portion of risk associated with sovereign nations default from the ADB Facility to the Australian Government. The guarantee will only be called on in the event of a sovereign nation defaulting on a project under the facility.

### Significant but remote contingencies

#### Guarantees under the Commonwealth Bank Sale Act 1995

Under the Commonwealth Bank Sale Act 1995, the Australian Government guarantees various superannuation and other liabilities of the Commonwealth Bank. As at 30 June 2024, the Commonwealth Bank of Australia holds no attributed liabilities and $4.3 billion is attributable to liabilities of the Commonwealth Bank Officers’ Superannuation.

#### Reserve Bank of Australia – Guarantee

The Australian Government guarantees the liabilities of the Reserve Bank of Australia (RBA), measured as the Bank’s total liabilities excluding capital, reserves, and Australian Government deposits. The principal component of the RBA’s liabilities consists of exchange settlement balances. As at 30 September 2024, exchange settlement balances amount to $232.6 billion, and the total guarantee is $346.6 billion.

### Contingent liabilities – quantifiable

#### Australian Taxation Office – tax disputes

At any point in time, the Australian Taxation Office is involved in a range of dispute resolution processes, including litigation, relating to tax disputes.

Details of the outcome of dispute resolution processes remain uncertain until a court ruling is made and/or an agreement is reached with the taxpayer. Accordingly, in most cases it is not possible to reliably estimate the likely financial impact of current disputes. The estimated aggregate value of tax in dispute as at 30 June 2024, for which a provision has not been made, is $11.7 billion.

Outcomes of dispute resolution processes are included in the Commissioner of Taxation’s Annual Report each year. This may include disputes resolved through objections, settlements and court and tribunal decisions. It may also include amounts owed by taxpayers that are subject to dispute but not finalised.

#### 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. As at 22 September 2024, Australia’s uncalled capital subscription to the IBRD was around US$4.4 billion (approximately A$6.4 billion).

The Australian Government has an uncalled capital subscription in the European Bank for Reconstruction and Development (EBRD) since 1991. As at 22 September 2024, Australia’s uncalled capital subscription to the EBRD was around EUR237.5 million (approximately A$389.0 million).

The Australian Government has held an uncalled capital subscription in the Asian Development Bank (ADB) since 1966. As at 22 September 2024, Australia’s uncalled capital subscription to the ADB was around US$7.0 billion (approximately A$10.3 billion).

The Australian Government has an uncalled capital subscription in the Multilateral Investment Guarantee Agency of around US$26.5 million (approximately A$38.8 million), as at 22 September 2024.

The Australian Government has subscribed to shares in the Asian Infrastructure Investment Bank (AIIB), which includes an uncalled capital subscription. As at 22 September 2024, Australia’s uncalled capital subscription to the AIIB was around US$3.0 billion (approximately A$4.3 billion).

#### International Monetary Fund – 16th General Review of Quota

The Australian Government has agreed to approve a 50 per cent increase to its International Monetary Fund (IMF) quota. Under the agreement, Australia’s quota will increase from Special Drawing Rights (SDR) 6.6 billion (approximately A$13.1 billion) to SDR 9.9 billion (approximately A$19.6 billion), as at 22 September 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 and is subject to conditions including consent by members representing 85 per cent of the existing quota. 25 per cent of the increase, SDR 821.6 million (approximately A$1.6 billion) as at 22 September 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.

#### International Monetary Fund – New Arrangements to Borrow & Bilateral Borrowing Agreement

Australia has made a line of credit available to the International Monetary Fund (IMF) under its New Arrangements to Borrow since 1998. This is a contingent loan to help ensure that the IMF has the resources available to maintain stability in the global economy.

On 26 January 2020, the IMF Executive Board approved amendments to the New Arrangements to Borrow decision, including increasing the credit arrangements of all participants and extending the arrangement from 1 January 2021 to 31 December 2025. On 8 October 2020, the Australian Government advised the IMF that Australia consented to this decision. On 19 July 2024, a renewal of the New Arrangements to Borrow was adopted by a decision of the IMF’s Executive Board. The Government is undertaking the relevant process under the International Monetary Agreements Act 1947 to enable Australia to carry out its obligations. As at 22 September 2024, the value of Australia’s New Arrangements to Borrow credit arrangement is around Special Drawing Rights (SDR) 4.4 billion (approximately A$8.8 billion). If the IMF quota increase is implemented, the value of Australia’s contribution will decrease by SDR 0.7 billion to SDR 3.7 billion (approximately A$7.3 billion as at 22 September 2024).

