

Supporting Australia's economic resilience

Annual Report 2022-2023



Australian Government

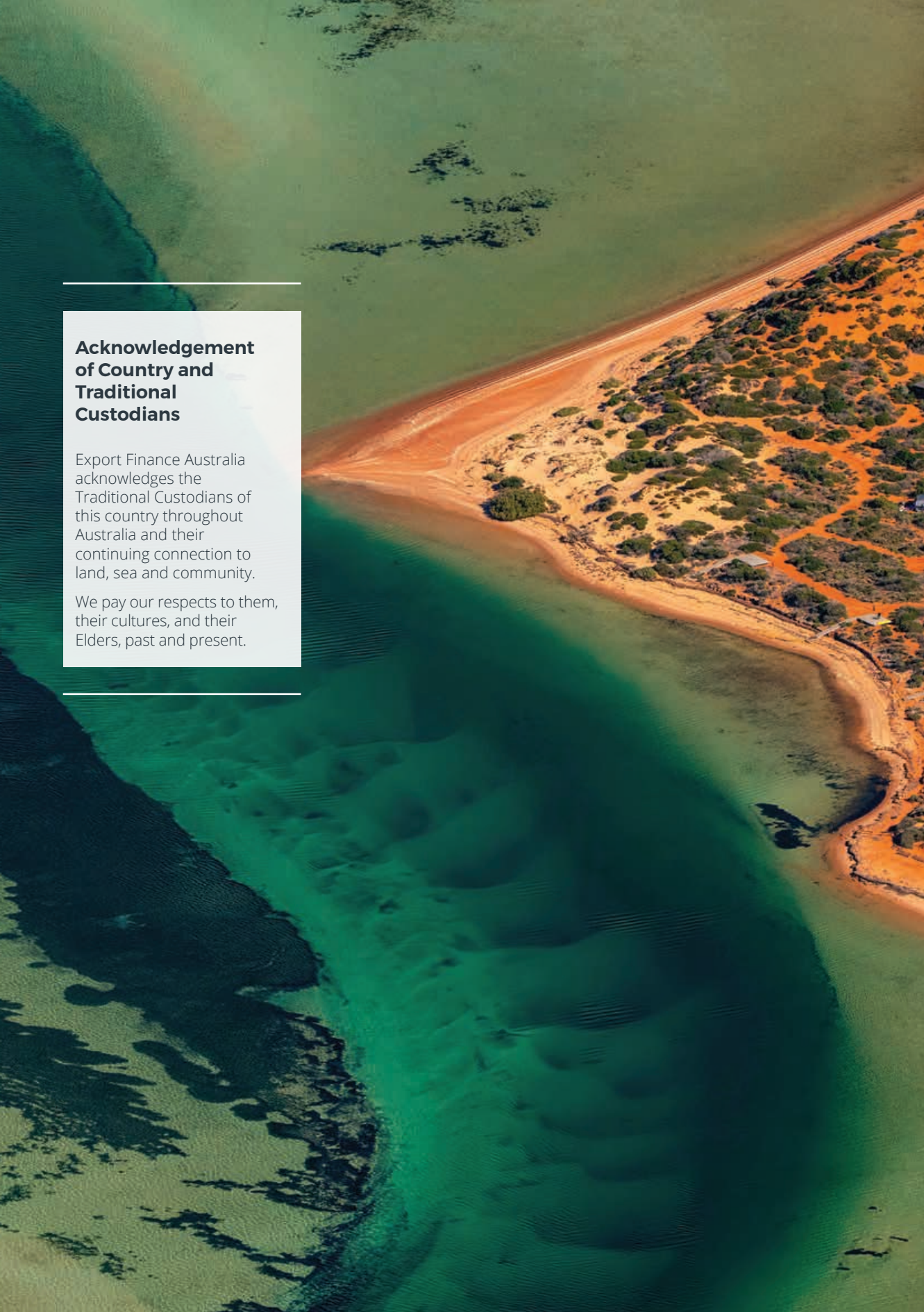
export
finance
australia

Our customer
Seed Terminator

Acknowledgement of Country and Traditional Custodians

Export Finance Australia acknowledges the Traditional Custodians of this country throughout Australia and their continuing connection to land, sea and community.

We pay our respects to them, their cultures, and their Elders, past and present.



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About Export Finance Australia

We are Australia's
export credit
agency (ECA).

We provide commercial finance for export trade and overseas infrastructure development. From small and medium-sized enterprises (SMEs) to large corporates, foreign governments and infrastructure projects, we help Australian businesses take on the world. In doing so, our finance supports Australia's economic security and regional resilience.

We administer the Australian Government's National Interest Account (NIA), which currently includes the Critical Minerals Facility, the Defence Export Facility and lending for the Australian Infrastructure Financing Facility for the Pacific (AIFFP).

**In the past 10 years, we've
provided more than**

\$10b

in finance to more than
700 customers.

We also provide support to other Commonwealth entities, including the National Housing Finance and Investment Corporation (NHFIC), the Northern Australia Infrastructure Facility (NAIF) and the National Reconstruction Fund Corporation (NRFC).

Our purpose

Our purpose is to support Australian export trade and overseas infrastructure development that delivers benefits to Australia.

We achieve our purpose by fulfilling our legislated functions, which are to:



-
- › provide finance that facilitates and encourages Australian export trade and overseas infrastructure development



-
- › encourage banks and other financial institutions to finance exports and overseas infrastructure development



-
- › provide information and advice regarding financial arrangements to support Australian export trade and overseas infrastructure financing



-
- › assist other Commonwealth entities and companies in providing finance and financial services



-
- › administer payments in relation to certain overseas aid projects financed by the Commonwealth.
-

2022-23 highlights

\$1.2b

total value of support provided



\$24.3m

pre-tax profit



36,434

Australian jobs supported



50%

of leadership positions are held by women



56%

of our executives are women



48%

of our employees have non-English speaking backgrounds





Working towards net zero

Supporting the Australian Government's climate focus

As the energy transition gains momentum in Australia and across the globe, we have been working to expand our support.

During 2022-23, we provided

\$160m

in finance to critical minerals projects that are essential to powering the green transition.

This year was notable as we delivered our first Commercial Account (CA) project finance for critical minerals processing projects, including a \$25 million guarantee to support Liontown's Kathleen Valley Lithium Project and a \$125 million loan to Pilbara Minerals to expand its lithium mine and processing operations in Western Australia. Our financing to Pilbara Minerals was completed alongside commercial lenders as part of our role to 'crowd in' private sector finance for critical minerals projects.

We have also directly financed renewable and low-emission technologies through our infrastructure mandate. This year, we provided a US\$30 million loan to support VinFast Trading and Production Joint Stock (VinFast) to manufacture electric buses and enable the rollout of a national charging network in Vietnam. This project supports Vietnam's pathway to net zero.

We also continued to seek out opportunities to support Australian developers of innovative technologies. We are closely monitoring emerging export sectors, such as hydrogen, to ensure we can support these sectors as they mature.



Building agricultural resilience

Supporting exports to address the challenge of food security

In 2022–23, we provided a

US\$180m

loan to support the development of the \$6 billion Perdaman Urea Project in Western Australia.

This project will provide certainty of fertiliser supply to Australian farmers. It will take Australia from a net importer to a net exporter of urea – boosting the agricultural resilience and food security of Australia and our region.

Australian SMEs have a strong track record of developing agricultural innovations that enhance food security and productivity. This year we were proud to support South Australian business Seed Terminator with a \$350,000 loan. Seed Terminator manufactures a harvester attachment that kills most weed seeds before they can grow, improving crop yield and reducing herbicide use.