Australia has also made available approximately SDR 2.0 billion (approximately A$3.9 billion as at 22 September 2024) through a contingent bilateral loan to the IMF, known as a Bilateral Borrowing Agreement (the Agreement). This contingent bilateral loan is on terms consistent with other bilateral loans and note purchase agreements between the IMF and other contributing countries. The contingent bilateral loan will be drawn upon by the IMF only if needed to supplement the IMF’s quota and New Arrangements to Borrow resources, and any drawings on loans would be repaid in full, with interest. On 26 July 2023, Australia agreed to extend the Agreement by one year through to 31 December 2024. On 20 November 2024, the Australian Government finalised a further extension of the Agreement through to 31 December 2027. If the IMF quota increase is implemented before 31 December 2027, Australia’s Agreement will be allowed to expire.

#### International Monetary Fund – Poverty Reduction and Growth Trust

The Australian Government has entered into agreements to make a line of credit available to the International Monetary Fund (IMF) under the Poverty Reduction and Growth Trust 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. Poverty Reduction and Growth Trust 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 Special Drawing Rights (SDR) 1 billion (approximately A$2.0 billion as at 22 September 2024) to loan to the IMF under the Poverty Reduction and Growth Trust. As at 30 June 2024, SDR 260.5 million has been drawn down, leaving SDR 739.5 million (approximately A$1.5 billion as at 22 September 2024) available to the IMF under the Poverty Reduction and Growth Trust.

#### International Monetary Fund – Resilience and Sustainability Trust

On 11 October 2022, the Australian Government entered into an agreement to make a line of credit of Special Drawing Rights (SDR) 760 million (approximately A$1.5 billion as at 22 September 2024) available to the IMF under the Resilience and Sustainability Trust through to 30 November 2030. The Resilience and Sustainability Trust will provide affordable long‑term financing to help vulnerable countries build resilience and sustainability to address risks stemming from climate change and pandemic preparedness. Resilience and Sustainability Trust line of credit funds are drawn upon by the IMF as needed and will be repaid in full, with interest. As at 30 June 2024, SDR 14.2 million has been drawn down, leaving SDR 745.8 million (approximately A$1.5 billion as at 22 September 2024) available to the IMF under the Resilience and Sustainability Trust.

## Government loans

Loans are recorded as financial assets. Accordingly, the amounts advanced and repaid do not normally affect the Budget aggregates of fiscal balance and underlying cash balance. Loans that are concessional (lower than market interest rate) or are agreed to be written off, result in an impact on the fiscal balance.

The Government makes loans for policy purposes. All loans contain some element of credit risk that they will not be repaid in full, although in many cases this risk is small. Table 6.3 summarises Government loans estimated to exceed $200 million at 30 June 2024.

Table 6.3: Summary of Australian Government loans meeting the materiality threshold

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Agriculture, Fisheries and Forestry | | | | | |
| Drought‑related and farm finance concessional loans – Agriculture | 171 | State Governments (that through their delivery agencies, on‑lend to eligible farm businesses) | Various | Various | Modified |
| Farm Investment Loans, Drought Loans, AgriStarter Loans, AgBiz Drought Loans and AgRebuild Loans | 2,668 | Eligible Australian farm businesses and related small businesses, through the Regional Investment Corporation | 5.18 per cent for all loans | Up to 10 years for all loans | Modified |
| Climate Change, Energy, the Environment and Water | | | | | |
| Clean Energy Finance Corporation | 2,710 | Approved entities undertaking clean energy technology projects | Approximately 4.9 per cent weighted average | Predominately 5‑15 years | Modified |
| Education | | | | | |
| Higher Education Loan Program | 49,200 | Eligible higher education students | The lower of Wage Price Index (WPI) or Consumer Price Index (CPI) growth | 9.9 years (average) | Modified |
| Employment and Workplace Relations | | | | | |
| Australian Apprenticeship Support Loans Program | 884 | Eligible Australian Apprentices | The lower of WPI or CPI growth |  | Modified |
| VET Student Loans Program | 3,726 | Eligible diploma and above students | The lower of WPI or CPI growth | 2.1 years (average) | Modified |
| Foreign Affairs and Trade | | | | | |
| Government support for PsiQuantum Pty Ltd | 188 | PsiQuantum Pty Ltd and PsiQuantum Corporation | Commercial‑in‑  confidence | Commercial‑in‑  confidence | Modified |
| Telstra acquisition of Digicel Pacific | 2,200 | Telstra | Commercial‑in‑  confidence | Various | Modified |