Delivering for Australian small and medium enterprises

Reaching more Australian businesses

This year, we achieved another record funding year for SME financing, providing

\$314m

to 137 Australian businesses.

To reach more Australian SMEs and encourage banks to lend to exporters, we have developed distribution partnerships with Australia's major banks. We signed a risk participation agreement with National Australia Bank (NAB). Under this agreement, we provide a guarantee that enables NAB to better help Australian exporters manage payment risks into emerging markets. To date, we have guaranteed letters of credit worth \$18.7 million for six businesses in export markets like China, India, Papua New Guinea (PNG) and Vietnam. We also progressed arrangements with Westpac Banking Corporation (Westpac) to support Australian defence businesses.

How we operate



In performing our functions, the Australian Government requires us to:

- › cooperate with and not compete with private financiers
- › focus on supporting:
 - » SMEs
 - » the infrastructure needs of the Pacific and Indo-Pacific regions
 - » defence-related exports
 - » critical minerals projects and related infrastructure.

We must also have regard to Australia's international commitments, including:

- › sustainable lending practices
- › multilateral, regional and bilateral trade agreements
- › environmental and social issues
- › human rights, particularly relating to combatting slavery and forced labour
- › the prevention of bribery and corruption
- › the security of 5G networks and future communication technologies.

We are a corporate Commonwealth entity with an independent Board that is responsible for managing our affairs. This includes determining our strategy, defining our risk appetite and monitoring our performance.

We are part of the Department of Foreign Affairs and Trade (DFAT) portfolio of agencies. Our responsible Minister is the Minister for Trade and Tourism, Senator the Hon Don Farrell (Minister).

How we provide finance



We support businesses with commercial financing solutions, such as:

- › loans
- › bonds
- › guarantees
- › insurance
- › in limited circumstances, equity.

We assess a transaction's eligibility for the CA first, and only consider the NIA when CA criteria are not met. Transactions on the NIA are typically outside the risk appetite of the CA as determined by our Board. NIA transactions support Government policies and objectives. Equity investments are limited to the NIA.

Commercial Account

Under the CA, we operate on a commercial basis, retaining transaction income and bearing all risks and losses. Our CA income is used to fund our operations and pay a dividend and other tax equivalent charges to the Commonwealth. Decisions under the CA are the responsibility of the Export Finance Australia Board and management.

National Interest Account

Under the NIA, our Minister can direct us to support classes of transactions that are in the national interest. We can also refer transactions to our Minister for NIA consideration based on their size, risk and return profile, tenor, or other relevant national interest factors. The Critical Minerals Facility, the Defence Export Facility and the AIFFP are all delivered via the NIA.

The Commonwealth receives all income on NIA transactions. It also bears all risks and losses.

Our mandates

Supporting SMEs, corporates and governments to realise export opportunities

We support businesses in many industries, from advanced manufacturing and defence to mining and shipbuilding. Our specialist expertise also allows us to help with financing solutions for larger corporate and government projects. This, in turn, enables us to 'crowd in' smaller Australian businesses, providing them with opportunities to expand their global footprint.

To support more businesses, we will continue to:

- › refine our existing products, including our online Small Business Export Loan
- › pursue distribution partnerships with banks and industry lenders
- › support larger businesses across key sectors
- › ensure prospective customers are aware of our financing solutions.

Growing Australia's critical minerals sector

Our track record as Australia's leading financier of Australian critical minerals projects and related infrastructure is helping Australia become a leading supplier of critical minerals globally.

We play a crucial role in:

- › diversifying supply chains and supporting Australian businesses to develop downstream processing of critical minerals, including those used in batteries and clean energy technologies
- › providing finance in support of exporters of critical minerals on our CA where possible
- › supporting SMEs working in the supply chain of critical minerals projects
- › administering the \$2 billion Critical Minerals Facility.

Helping finance sustainable infrastructure in the Indo-Pacific region

To meet the challenges of an increasingly contested and competitive region, the Australian Government has set out a trade and infrastructure agenda that supports Australian interests, while reinforcing the rules, norms and institutions that underpin our nation's security and prosperity.

We will continue to:

- › support Australia's export trade priorities regionally and globally
- › actively support infrastructure financing opportunities in the Indo-Pacific. Our broad, flexible mandate enables us to support a range of infrastructure, including supporting the regional transition to cleaner energy sources
- › work with like-minded ECAs and multilateral financing institutions within forums such as the Quad and Trilateral Infrastructure Partnership (TIP), as well as on a bilateral basis
- › provide transaction, operational and technical support to the AIFFP.

Supporting Australia's defence industry

We have a track record of supporting Australian defence exporters across all domains, including those in the supply chain of major projects. We support defence businesses ranging from SMEs to larger defence companies to help them win defence contracts overseas.

To help us achieve this we:

- › collaborate with domestic and international partners to finance defence exports from Australia
- › administer the US\$3 billion Defence Export Facility.

Supporting other Commonwealth entities in broader government objectives

As directed by our Minister, we contribute to broader government objectives by providing expertise and support to:

- › AIFFP, which supports infrastructure development in the Pacific and Timor-Leste
- › NHFIC, which improves housing outcomes by making loans, investments and grants to encourage investment in social and affordable housing. NHFIC also administers the Government's First Home Loan Deposit Scheme
- › NAIF, which provides loans to infrastructure projects that benefit northern Australia
- › establish the NRFC.

Where we operate

We have a national presence to meet the needs of Australian businesses. We have our headquarters in Sydney and teams located in Austrade's Adelaide, Brisbane, Canberra, Melbourne and Perth offices. Our New South Wales, Victorian and Queensland-based employees also support exporters in the Australian Capital Territory, Tasmania and the Northern Territory, respectively.



Our global footprint



In 2022-23, we supported
contracts and projects across

70
markets

The value of these contracts
and projects totalled

\$8.7b





Chair and Managing Director & CEO report

Since our first iteration as the Export Payments Insurance Corporation in 1957, Export Finance Australia has played a continuous role in providing financial support to Australian businesses operating internationally.

We've worked with thousands of businesses to realise their global aspirations, contributing to the growth and resilience of the Australian economy and helping forge Australia's reputation as a trusted and dependable trading partner.

Over that period, we have observed two essential requirements necessary for export success. The first is the need for commercial courage and determination and the second is access to finance. Obtaining the necessary finance to fulfil contracts and deliver international projects has remained a constant challenge for Australian businesses operating in difficult or unfamiliar foreign markets. Traditional financiers can balk at providing financial support when it is most needed. And it is here, at the nexus of international trade and commercial finance, that we work to fill that gap.

In the past 10 years, we've provided more than \$10 billion in finance to more than 700 customers, delivering essential finance to support over \$35 billion in contracts and projects in more than 115 markets across the globe.

As Australia's ECA, we bring together business needs with our specialist knowledge and capability to help our exporting businesses fulfil their global ambitions. Today, we support an array of economic and regional infrastructure objectives. Export Finance Australia is the only self-funded corporate Commonwealth entity with an international financing mandate and strategic role.

Worldwide, there are very few organisations with our expansive and highly flexible commercial mandate, making us somewhat unique. In today's challenging economic and geopolitical climate, our prudent, commercially sustainable finance offering is more important than ever.

Courage in action

In the past few years alone, Australian businesses have endured drought and devastating bushfires. They've experienced waves of the COVID-19 pandemic and international border closures, badly disrupted supply chains and uncertain economic conditions.

The 12 months to 30 June 2023 have seen heightening geopolitical tensions following Russia's invasion of Ukraine. Businesses have had to withstand economic turbulence fuelled by labour shortages, higher interest rates, persistent inflation and tremors in the US and European banking systems. Amid these trying conditions, the Australian enterprising spirit remains undaunted, with businesses continuing to pursue international opportunities. It is with this context in mind that we present the 2022–23 Export Finance Australia Annual Report.

Our financial performance

We're delighted to report a milestone year for our commercial business. In 2022–23, we provided \$888 million in CA finance to 144 customers, delivering a record 259 transactions. This is our best commercial performance in a decade and has contributed to our post-tax profit of \$17.0 million.

During the year, we had 249 active customers on risk. We hope to continue to grow our customer base in the coming years to have an even greater impact, as well as to safeguard our long-term financial sustainability.

Overall, we completed 262 transactions this year, including those financed on the NIA, with a total value of \$1.2 billion. For every business we assist, we record the number of Australian-based employees our support helps to sustain. This year, our financing supported businesses with 36,434 employees throughout Australia. This is a strong indicator of our positive impact on Australian jobs.

Growth through diversification

Helping exporters secure business in new markets is an essential step for businesses looking to grow. It's also a core part of our overall strategy.

This year, we were pleased to support our customers with the financial solutions they needed to reach 70 different markets.

We are always excited when we get the opportunity to support true Australian ingenuity and innovation. One such customer, Seed Terminator, is featured on the front cover of this report. Seed Terminator's innovative product is a multi-stage hammer mill that attaches to combine harvesters, killing weeds by destroying their seeds. In 2020, we began helping Seed Terminator to build its presence in the world's largest grain markets, including Europe and North America. Since then, the device has stopped weeds on millions of hectares of land, reducing herbicide use and fuel emissions and supporting better crop outcomes.

We provided

\$888m

in Commercial Account finance to 144 customers.

This year, we supported customers to reach

70

different markets.

Supporting Australia's economic security and regional resilience

Our strong relationships with international financiers, including other ECAs and development finance institutions, are crucial to enhancing Australia's international interests. We play a unique role in representing Australia's export finance interests overseas.

Successive governments have recognised and valued our commercial financing expertise. As a result, we have benefited from being leveraged to support Australia's economic and strategic agendas. In the past five years alone, we have received mandates to support critical minerals mining and processing, Indo-Pacific infrastructure and defence exports.

These mandates were major contributors to last year's record \$4.9 billion funding outcome. They included NIA signings such as Telstra's acquisition of Digicel Pacific and Iluka's rare earths refinery in Eneabba, Western Australia. Our stewardship of the Commonwealth's NIA enables us to assess transactions in Australia's national interest and to administer NIA facilities worth more than \$9 billion.

Stronger ties through finance

In July 2022, the Digicel Pacific transaction reached financial close. During the year, with our partner DFAT, we renewed the TIP between the United States and Japan. Trilateral participation in the Digicel Pacific transaction was announced by President Biden, Prime Minister Kishida and Prime Minister Albanese at the G20 Leaders' Summit in Indonesia in November 2022 and is the TIP's largest transaction to date.

Closer to home, we continued to function as lender for the AIFFP, completing two transactions in Fiji and Timor-Leste.

We continue to focus on enhancing Australia's relationships with key like-minded partners, including India. In March 2023, we joined the Prime Minister and Minister for Trade and Tourism, Senator the Hon Don Farrell, on the CEO Business delegation to Mumbai and New Delhi. We also joined the Assistant Minister for Trade, Senator the Hon Tim Ayres, at the 38th Australia Papua New Guinea Business Forum and Trade Expo in Port Moresby, PNG.

In May 2023, we were named as the Australian financier to lead the Australia-United States Climate, Critical Minerals and Clean Energy Transformation Compact. We look forward to playing a constructive role through our financing activities.

We have also collaborated closely with our ECA partners to develop the first cooperation agreement between Quad ECAs, announced in May 2023. The Quad ECA agreement will enable closer cooperation between our agencies and provide targeted support for Quad priorities. New and updated agreements with the Export Credit Guarantee Corporation of India and the Export-Import Bank of the United States were also established. These agreements will support greater institutional links and enable us to deliver joint financings.

Supporting energy transition

We closely align our activities with government priorities. In September 2022, our legislation was amended by the *Climate Change Act 2022* and the *Climate Change (Consequential Amendments) Act 2022*. These amendments require us to have regard, in the performance of our functions, to Australia's obligations under international agreements (including the Paris Agreement) and Australia's greenhouse gas emissions reduction targets. This means we are better placed to support Australia's climate policies. Already, our finance is supporting Southeast Asia and the Pacific's abundant energy transition needs.

Our commercial mandate means we need to find innovative ways to participate in competitive green infrastructure projects throughout the region. One such example is the VinFast project that we completed in Vietnam this year. VinFast is Vietnam's first domestic car company and electric vehicle manufacturer. Delivered under our overseas infrastructure financing mandate, we provided a US\$30 million loan as part of a finance package with the Australian Climate Finance Partnership, the Asian Development Bank (ADB) and a syndicate of sustainability-focused development finance institutions. The funding supports the manufacture of electric buses for public transport and helps accelerate the deployment of Vietnam's first national EV charging network. This investment delivers on the Australian Government's commitment to Vietnam to deepen climate and energy cooperation. It also provides an avenue for Australian business to be involved in future opportunities in this innovative and growing sector of the global economy.

We look forward to supporting export-ready Australian renewables as well as green goods and services. We are building a pipeline of green and renewable infrastructure projects. We are confident that our financing activities in sectors such as hydrogen and low-emissions manufacturing will increase.

We are actively identifying opportunities to decrease emissions in our own operations. These include increasing our use of renewable energy and the efficiency of our Sydney head office, Export Finance House. With the introduction of the Government's APS Net Zero 2030 policy, we will continue to enhance our efforts in this area.

A leading financier of critical minerals

Australia's critical minerals sector continues to develop quickly, driven by the growing global appetite for minerals essential to deliver the technology, tools and equipment for the energy transition. The Government's new Critical Minerals Strategy 2023–2030 highlights the role we play in the financing landscape for critical minerals projects.

This year we achieved major milestones against our critical minerals mandate, with our project and structured finance (PSF) team achieving the first CA critical minerals signings.

We provided a \$25 million guarantee to support Liontown's Kathleen Valley Lithium Project and a \$125 million loan to Pilbara Minerals to expand its lithium mine and processing operations in Western Australia. Importantly, we completed our financing to Pilbara Minerals alongside commercial lenders. This delivered on our strategy to partner with the private sector to finance critical minerals projects.

Critical minerals present a substantial economic opportunity for Australian exporters. We're committed to supporting SMEs to realise these benefits and be part of the broader energy transition. This year, we continued our work with SMEs in this sector, providing \$9.8 million in finance, which in turn supported \$117 million in contracts.

Backing our defence industry

The Australian defence industry continues to enjoy opportunities to enter global supply chains and export directly. Developments such as AUKUS, the trilateral security pact between Australia, the United Kingdom and the United States, may generate new sources of demand for Australian goods and services, especially in the SME sector. As a result, while we continue to administer the Defence Export Facility to support larger defence export contracts, we are currently refining our SME finance offering. During the year, we also contributed to several government-led initiatives to re-energise support for defence industries, alongside our colleagues in Austrade, the Department of Industry, Science and Resources (DISR) and DFAT.

We provided a

\$25m

guarantee to support Liontown's Kathleen Valley Lithium Project

\$125m

loan to Pilbara Minerals to expand its lithium mine and processing operations in Western Australia.

Importantly, we completed our financing to Pilbara Minerals alongside commercial lenders.

First Nations businesses

To help First Nations businesses grow and realise their export potential, we signed a memorandum of understanding (MOU) with Indigenous Business Australia (IBA). Together, we will combine our expertise to provide practical advice to increase economic opportunities for First Nations peoples. Under our second Innovate Reconciliation Action Plan (RAP), we will help First Nations people to achieve better employment outcomes and deliver practical support to First Nations businesses.