Table 6.3: Summary of Australian Government loans meeting the materiality threshold (continued)

| Portfolio | Loan amount(a) ($m) | Borrower | Interest rate | Term | Status(b) |
| --- | --- | --- | --- | --- | --- |
| Industry, Science and Resources | | | | | |
| National Reconstruction Fund Corporation(c) | Various | To be determined | To be determined | To be determined | Unchanged |
| Infrastructure, Transport, Regional Development, Communications and the Arts | | | | | |
| Northern Australia Infrastructure Facility Loans | 1,262 | Northern Australia jurisdictions (Western Australia, Queensland or the Northern Territory) for on‑ lending to project proponents. The NAIF Investment Mandate Direction 2021 additionally allows for provision of financial assistance directly to other entities | Various (circa.  5 per cent) | Various | Modified |
| WestConnex Stage 2 Concessional Loan | 2,255 | WCX M5 Finco Pty Ltd | 3.36 per cent | November 2015 to July 2034 | Modified |
| Prime Minister and Cabinet | | | | | |
| Indigenous home ownership, business development and assistance | 1,071 | Eligible Indigenous persons | 1.64 per cent – 6.14 per cent | Up to 32 years | Modified |
| Voyages Indigenous Tourism Australia Pty Ltd | 330 | Voyages Indigenous Tourism Australia Pty Ltd | 90 Day bank bill swap reference rate plus 1.2 per cent (on $176 million of principal) | 9 years, 11 months | Modified |
| Social Services |  | | | | |
| Home Equity Access Scheme | 372 | Eligible older Australians who meet residency requirements and own suitable real estate in Australia to use as security. | 3.95 per cent | Various | Modified |
| Student Financial Supplement Scheme | 164 | Eligible recipients of Youth Allowance (student), Austudy and ABSTUDY recipients | The lower of WPI or CPI growth | Various | Modified |

Table 6.3: Summary of Australian Government loans meeting the materiality threshold (continued)

| Portfolio | Loan amount(a) ($m) | | Borrower | Interest rate | Term | Status(b) |
| --- | --- | --- | --- | --- | --- | --- |
| Social Services | | | | | | |
| Student Start‑up Loan | | 821 | Eligible Youth Allowance (student), Austudy and ABSTUDY Living Allowance recipients | The lower of WPI or CPI growth | Various | Modified |
| Treasury | | | | | | |
| Affordable Housing Bond Aggregator | | 238 | Housing Australia | Commonwealth cost of borrowing | Various | Modified |
| Commonwealth‑State financing arrangements – housing and specific purpose capital | | 1,170 | State and Northern Territory governments | 4.0 per cent –  6.0 per cent | Up to 30 June 2042 | Modified |
| International Monetary Fund – Poverty Reduction and Growth Trust | | 517 | International Monetary Fund | IMF SDR interest rate | 10 years | Modified |
| International Monetary Fund – Resilience and Sustainability Trust | | 28 | International Monetary Fund | IMF SDR interest rate | 20 years | Modified |
| Loan Agreement between the Australian Government and the Government of Indonesia | | 895 | Government of Indonesia | Commonwealth cost of borrowing plus 0.5 per cent | 15 years | Unchanged |
| 2020 Loan Agreement between the Australian Government and the Government of Papua New Guinea | | 286 | Government of Papua New Guinea | Commonwealth cost of borrowing plus 0.5 per cent | 15 years | Unchanged |
| 2021 Loan Agreement between the Australian Government and the Government of Papua New Guinea | | 307 | Government of Papua New Guinea | Commonwealth cost of borrowing plus 0.5 per cent | 20 years | Unchanged |
| 2022 Loan Agreement between the Australian Government and the Government of Papua New Guinea | | 350 | Government of Papua New Guinea | Commonwealth cost of borrowing | 20 years | Unchanged |
| 2023 Loan Agreement between the Australian Government and the Government of Papua New Guinea | | 344 | Government of Papua New Guinea | Commonwealth cost of borrowing | 20 years | Unchanged |

1. Loan amount is the estimated loan program amounts outstanding as at 30 June 2024 in $ million.
2. Status of loan items are considered ‘unchanged’ unless there are modifications to respective interest rates and/or loan term.
3. The Government has established the National Reconstruction Fund, which will offer loans and guarantees and make equity investments in a range of emerging technologies and technically complex projects. These investments carry the inherent risks associated with investing in a large and diverse portfolio of financial assets. Details will be provided in this disclosure once loans, guarantees and investments are made.

Note: The Australian Government will provide Snowy Hydro Limited with a loan of up to $4.5 billion on commercial terms to put towards completion of Snowy 2.0. The loan will commence in 2024‑25 and is expected to be refinanced by Snowy Hydro from 2029‑30 onwards, once Snowy 2.0 is operational.

## Agriculture, Fisheries and Forestry

### Drought‑related and farm finance concessional loans – Agriculture

As at 30 June 2024, the fair value of farm business, drought and dairy farm related loans was approximately $170.7 million.