We recognise that First Nations businesses often experience barriers to export opportunities. IBA has identified that lack of exposure and access to financial products are two key barriers for First Nations peoples. We look forward to playing a greater role in contributing to First Nations people's financial wellbeing and access to economic opportunities.

Support for National Reconstruction Fund Corporation

We continue to provide our expertise to other Commonwealth entities to support their operations. This year, the Minister for Trade and Tourism directed us to help establish the NRFC. In June 2023, we signed a Service Level Agreement with the DISR to help the \$15 billion NRFC entity as it comes to life. During the year, we continued to support the AIFFP, NAIF and NHFC with critical back-office and technical support.

Driving our growth

As a market gap financier, we are always looking for ways to increase the number of businesses we support. After receiving our small business lending powers almost a decade ago, today 9 out of 10 of our customers are SMEs. In 2022–23, we achieved another record SME result with \$314 million in finance provided.

We see opportunities for further growth. In April 2023, our Board approved the organisation's new four-year Strategic Plan 2023–27, which sets out targets to increase our overall impact. With this in mind, we have designed our current technology transformation project to improve our customers' online experience. Next year, we will refresh our Small Business Export Loan online application to make it simpler and quicker for businesses to complete. We also hope our new loan origination system will reduce our internal processing times, freeing our people to focus on building customer relationships.

We are establishing distribution channels through new partnerships with Australia's major banks. In February 2023 we entered into a new risk participation agreement with NAB, aimed at emerging market exporters. We have provided guarantees for NAB to help exporters manage payment risk operating in markets such as China, India and PNG. The agreement is already yielding a steady flow of transactions and shows great promise. This builds on our existing arrangement with the ADB, which we've also revitalised.

During the year, we also progressed arrangements with Westpac to deliver joint financial solutions that support Australian defence businesses to export or pursue global supply chain opportunities.

The diversity of our people

We'd like to acknowledge the success of our fantastic teams in Sydney, Canberra, Melbourne, Adelaide, Perth and Brisbane. Among our workforce of 143 highly skilled employees, we continue to nurture a rich diversity of talent.

Export Finance Australia was named a 2023 *Australian Financial Review* BOSS Best Places to Work. We were also certified as a 2023 Great Place to Work®. This is the third year we've received this certification.

We're increasing our focus on achieving gender equality within the organisation. We're pleased to have maintained last year's achievement, with women comprising more than 50 per cent of our Executive and senior management team. We're continuing to prioritise gender equity in our remuneration review. Our ongoing focus on gender parity, enablement and engagement was acknowledged this year when we received our Great Place to Work for Women through Great Place to Work®.

These awards are a testament to our efforts in creating a diverse and inclusive culture that supports our people and business. Our Diversity and Inclusion Council delivered a comprehensive program of activities during 2022–23, including International Women's Day, Harmony Day and a range of LGBTQ+ awareness events through our LGBTQ+ and ally network InclusivALLY.

Our financial contribution

As a commercially focused, self-funded entity, we can return a dividend back to the Government.

In the last 10 years, we've paid \$152.6 million to the Commonwealth consisting of dividends and tax equivalent charges.

We're proud of this and the contribution that our financing makes to support Australian jobs and economic growth.

The year ahead

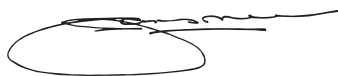
Next year is shaping up to be challenging for Australian businesses. The lag effect of higher inflation and interest rates is starting to weigh on business confidence. Bank economists are predicting varying levels of recession risk, and commercial lenders may continue to adjust their own risk appetite as their customers come under greater financial pressure.

Generally, we receive more requests for finance as credit becomes tighter. Next year we may experience an uplift in demand for our services.

By ensuring our commercial business is sustainable, we can continue to support businesses when they need us and continue to promote Australia's export trade and infrastructure agenda.

We nevertheless remain optimistic about the ability of Australian businesses to adapt and grow in the face of adversity.

We look forward to supporting more of our exporters and international supply chain businesses in the year to come.



James M Millar AM
Chair

27 September 2023



John Hopkins
Managing Director & CEO

27 September 2023

Signed for and on behalf of the members of the Board, as the accountable authority of Export Finance Australia, and being responsible for preparing and giving the annual report to Export Finance Australia's Minister in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

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Annual performance statement

For the year ended 30 June 2023

I, on behalf of the Board of Export Finance Australia, present the 2022–23 Annual Performance Statement of Export Finance Australia, as required under section 39 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In our opinion, at the date of this statement, based on the material provided to the Board, this Annual Performance Statement accurately reflects the performance of the entity and complies with subsection 39(2) of the PGPA Act.

James M Millar AM
Chair,
Export Finance Australia

Our approach

We use the CA and the NIA to help businesses and support broader government objectives. Our operations are subject to legislative and commercial mandate requirements that may impact our performance, particularly when compared to other financial organisations that do not operate under similar arrangements.

The criteria we report against are the quantitative and qualitative performance targets set out in Tables 1 and 2 and on pages 21–22 of our 2022–23 Corporate Plan.

Because we operate in the market gap and do not compete with banks or other financial institutions, financing needs in any particular year may vary considerably based on the risk appetite of these institutions.

Given the nature of our business, accurately forecasting performance can be difficult and highly dependent on external factors.

For this reason, the number of businesses we target for support in any year is largely outside our control. Transactions may be delayed or not proceed because of macroeconomic conditions, geopolitical events and changes in government policy.

Performance targets for the CA and NIA are shown as an aggregate. However, the financials only reflect the CA. This is because the Commonwealth receives all net income and bears all risk on the NIA and must reimburse us for any losses under the NIA.

Quantitative performance targets

Performance criteria	2022-23	Measure
Transactions completed on the CA and NIA	>1.3b	Dollar value of facilities signed
Customers supported on the CA and NIA	>179	Number of customers supported
	>65	Number of new customers supported
CA financials	>\$13m	CA profit (pre-tax)

Source: 2022–23 Corporate Plan, p21 Table 1: Quantitative performance targets

Quantitative analysis

Our performance

It has been a strong year for Export Finance Australia, with our support positively contributing to Australia's export trade outcomes.

Overall, we completed

262

transactions valued at

\$1.2b

supporting 147 customers.

Our pre-tax profit of

\$24.3m

exceeded the plan.

This year, our finance solutions assisted our customers to adapt to changing financial market conditions triggered by higher inflation, rising interest rates and more restrictive credit conditions.

The following analysis of our overall performance should be read with the rest of the Annual Report and the Chair and Managing Director & CEO report.

Table 1: Results on the combined Commercial Account and National Interest Account

Performance criteria	2021-22	2022-23 Targets	Results against performance criteria
Transaction completed			
Dollar value of facilities signed	\$4.9b	>\$1.3b	\$1.2b

Explanation

Commercial Account and National Interest Account

The value of facilities signed for the CA and NIA was \$1.2 billion, which was below our target of \$1.3 billion.

Commercial Account

We financed 259 transactions (217 in 2021-22) with a value of \$888.1 million (\$344.4 million in 2021-22) on the CA. This supported \$8.6 billion in contracts and overseas investments (\$1.8 billion in 2021-22).

National Interest Account

Transactions on the NIA are undertaken following a decision by the Minister, based on a referral from our Board.

This year, we financed three transactions (11 in 2021-22) on the NIA with a value of \$333.4 million (\$4.5 billion in 2021-22). This supported \$118.9 million in contracts and overseas investments (\$8.7 billion in 2021-22).