**Drought Recovery and Dairy Recovery Concessional Loans Scheme:** The drought recovery component of this scheme provided loans to farm businesses affected by unprecedented drought or, where applicable, Queensland farm businesses directly impacted by the combined effects of drought and the mid‑2011 disruption to live cattle exports to Indonesia. The loans funded planting and restocking activities and associated expenses when seasonal conditions allowed. The loans were available from January 2015 and, in 2014–15, operated in Queensland and New South Wales. In 2015–16, drought recovery concessional loans were available in Queensland, New South Wales, South Australia and Tasmania.

The dairy recovery component of this scheme provided concessional loans to dairy farm businesses affected by the 2016 reduction in farm gate milk prices by Murray Goulburn, Fonterra and National Dairy Products. Loans were available for debt restructuring, providing new debt for operating expenses or productivity enhancement activities, or a combination of these purposes. Dairy recovery concessional loans became available in Victoria, New South Wales, South Australia and Tasmania from June 2016. Applications closed on 31 October 2016. A dairy recovery concessional loan product was available  
under the Farm Business Concessional Loans Scheme until 30 June 2018.

As at 1 August 2024, the scheme’s interest rate was 4.23 per cent, reviewed on a six‑monthly basis and revised in accordance with changes in the ten‑year Australian Government bond rate. Loans have a maximum term of ten years with interest‑only payments required for the first five years. Principal and interest repayments will be made in the remaining five years of the loan term.

**Farm Business Concessional Loans Scheme:** This scheme provided three types of concessional loans: drought assistance, dairy recovery and business improvement. This scheme was designed to cover a farmer’s short‑term needs when income was tight and to supplement, rather than replace, commercial finance. Loans under the scheme were first available in November 2016. Applications for loans under the scheme closed on 30 June 2018.

Drought assistance concessional loans were available in Queensland, New South Wales, Victoria, South Australia, Tasmania and the Northern Territory. Loans were available for debt restructuring, operating expenses, drought preparedness activities or drought recovery activities or a combination of these purposes.

Business improvement concessional loans were available in Queensland, New South Wales, Victoria, South Australia, Tasmania and the Northern Territory. Loans were available for eligible Farm Household Allowance (FHA) recipients who were recovering from financial hardship and had exhausted or would exhaust their FHA 1,095‑day income support entitlement by 30 June 2018. These loans were for debt restructuring only.

Dairy recovery concessional loans were available in New South Wales, Victoria, South Australia and Tasmania to eligible suppliers of Murray Goulburn, Fonterra and National Dairy Products. Loans were available for debt restructuring, providing new debt for operating expenses, productivity enhancement activities or a combination of these purposes.

As at 1 August 2024, the interest rate was 4.63 per cent, reviewed on a six‑monthly basis and revised in accordance with changes in the ten‑year Australian Government bond rate. Loans have a maximum term of ten years.

### Farm Investment Loans, Drought Loans, AgriStarter Loans, AgBiz Drought Loans and AgRebuild Loans

The Regional Investment Corporation commenced operations on 1 July 2018.

There are three loan products currently available to farm businesses: Farm Investment Loans, Drought Loans and AgriStarter Loans. In addition, AgBiz Drought Loans are available for small businesses. AgRebuild Loans (North Queensland flood) closed on 30 June 2020. As at 30 June 2024, the fair value of Farm Investment Loans, Drought Loans, AgriStarter Loans, AgBiz Drought Loans, and AgRebuild Loans was approximately $2.7 billion.

The Farm Investment, Drought, AgriStarter and AgBiz Drought loan products provide concessional loans to eligible businesses experiencing financial difficulties and are considered financially viable in the long term (additional criteria apply for each product, and terms and conditions may vary). All products are for farm businesses, except for AgBiz Drought Loans which are for small businesses that provide primary production related goods and services for drought affected farm businesses.

As at 1 August 2024, the variable interest rate was 5.18 per cent for the Farm Investment, Drought, AgriStarter and AgBiz Drought loan products. Interest rates are revised on a six‑monthly basis in line with any material changes to the Australian Government ten‑year bond rate where a material change is taken to be a movement of more than ten basis points (0.1 per cent). The next update will be on 1 February 2025.

Interest is not payable during the first two years of the AgRebuild Loan, or on the Drought Loans and AgBiz Drought Loans for loan applications that were received before 30 September 2020.

Loans have a maximum term of ten years.

## Climate Change, Energy, the Environment and Water

### Clean Energy Finance Corporation

The Clean Energy Finance Corporation (CEFC) has developed a portfolio of loans and investments across the spectrum of clean energy technologies, as required by the Clean Energy Finance Corporation Act 2012and the Clean Energy Finance Corporation Investment Mandate Direction 2023(the Investment Mandate), comprising the General Portfolio, Rewiring the Nation Fund and Specialised Investment Funds.