Table 2: Customers supported

Performance criteria	2021-22	2022-23 Targets	Results against performance criteria
Customers supported			
Number of customers supported	132	>179	147
Number of new customers supported	60	>65	70

Explanation

Commercial Account and National Interest Account

We exceeded the performance target for the number of new customers supported but fell short of our performance target for the total number of customers supported.

In 2022-23, we supported 147 customers, of which 70 were new to our organisation, completing 262 transactions.

While the customer numbers are below the plan, they reflect our operating environment and the repeat nature of our business.

Table 3: Financial performance

Performance criteria	2021-22	2022-23 Targets	Results against performance criteria
Financial performance			
\$CA profit (pre-tax)	\$18.3m	>\$13.0m	\$24.3m

Explanation

Commercial Account

The 2022-23 CA operating income of \$73.9 million was positively affected by the lower probability of default updates from the ratings agencies taken against our SME and PSF portfolios.

The credit provisioning held on the SME and PSF portfolios in the event of default may crystallise into actual losses.

However, the timing is uncertain. For accounting purposes, our exposures are at fair value based on current market data.

We benefited from lower operating costs over this period. Our operating expenses of \$47.6 million were \$1.5 million lower than expected due to the delayed hiring of employees and a change to the delivery schedule of our major technology transformation project.

Our efforts supporting the Government's consideration of NIA transactions also meant we allocated a higher proportion of our costs to the NIA. We also recovered costs from other Commonwealth entities for shared services we provided during the year.

Impacts to operating income

Our operating income was affected by movements in both US dollar interest rates and exchange rates. Given about 67 per cent of our portfolio is denominated in US dollars, movements in these rates can have a material impact on our profitability.

While we hedge our loans and borrowings, the future net interest margin is not hedged.

When we prepare our Corporate Plan, we assume the US dollar interest rate and exchange rate will have no material impact on our underlying profitability. Therefore, when assessing CA profit for future years, we normalise profitability back to eliminate these market movements.

In 2022–23, because of market fluctuations, we realised a \$4.3 million gain in income (on a fair value basis) from movements in long-term US dollar interest rates.

We continued to make allowance for payments to the Commonwealth, covering a debt neutrality charge of \$1.5 million, State equivalent taxes of \$2 million and income tax equivalent payments of \$7.3 million.

Qualitative performance targets

Qualitative metric	2022–23 Corporate Plan
Facilitate and encourage Australian export trade and overseas infrastructure development.	<ul style="list-style-type: none"> › Leverage the CA and the NIA to support a pipeline of transactions and projects that meet the requirements of our mandate and contribute to Australia's trade and investment objectives. › Achieve positive customer advocacy and engagement metrics.
Encourage other financiers to support export trade and overseas infrastructure development.	<ul style="list-style-type: none"> › Collaborate and partner with banks and other financiers to support more exporters and overseas infrastructure development, transactions and projects.
Provide information and advice regarding financial arrangements to support Australian export trade and overseas infrastructure financing.	<ul style="list-style-type: none"> › Leverage our wider government and alliance partner network to provide timely information on a range of issues to promote our finance offering.

Source: 2022–23 Corporate Plan, p22 Table 2: Qualitative performance targets

Qualitative analysis

Our qualitative performance metrics are defined in our 2022–23 Corporate Plan and are aligned with our legislated functions.

In addition to reporting on our quantitative performance targets, we also report on our performance

against these qualitative metrics and the successful delivery of our functions.

Performance criteria	2022–23 outcomes
<p>Facilitate and encourage Australian export trade and overseas infrastructure development.</p>	<p>During the year, we continued to:</p> <ul style="list-style-type: none"> › expand our activities in high-growth sectors such as green renewable energy trade and infrastructure › work to reach more Australian exporters and raise awareness of our support › grow a healthy pipeline of opportunities for our SME and PSF businesses across our mandates › work with other government agencies to support government trade and investment priorities, such as new Free Trade Agreements. <p>We also undertook brand-health research to monitor customer engagement and identify areas for improvement.</p>
<p>Encourage other financiers to support export trade and overseas infrastructure development.</p>	<p>During the year, we:</p> <ul style="list-style-type: none"> › took a leading finance role in the critical minerals sector, helping attract commercial and international finance to the sector › enhanced our partnership strategy with Australian banks. We entered into a new risk participation agreement with NAB and progressed a Heads of Agreement with Westpac to support Australian defence businesses › maintained regular exchanges with international financing agencies and formalised arrangements to support Australian exporters and overseas infrastructure development. We also continued to measure our work in this area, including: <ul style="list-style-type: none"> » the funding we provide alongside other financiers, the number of referrals from banking partners and our engagements with other financiers » the number of customers that transitioned to the private market because of increased private credit appetite.
<p>Provide information and advice about export and infrastructure finance.</p>	<p>During the year, we:</p> <ul style="list-style-type: none"> › expanded our partner alliances to support government priorities, including signing an MOU with IBA to enhance support for First Nations businesses › worked with other government financiers such as the Clean Energy Finance Corporation, NAIF and Treasury to complement our activities › conducted marketing campaigns and outreach to promote our offerings to Australian businesses › conducted overseas marketing activities to promote our Indo-Pacific infrastructure mandate › continued publication of our World Risk Developments newsletter › provided information to businesses and partner governments on our export and infrastructure activities at domestic and international events.

Delivering on our functions

1

Facilitate and encourage Australian export trade and overseas infrastructure development.

Objective

Leverage the CA and the NIA to develop a pipeline of transactions that meet the requirements of our mandate and contribute to Australia's trade and investment objectives.

In 2022-23 we:

Supported

36,434

Australian jobs through our financing.

Provided finance to businesses across

29

industry segments.*

Engaged with

1,587

SMEs and large corporates. For 48% of these businesses, it was their first engagement with us.

Supported businesses with annual turnovers from

\$214k
to
\$23.1b

* We use a subjective segment classification to track our reach.

2

Encourage other financiers to support export trade and overseas infrastructure development.

Objective

Collaborate and partner with banks and other financiers to support more exporters and overseas infrastructure development.

In 2022-23 we:

Completed

304

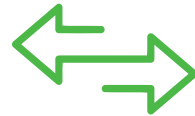
sales outreach activities with banking partners.



Co-financed

34

transactions with banks with a total value of \$120 million.



3

Provide information and advice about export and infrastructure finance.

Objective

Leverage our wider government and alliance network to provide timely information on a range of issues and promote our finance offering.

In 2022-23 we:

Promoted

export-focused and industry related content including eBooks, articles and digital infographics to support Australian businesses on their growth journeys.

Completed

hundreds of engagements internationally with our ECA peers, industry groups, like-minded government partners and the Australian Government's global diplomatic network.

Published

our monthly World Risk Developments newsletter.

Partnered

with Austrade to support businesses.

Continued

to offer economic commentary, country profiles, risk assessment and insights.

During 2022-23, we worked closely with Austrade on critical minerals, defence and Indo-Pacific infrastructure opportunities.

Austrade works to attract strategic investors and off-takers, which complements our finance support within the critical minerals industry. We participated in a critical minerals delegation to Korea, the Australia Papua New Guinea Business Forum and Trade Expo, Austrade-supported United States Studies Centre roundtables on private capital and the Australia India Business Exchange. We also commenced a series of roundtables for defence SMEs.

Our collaboration has grown into new areas, with low-emissions technologies and renewable energy a priority for both Export Finance Australia and Austrade. Austrade helped facilitate meetings during our visits to Vietnam throughout the year, which assisted us to deliver a US\$30 million finance solution to VinFast. This finance has been leveraged by Austrade to find new export opportunities for Australian businesses and to promote us as a partner of choice for Vietnam's net zero goals.

4

Assist other Commonwealth entities.