The CEFC’s loan portfolio consists of predominantly senior‑ranking secured loans and secured project finance facilities, typically secured against energy generating assets such as wind or solar farms or energy efficiency assets.

The CEFC’s Rewiring the Nation Fund is expected to deliver concessional finance, including loans, for projects that support grid transformation. This portfolio of predominantly concessional loans is expected to be comprised mainly of unsecured corporate facilities, senior ranking secured loans and secured project finance facilities.

The CEFC’s Specialised Investment Funds portfolio of loans (consisting of the Clean Energy Innovation Fund, the Advancing Hydrogen Fund, the Powering Australia Technology Fund and the Household Energy Upgrades Fund) are expected to be predominantly unsecured corporate facilities, senior‑ranking secured loans, bonds and secured project finance facilities.

The targeted level of risk for each of these portfolios is set out in the Investment Mandate. For all but the Rewiring the Nation Fund, the CEFC Board seeks to develop a portfolio of loans and investments that, in aggregate, has an acceptable but not excessive level of risk relative to the sector and the specific focus of each of the Funds. For the Rewiring the Nation Fund, the Board must seek to develop a portfolio that, in aggregate, has an acceptable level of risk relative to the sector and the focus of the Rewiring the Nation Fund.

The Rewiring the Nation Fund investments may increase the CEFC’s overall exposure to risk as the scale, concentration, loan tenor and nature of these investments will have a higher risk profile. The Specialised Investment Funds may also have a higher risk profile than the General Portfolio, however they are a relatively smaller component of the CEFC’s overall exposure.

The CEFC has predominantly made loans as a co‑financier either jointly or in consortiums with private sector financial institutions. Interest rates vary with a current average expected return of approximately 4.9 per cent. Loans have various maturity dates, typically in the range of 5 to 15 years, although it is anticipated that loan tenors will extend with the introduction of the Rewiring the Nation Fund. As at 30 June 2024, loans contracted and outstanding (excluding bonds and equities) totalled $2.7 billion and are almost exclusively in the General Portfolio.

## Education

### Higher Education Loan Program

The Higher Education Loan Program (HELP) is an income‑contingent loan program that assists eligible higher education students with the cost of their student contribution amounts and tuition fees. As at 30 June 2024, the fair value of HELP debt outstanding is estimated to be $49.2 billion. The fair value takes into account the concessionality of HELP loans and makes an allowance for debt not expected to be repaid.

Debts outstanding for more than 11 months are indexed annually. From 1 June 2023, indexation will be based on the lower of the Wage Price Index or the Consumer Price Index.

In addition, the Government has announced that it will deliver a 20 per cent reduction to the balance of outstanding income‑contingent student loan debts by 1 June 2025, and raise the minimum student debt repayment threshold and introduce a marginal repayment system from 1 July 2025. The fair value does not yet include the impact of the 2024–‍25 MYEFO measure Building Australia’s Future – a fairer deal for students.

The Australian Taxation Office collects repayment of these debts through the tax system. Repayment of debts commence when an individual debtor’s income reaches the repayment threshold.

There were 2,932,349 HELP debtors as at 30 June 2024. The repayment term of a HELP debt can only be determined for people who have fully repaid their debt. As at the end of June 2024, the average time taken to repay HELP debts was 9.9 years.

## Employment and Workplace Relations

### Australian Apprenticeship Support Loans Program

The Australian Apprenticeship Support Loans Program (formerly Trade Support Loans Program) is an income‑contingent, concessional loan program that assists eligible Australian apprentices by providing financial support of up to $25,643 (for 2024–25) to assist with the costs of living, learning and undertaking an apprenticeship, and helping apprentices to focus on completing a qualification listed on the Australian Apprenticeships Priority List.

An eligible Australian Apprentice can access up to $854.78 per month in the first year of their apprenticeship, $641.08 per month in the second year, $427.39 per month in the third year, and $213.69 per month in the fourth year.

The loan amounts provided are higher in the early years of training to compensate for lower wages. The lifetime limit of $25,643 was indexed on 1 July 2024 using the Consumer Price Index and will continue to be indexed annually on 1 July to maintain its real value.

The Government has announced that it will deliver a 20 per cent reduction to the balance of outstanding income‑contingent student loan debts by 1 June 2025, and raise the minimum student debt repayment threshold and introduce a marginal repayment system from 1 July 2025. These changes will apply to Australian Apprenticeship Support Loans.

As an incentive to encourage completion of training, apprentices who successfully complete their apprenticeships are eligible for the 20 per cent discount on their loan. The loans become repayable at the same thresholds as the Higher Education Loan Program, which is $54,435 for the 2024–25 income year. This is a demand driven program. As at 30 June 2024, the fair value of the Australian Apprenticeship Support Loans debt outstanding is estimated to be $883.54 million. The fair value takes into account the concessionality of Australian Apprenticeship Support Loans and makes an allowance for debt not expected to be repaid. The fair value does not yet include the impact of the 2024–‍25 MYEFO measure Building Australia’s Future – a fairer deal for students.

### VET Student Loans Program

The VET Student Loans (VSL) Program is an income contingent loan program that assists eligible tertiary education students with the cost of their fees when undertaking approved higher‑level Vocational Education and Training (VET) courses (diploma and above).

Debts outstanding for more than 11 months are indexed annually. From 1 June 2023, indexation will be based on the lower of Wage Price Index or Consumer Price Index.

In addition, the Government has announced that it will deliver a 20 per cent reduction to the balance of outstanding income‑contingent student loan debts by 1 June 2025, and raise the minimum student debt repayment threshold and introduce a marginal repayment system from 1 July 2025. These changes will apply to VET Student Loans.

The Australian Taxation Office (ATO) collects repayment of these debts through the tax system. Repayment of debts commences when an individual debtor’s income reaches the repayment threshold. Debtors must pay Higher Education Loan Program (HELP) debts before they repay VSL debts.

There were 126,403 VSL debtors as at 30 June 2024. The repayment term of a post 1 July 2019 VSL debt can only be determined for people who have fully repaid their debt. ATO data for the 2023‑24 period indicates the average time to repay a VSL debt in full is 2.1 years.

Prior to the commencement of the VSL Program, loans for VET students were available through the VET‑FEE HELP (VFH) scheme, which closed to new students on 31 December 2016. As at 30 June 2024, the fair value of both VFH debt and VSL debt outstanding is estimated to be $3.726 billion. The fair value takes into account the concessionality of VSL loans and makes an allowance for debt not expected to be repaid. The fair value does not yet include the impact of the 2024–25 MYEFO measure   
Building Australia’s Future – a fairer deal for students.

To support students affected by the delayed transfer of historical VET loans, accessed under the former VFH scheme and the current VSL program, the Australian Government agreed to waive historical indexation for affected loans and the entirety of affected VFH debts for study prior to 2017.

## Foreign Affairs and Trade

### Government support for PsiQuantum Pty Ltd

In the 2024–25 Budget, the Australian Government agreed to a financing package of equity and loans through Export Finance Australia on the National Interest Account to PsiQuantum Corporation and its wholly owned Australian subsidiary. This assistance is to support the construction and operation of quantum computing capabilities and associated investment in industry and research development in Brisbane. The package is part of a joint investment with the Queensland Government. As at 30 November 2024, the Australian Government has provided financing of US$125 million (A$188.3 million) with further loan funding of A$275.0 million still to be drawn down.

### Telstra acquisition of Digicel Pacific

The Australian Government provided Telstra a financing package through Export Finance Australia for Telstra’s acquisition of Digicel Pacific. Telstra now owns and operates Digicel Pacific. This package includes debt and equity, including securities designed to secure the Government a long‑term return. As at 30 June 2024, US$1.4 billion (A$2.2 billion) in funds are outstanding.

## Infrastructure, Transport, Regional Development, Communications and the Arts

### Northern Australia Infrastructure Facility Loans

The Northern Australia Infrastructure Facility (NAIF) is a lending facility established by the Australian Government under the Northern Australia Infrastructure Facility Act 2016 and will continue to make investment decisions until 30 June 2026. The primary purpose of the NAIF is to provide loans or alternative financing mechanisms to infrastructure projects. The infrastructure that NAIF can finance is wide ranging and includes assets that facilitate the establishment or enhancement of business activity or increase economic activity in a region.

To be eligible for a loan from the NAIF, including up to 100 per cent of the project’s debt, project proponents must meet the mandatory criteria outlined in the NAIF Investment Mandate that commenced on 15 December 2023. Since its establishment, the NAIF has been amended to:

* expand the eligibility for NAIF financing to include non‑construction activities associated with the development of economic infrastructure
* provide NAIF with expanded debt tools, including the ability to provide letters of credit, guarantees and lend in foreign currency, finance smaller loans through working with financing partnerships, and in certain circumstances provide financing directly to proponents rather than via the States or Northern Territory
* make equity investments subject to a cap of $50 million and a minimum of $5 million per investment, for non‑controlling interest
* enhance the potential to deliver significant public benefit to northern Australia by removing the prohibition against the Australian Government assuming the majority risk in any project. The new requirement is that the financial risk be acceptable but not excessive
* legislate the requirement to earmark $500 million of its $7 billion appropriation to go towards realising the Government’s Critical Minerals Strategy and create alignment of investment decisions to Government Policy Priorities
* add further areas to be considered as part of NAIF’s Risk Appetite Statement – including risk sharing between NAIF and the Australian Government, climate change related risks and net zero transition risks
* extend NAIF’s internal and external reporting on investments
* further tighten NAIFs Direct Financing powers and a greater emphasis on consulting/collaborating with other Commonwealth entities/Specialist Investment Vehicles.