Objective

Provide timely and professional services consistent with the service level agreements and as directed by our Minister.

Assist the Government to evaluate alternative financing mechanisms through other government agencies.

In 2022-23 we supported:

AIFFP

We provided transaction, operational and technical support to the \$4 billion AIFFP, including:

- › structuring and execution of transactions
- › legal and compliance
- › credit
- › portfolio and loan management support.



NAIF

We supported and provided back-office functions, including:

- › ICT infrastructure
- › helpdesk support
- › property and financial expertise.



NHFC

We provided back-office functions, including:

- › ICT infrastructure
- › helpdesk support
- › property and financial expertise.



NRFC

We provided support to assist DISR to establish the NRFC, including:

- › ICT infrastructure and helpdesk
- › finance and payroll
- › human resources
- › property and security services.

5

Administer overseas aid payments for the Commonwealth.

As part of our mandate, we are a trusted adviser to the Australian Government on financial payment solutions.

In the 1980s and 1990s,
Export Finance Australia made loans under the Development Import Finance Facility (DIFF), an Australian Government mixed credit financing program discontinued in 1996.



At 30 June 2023, we administer one loan relating to Indonesia valued at

\$400k

which matures in April 2024.



TERMINATOR
SERIAL 10523

Customer story



Seed Terminator

\$350k

Small Business
Export Loan

Seed Terminator is an innovative South Australian business that manufactures a harvester attachment that can kill most weed seeds before they can grow, improving crop yield and reducing herbicide use.

With a mission to enable sustainable farming practices by empowering businesses with the best technology possible, Mark Ashenden and Dr Nick Berry's innovative product, the Seed Terminator – a small, multi-stage hammer mill that attaches to combine harvesters – is now helping farmers do more with less, across the globe.

The first commercial release of the Seed Terminator came in 2019, followed soon after by an export opportunity to supply products to Europe and North America.

We have provided Seed Terminator with a number of small loans since 2020, which supported the business to grow its presence in the world's largest grain markets in the Northern Hemisphere.

“

Export Finance Australia's support over the last few years has been critical. Without its help, we would not be where we are today. We would not have had the financial backing or the support to enter the European and Canadian markets because of the time lag with payments.”

Mark Ashenden

Co-founder and Executive Director, Seed Terminator



McNally Group Contracting

\$14m

Bonds

McNally Group Contracting provides full turn-key solutions for accommodation villages and non-process infrastructure to the mining, resources, oil and gas sectors.

With the capacity to take on more work and an appetite to continue to grow, McNally Group Contracting needed to meet larger security requirements to secure contracts.

As a supplier of crucial services to the mining and resources sector, we have been able to support McNally Group Contracting with a range of bonds, including performance and warranty bonds, for a number of projects.

“The support from Export Finance Australia is crucial. For the size of the company that we are now, we’re working on \$160 million worth of projects and that’s still growing. Without Export Finance Australia, we’re not going to be able to provide that level of security, and it’s going to inhibit our growth.”

Mark McNally
Managing Director,
McNally Group Contracting



Renewable Mobile Group

\$700k

Export Line of Credit

Stephen Harrison and Andrew Gardiner co-founded Renewable Mobile Group in 2019. Both coming from telco industry backgrounds, they were concerned about the number of devices that people have lying around at home that end up in landfill.

To make better use of old mobile phones and stop them from going into landfill, Renewable Mobile Group offers an end-to-end solution. The team takes used mobile devices, runs diagnostics, removes old data and makes cosmetic repairs, then repackages the phones with accessories to re-sell them.

To meet the growing demand for refurbished devices in its export markets, we provided Renewable Mobile Group with an Export Line of Credit to help the business purchase mobile devices for refurbishment and export.

“

Where Export Finance Australia can help us is being able to carry that product from in the door to ready to sell, which we couldn't previously do at scale. I don't think we could have achieved growth to the level that we wanted without Export Finance Australia. It's definitely going to help accelerate the export side of the business.”

Andrew Gardiner

Co-founder, Renewable Mobile Group



Pilbara Minerals

\$125m

Project and structured finance

Pilbara Minerals is Australia's leading ASX-listed lithium mining company, and owner of the world's largest, independent hard-rock lithium operation.

When Pilbara Minerals needed finance to expand its operations and facilities to meet increasing demand, the business turned to us for support.

We worked closely with Pilbara Minerals to provide a longer-tenor \$125 million loan as part of a wider financing package. This funding was provided alongside other government financiers and commercial banks. With our support and collaboration, Pilbara Minerals was able to secure additional funding to support its expansion project.

“

The support from the Australian Government and Export Finance Australia has helped further fuel the growth of Pilbara Minerals. We look forward to continuing to work with the Australian Government as we pursue our growth and diversification strategy to further realise our ambition to become a fully integrated, sustainable battery materials supplier.”

Dale Henderson

Managing Director and CEO, Pilbara Minerals

Exposure breakdown

Commercial Account

Our total exposure under the CA at 30 June 2023 was

\$1.7b

which included loans, guarantees and bonds.

At 30 June 2023, the weighted average maturity of facilities outstanding was 6.1 years (1.3 years unweighted). This included an average maturity of 1.4 years (0.9 years unweighted) for SME exposures and 7.3 years (4.3 years unweighted) for larger corporate exposures.

Figure 1: Commercial Account at 30 June 2023 - exposure by region

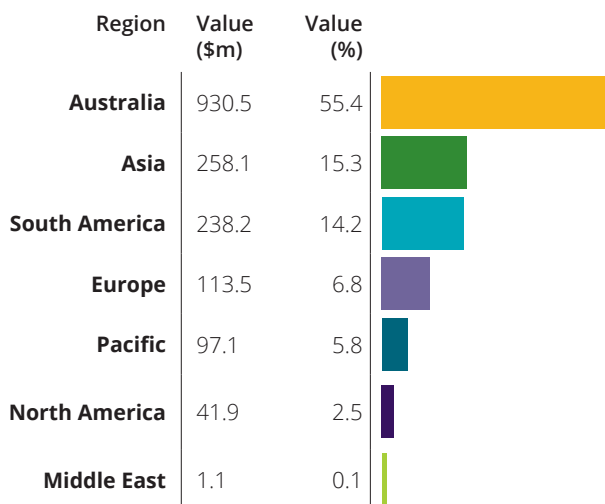
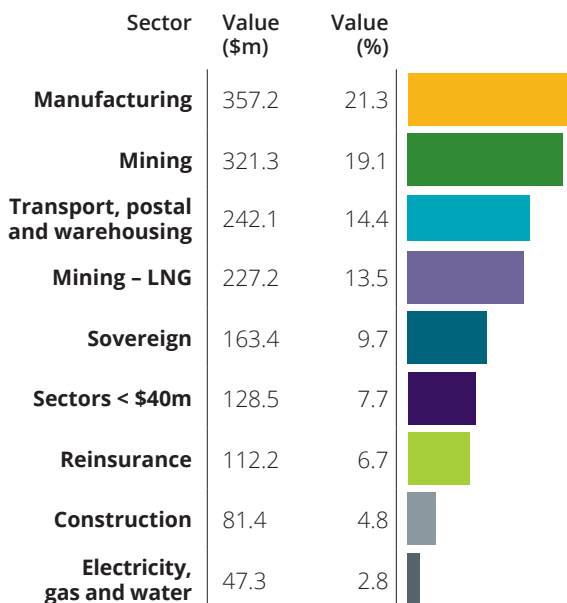


Figure 2: Commercial Account at 30 June 2023 - exposure by industry sector



National Interest Account

Our total exposure under the NIA at 30 June 2023 was

\$3.5b

comprising loans in emerging markets and to sovereign countries or their agencies.