The Australian Government updated the Investment Mandate to give effect to these changes.

### WestConnex Stage 2 Concessional Loan

The WestConnex concessional loan is a $2 billion loan facility provided to deliver WestConnex Stage 2. The concessional loan enabled Stage 2 to be brought forward, allowing Stages 1 and 2 to proceed in parallel. This resulted in significant time savings compared to the original approach where these stages progressed in sequence.

WestConnex Stage 2 includes the King Georges Road Interchange Upgrade (completed in 2016) and construction of new twin tunnels from Kingsgrove to a new St Peters interchange, providing motorway connections to Alexandria and Mascot, the M4‑M5 Link (completed in January 2023) and the future Sydney Gateway.

The concessional loan agreement requires that the loan be repaid between September 2029 and July 2034.

## Prime Minister and Cabinet

### Indigenous home ownership, business development and assistance

Indigenous Business Australia delivers flexible loans with concessional interest rates to improve Indigenous home ownership across Australia, including in remote Indigenous communities. Indigenous Business Australia also provides concessional interest rate business loans and business support to increase Indigenous ownership of small‑to‑medium‑sized enterprises and support their sustainability and growth.

As at 30 June 2024, the expected fair value of outstanding loans for Indigenous home ownership and business development and assistance is estimated to total $1,071.1 million.

### Voyages Indigenous Tourism Australia Pty Ltd

The Indigenous Land and Sea Corporation purchased Ayers Rock Resort for $291.2 million in May 2011 and immediately on‑sold it to its wholly owned subsidiary, Voyages Indigenous Tourism Australia Pty Ltd, creating an inter‑company loan that is partly funded by borrowings. The interest rate has been set at the 90‑day bank bill swap reference rate plus a margin of 5 per cent, and is reset six‑monthly. Effective 1 July 2024, the margin has been reduced to 1.2 per cent. As at 30 June 2024, the outstanding loan balance is estimated to total $329.6 million.

## Social Services

### Home Equity Access Scheme

The Home Equity Access Scheme (HEAS) is a voluntary arrangement which allows eligible older Australians to receive a non‑taxable loan from the Australian Government. The loan can be paid as regular fortnightly instalments or capped lump sum advance payments, or both, for people of Age Pension age who meet certain residency criteria and own suitable real estate in Australia.

Any amount received under HEAS, and any interest and costs accrued, is attributed as a debt against real estate assets provided as collateral by the participant. The loan can be paid back at any time or is recovered on the sale of the secured real estate or from the person’s estate. Additionally, since 1 July 2022, a No Negative Equity Guarantee applies to HEAS loans, limiting the recoverable debt to the equity in the property used to secure the loan.

### Student Financial Supplement Scheme

The Student Financial Supplement Scheme (SFSS) commenced in January 1993 and closed on 31 December 2003. It was a voluntary income‑contingent loan scheme for tertiary students (primarily Austudy and ABSTUDY) to help cover their living expenses while studying. Under the scheme, eligible students were able to trade one dollar of income support entitlement for two dollars in loans. Debtors are required to start repaying their SFSS loan once they earn $54,435 for 2024–25 and only after they have repaid any Higher Education Loan Program and Vocational Education and Training student loan debt.

The Government has announced that it will deliver a 20 per cent reduction to the balance of outstanding income‑contingent student loan debts by 1 June 2025, and raise the minimum student debt repayment threshold and introduce a marginal repayment system from 1 July 2025. These changes apply to SFSS loans.

The estimated fair value of SFSS loans outstanding is $163.9 million at 30 June 2024. The fair value does not yet include the impact of the 2024–25 MYEFO measure Building Australia’s Future – a fairer deal for students.

### Student Start‑up Loan

The Student Start‑up Loan (SSL) is a voluntary income‑contingent loan for student payment (Youth Allowance (student), Austudy and ABSTUDY Living Allowance) recipients undertaking higher education. Introduced on 1 January 2016, the SSL is paid a maximum of twice a year and each SSL payment is valued at $1,273 (in 2024). The SSL is repayable under similar arrangements to Higher Education Loan Program (HELP) debts. Students are required to start repaying their SSL once they earn over $54,435 for 2024–25, and only after they have repaid any HELP and Vocational Education Training student loan debt. When it commenced, the SSL was initially for new student payment recipients undertaking higher education. From 1 July 2017, with the closure of the Student Start‑up Scholarship, the SSL has become available to all eligible student payment recipients undertaking higher education.

The Government has announced that it will deliver a 20 per cent reduction to the balance of outstanding income‑contingent student loan debts by 1 June 2025, and raise the minimum student debt repayment threshold and introduce a marginal repayment system from 1 July 2025. These changes apply to Student Start‑up loans.

The estimated fair value of the SSL is $820.6 million at 30 June 2024. The fair value does not yet include the impact of the 2024–25 MYEFO measure Building Australia’s Future – a fairer deal for students.

## Treasury

### Affordable Housing Bond Aggregator

The Australian Government, through the Treasury, has made available a line of credit for the Housing Australia Affordable Housing Bond Aggregator. The Government has announced the line of credit will be increased to a total of $4 billion through amendments to the Housing Australia Act 2018. The provision of funds will be in accordance with the Housing Australia Act 2018. The line of credit is ongoing, and funds borrowed will be repaid with interest. The Treasury manages the receipt of interest and principal repayments from Housing Australia. As at 30 June 2024, the value of outstanding advances issued to Housing Australia from the line of credit is $238 million.

### Commonwealth‑State financing arrangements – housing and specific purpose capital

From 1945 to 1989, the Australian Government made concessional advances to state and Northern Territory governments under Commonwealth–state financing arrangements for housing and for specific purpose capital. The advances were concessional fixed‑rate loans to be repaid over 53 years, with the last loans maturing in 2042. Annual payments, comprising both interest and principal repayment, are made to the Commonwealth. As at 30 June 2024, the amortised value of the advances was $1.2 billion (and principal value of $1.3 billion).

The Australian Office of Financial Management manages the receipt of interest and principal repayments from state and Northern Territory governments to the Commonwealth.

### International Monetary Fund – Poverty Reduction and Growth Trust

The Australian Government has entered into two agreements to make a line of credit of Special Drawing Rights (SDR) 1 billion (approximately A$2.0 billion as at 22 September 2024) available to the International Monetary Fund (IMF) under the Poverty Reduction and Growth Trust (PRGT) through to 31 December 2029.

The PRGT 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.

The estimated value of loans outstanding to Australia was SDR 260.5 million (approximately A$517.2 million as at 30 June 2024).

On 11 October 2022, the Government entered into an agreement to lend SDR 1 billion (approximately A$2.0 billion as at 30 June 2024) to the PRGT Pooled Investments, in order to provide subsidy resources to the PRGT of SDR 36 million (approximately A$71.4 million as at 22 September 2024). This loan was drawn down by the IMF on 21 October 2022. On 30 October 2023 the Government advised the IMF that it would increase the subsidy resources provided to SDR 82 million (approximately A$162.7 million as at 22 September 2024).

PRGT Pooled Investments funds will be repaid in full, with interest.

### International Monetary Fund – Resilience and Sustainability Trust

On 11 October 2022, the Australian Government entered into an agreement to make a Special Drawing Rights (SDR) 760 million (approximately A$1.5 billion as at 22 September 2024) line of credit available to the International Monetary Fund (IMF) under the Resilience and Sustainability Trust’s Loan Account through to 30 November 2030. The Resilience and Sustainability Trust 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 pandemics. Resilience and Sustainability Trust Loan Account funds are drawn upon by the IMF as needed and will be repaid in full, with interest. As at 30 June 2024, SDR 14.2 million (approximately A$28.1 million as at 30 June 2024) has been drawn down, leaving SDR 745.8 million (approximately A$1.5 billion as at 22 September 2024) available to the IMF under the Resilience and Sustainability Trust.

Additionally, on 11 October 2022, the Australian Government entered into an agreement to lend SDR 152 million (approximately A$301.7 million as at 30 June 2024) to the Resilience and Sustainability Trust Deposit Account through to 30 November 2050, and SDR 15.2 million (approximately A$30.2 million as at 30 June 2024) to the Resilience and Sustainability Trust Reserve Account through to liquidation of the Trust.

Resilience and Sustainability Trust Deposit Account funds will be repaid in full, with interest. Resilience and Sustainability Trust Reserve Account funds will be repaid on liquidation of the Trust and will not accrue interest.

These additional contributions will enable the IMF to build sufficient reserves over time to manage risks associated with Resilience and Sustainability Trust lending such as potential late payments.