Our largest exposures are to Telstra PM Pty Ltd, with an exposure of US\$1.8 billion (A\$2.7 billion), Papua New Guinea LNG, with an exposure of US\$100 million (A\$151 million) and the Independent State of Papua New Guinea, with an exposure of US\$75.2 million (A\$113.5 million).

Figure 3: National Interest Account at 30 June 2023 - exposure by region

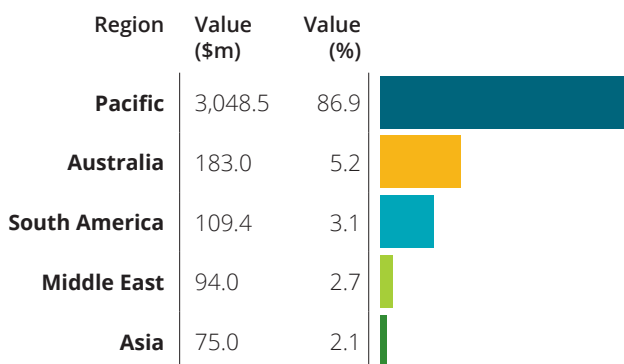
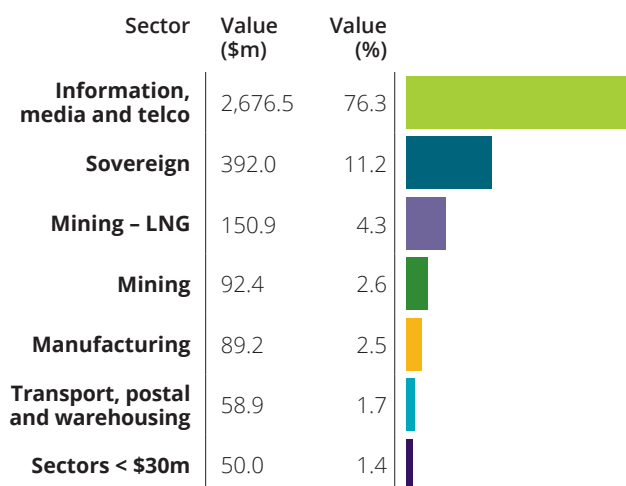


Figure 4: National Interest Account at 30 June 2023 - exposure by industry sector



Environmental, social and governance report

Our approach to environmental, social and governance

We are committed to supporting Australian businesses to grow internationally in a way that is ethically, environmentally and socially responsible.

We achieve this by:

- › minimising the environmental footprint of our operations
- › engaging with stakeholders in ways that are relevant to their needs
- › striving for environmental and social responsibility through responsible lending and transactions
- › being accountable in our governance and decision making
- › running an ethical business fairly, transparently and with integrity.

Our environmental, social and governance (ESG) program includes:

- › our Policy for Environmental and Social Review of Transactions

- › our participation in various international frameworks and initiatives
- › our Minister's Statement of Expectations (SOE)
- › our climate disclosure obligations
- › our Public Interest Disclosure (whistleblower) Policy
- › our Business Ethics Program
- › our Diversity Programs
- › the Commonwealth Procurement Rules and the Australian Government's Sustainable Procurement Guide.

Our environmental and social governance of transactions is led by our Directors of Environmental and Technical Review, with oversight by our Chief Credit Officer and Chief Risk Officer.

Environmental, social and governance approach to transaction decisions and activities

Legislation

The *Export Finance and Insurance Corporation Act 1991* (EFIC Act) requires us to have regard to Australia's obligations under international agreements (including the Paris Agreement) and Australia's greenhouse gas emissions reduction targets in performing our functions. We consider the environmental impact of our decisions and activities as part of what we do.

We report on how our activities and administration of legislation accords with the principles of ecologically sustainable development (ESD) as required by section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).¹

We are required to document the effect of our activities on the environment,² identify measures taken to minimise the impact of

our activities on the environment³ and identify any mechanisms for reviewing and increasing the effectiveness of those measures.⁴

This section of the Annual Report addresses this reporting requirement, as well as documenting the environmental assessment activities engaged in by Export Finance Australia and the environmental effects of our conduct more broadly.

¹ EPBC Act, s 516A(6)(a). The principles of ESD have the meaning given in s 3A of the EPBC Act.

² EPBC Act, s 516A(6)(c): the term "environment" is defined in the EPBC Act and we adopt this definition in this part of the annual report.

³ EPBC Act, s 516A(6)(d).

⁴ EPBC Act, s 516A(6)(e). Section 516A(6)(b) is not applicable to Export Finance Australia because it has no outcomes specified in an Appropriations Act relating to this reporting period.

Environmental and Social Policy, global principles and policies

In our risk assessment of transactions, we apply better-practice environmental and social standards that accord with the principles of ESD as defined in the EBPC Act.

Our Policy for Environmental and Social Review of Transactions (E&S Policy) and our Procedure for Environmental and Social Review of Transactions (E&S Procedure) set out the principles and processes that we apply as part of our commitment to ESD principles. These are available on our [website](#). In 2022–23, we applied the E&S Policy and E&S Procedures in the exercise of our functions and so as to accord with ESD principles.

Under our E&S Policy, we apply two globally recognised approaches in our environmental and social risk assessment of projects and project-related transactions. These global approaches apply to only some of the transactions that we are asked to consider. However, we choose to extend the principles these frameworks embody to all transactions, excluding military equipment. In practice, this means that all transactions we consider are subject to screening, classification and risk assessment of the potential for environmental and social impacts.

We are bound by the Organisation for Economic Co-operation and Development (OECD) Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence (the Common Approaches). We also take into account the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

We are a signatory to the Equator Principles, a globally recognised risk management framework used by financial institutions to manage environmental and social risks in projects.

The Common Approaches and Equator Principles are global approaches to help ensure that projects are developed in a way that is socially responsible and reflects sound environmental management practices.

We are taking a range of measures to minimise the impact of our activities and administration of legislation on the environment, namely:

- › when financing projects under these global approaches:
 - » we fulfil our responsibility to protect human rights and fundamental freedoms as required by our Statement on Human Rights, the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct by carrying out human rights due diligence
 - » we support and have regard to the objectives of the Paris Agreement and acknowledge the role that we can play in improving the availability of climate-related information, including through the assessment of the potential physical and transition risks of climate change of projects, in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures

- » we use the International Finance Corporation Performance Standards on Environmental and Social Sustainability (IFC Performance Standards), a globally recognised benchmark for environmental and social risk assessment
- » we seek to ensure the projects we support have robust environmental management systems, including measures that promote environmental awareness, monitor environmental performance, consult with impacted stakeholders, and regularly report on environmental issues
- » we seek to support projects that reduce emissions and implement best available technology, where appropriate, and have an appropriate climate change transition plan
- » we support conservation, including enhancing the evidence base for research and decisions relating to biodiversity
- » we take into account social impacts, including impacts related to gender, Indigenous persons and disadvantaged and vulnerable groups
- » we seek to identify and support projects that are environmentally beneficial, including clean, alternative and renewable energy projects, and we offer more flexible terms and conditions to encourage their development.

Environmental and Social Policy, global principles and policies (cont.)

- › when considered appropriate, we impose contractual terms on the relevant entities receiving financial products from us, including:
 - » requiring that the entity undertake to provide full details of any environmental claims, proceedings or investigation commenced or threatened against it if that occurs as well as facts or circumstances likely to result in an environmental claim being threatened or brought against it
 - » requiring warranties to the effect that:
 - » the entity will comply with all applicable environmental laws and approvals
 - » no environmental claims, proceedings or investigations have been commenced or threatened against the entity
 - » imposing special terms and conditions, such as requiring the entity to take additional work such as compliance with particular environmental and social benchmarks, reporting and monitoring including monitoring by independent environmental or social experts
- › we monitor compliance with conditions imposed during the course of a transaction. For “Category A” transactions, this monitoring includes site visits⁵.

Our mechanisms for reviewing and increasing the effectiveness of our measures are:

- › as noted, we monitor and review the environmental compliance of our transactions, with such monitoring covered by our E&S Policy
- › our E&S Policy states that we will review the policy as and when necessary but no later than five years from the last review. Our E&S Procedure also provides for review as and when necessary. Our E&S Policy and E&S Procedure are regularly reviewed to ensure they are consistent with better-practice environmental and social standards, including the IFC Performance Standards, OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, Equator Principles and the Common Approaches. Our E&S Policy was last reviewed and endorsed by our Board in October 2022 and is available on our [website](#)
- › there are provisions in our E&S Policy and E&S Procedure also providing for periodic review by an independent environmental and social expert. Consistent with this policy, we periodically engage an independent expert to examine our application of the E&S Policy and E&S Procedure. An independent expert review was last completed in October 2021, and a copy of the report can be found on our [website](#).

Statement of Expectations

Our SOE requires us to ensure that there is appropriate compliance with the Common Approaches and the Equator Principles. These help to ensure that projects are developed in a way that is socially responsible and reflects sound environmental management practices. We have applied the principles that these frameworks embody to all our transactions.

⁵ Category A transactions are further described on page 47.

Transactions

In accordance with our E&S Policy, we screened and, where relevant, classified all transactions. Where screening and classification identified potential for environmental and social impacts, we benchmarked the project associated with the transaction, typically for compliance against the relevant IFC Performance Standards.

The IFC Performance Standards have been designed to avoid, mitigate and manage environmental and social risks and impacts as a way of doing business in a sustainable way.

The IFC Performance Standards establish standards that entities are to meet throughout the life of an investment. They reflect a focused integrated assessment to identify environmental and social impacts, risks and opportunities of projects and establish objectives and requirements to avoid, minimise and, where residual impacts remain, to compensate/offset for risks to the environment.

We consider that the contents of the IFC Performance Standards are integrated to the principles of ESD set out in the EPBC Act. For example, they recognise the importance of decision-making processes that effectively integrate both long-term and short-term environmental, social and equitable considerations,⁶ the importance of avoiding or mitigating threats of serious or irreversible environmental damage,⁷ the imperative to maintain or enhance the environment for the benefit of future generations⁸ and that the

conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making⁹.

See Table 4 on page 47.

Our E&S Policy requires that transactions be declined where we determine that the environmental and/or social impact does not satisfy the relevant benchmarks. The contractual terms of our support for a transaction may also include conditions addressing environmental and social issues.

As part of our commitment to transparency and accountability, we publish on our [website](#) details of our potential involvement in transactions associated with any new project that:

- ▶ has potential for significant adverse environmental and/or social impacts (known as a Category A project) and
- ▶ has a repayment term or policy length of two years or more, and
- ▶ has a value of Special Drawing Rights* 10 million or more.

In 2022–23, we entered into one transaction in relation to a new project, which we assessed to have potentially significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented (a Category A project), being the Perdaman Urea Project, to be constructed in the Burrup Peninsula, Western Australia. The potential effects of this project on the environment were the subject of a comprehensive assessment process undertaken by the

Environmental Protection Authority for Western Australia (EPA), being an accredited assessment for the purpose of the EPBC Act¹⁰ before conditional approval was given by the Western Australian government for the project to proceed.

Conditions of approval imposed under Western Australian environmental legislation were also incorporated as part of the approval granted for the project under the EPBC Act. The key anticipated and/or potential effects of this project were identified in the course of the assessment process to include the following:

- ▶ project footprint located within and in close proximity to sensitive areas of cultural significance (Murujuga National Park)
- ▶ threat of serious or irreversible damage to rock art caused by industrial air emissions, including urea particulates and ammonia accelerating the natural weathering process. Given the lack of scientific consensus about the potential residual cumulative impacts of the project on the significant environmental values associated with the rock art, the precautionary principle and the principle of intergenerational equity were applied, meaning the EPA adopted a cautious approach. The conditions of approval on the project were directed to ensuring that no air emissions from the project would have an adverse impact accelerating the weathering of rock art beyond natural rates

⁶ See IFC Performance Standard 1, EPBC Act, s 3A(a).

⁷ See IFC Performance Standard 3, EPBC Act, s 3A(b).

⁸ See IFC Performance Standards 3 and 8, EPBC Act, s 3A(c).

⁹ See IFC Performance Standard 6, EPBC Act, s 3A(d).

* Special Drawing Rights is an international monetary unit against which the Australian dollar fluctuates (definition is from our publicly available E&S Procedure).

¹⁰ A decision to proceed with an accredited assessment approach for the Perdaman Project was made under the EPBC Act on 28 March 2019.

Transactions (cont.)

- › Scope 1 greenhouse gas emissions (if unmitigated) were estimated to be 650,000 tonnes of CO₂-e per annum and 52 million tonnes (Mt) of CO₂-e over the 80-year life of the project. Perdaman has developed a detailed net zero strategy, which has been assessed by the WA EPA. With mitigation and offsets, Scope 1 emissions are expected to achieve net zero by 2050 and result in Scope 1 emissions over the 80-year life of the project of 9.75Mt of CO₂-e. Scope 2 emissions are expected to be negligible and Scope 3 emissions were assessed to be approximately 1.83Mtpa. The EPA considers that the proposal is generally consistent with the EPA's guideline for greenhouse gas emissions
- › disturbance of 73.05 ha of native vegetation (including 64 ha in "Good to Excellent" condition and which is foraging and roosting habitat for fauna species listed under the EPBC Act), potential impact on 0.16ha of Priority 1 PEC - Burrup Peninsula Rock Pile community and direct impacts on 21 potentially locally significant vegetation communities. The conditions of approval imposed mitigation measures and offsetting measures in respect of these impacts:
 - » likely residual impacts to inland waters
 - » likely residual impacts on cultural heritage
 - » the likely residual impacts on the marine environmental quality are unlikely to be material.

These anticipated and/or potential effects are summarised in the assessment report published on the EPA's website.

In 2022–23, we also entered into three transactions in relation to new projects, which we assessed to have potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures. The anticipated and/or potential effects of these projects on the environment include:

- › the generation of waste
- › land clearing
- › surface water loss
- › conversion of natural habitat
- › risk of disturbance to cultural heritage sites.

We are satisfied that mitigation measures have been adopted such that the anticipated and/or potential effects of these three projects on the environment is not expected to be significant. These projects are not expected to affect critical habitats, threatened species, threatened ecological communities or other matters protected by the EPBC Act.

Military equipment transactions

Military equipment export finance transactions fall within our Policy for Export of Military Equipment and Dual-Use Goods. This policy was last reviewed in October 2021 and information on our due diligence approach to such transactions is available on our [website](#).

Our due diligence approach to transactions associated with military equipment and dual-use goods is set out in this policy, including in relation to specific environmental and social impacts, and incorporates reliance on the approval processes and capabilities of the Australian Government's Defence Export Controls (DEC) in relation to these exports.

Relevant to DEC assessments, Australia's Export Control Policy is based on five key criteria to assess the exportability of defence and strategic goods:

- › international obligations
- › human rights
- › regional security
- › national security
- › foreign policy considerations.

Our transaction process

In order to review transactions in accordance with our principles of ecologically sustainable development, we classify each new project associated with a potential transaction, depending on the significance of its potential environmental and social impacts. We categorise new projects as:

Category A	Category B	Category C
Transactions with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented.	Transactions with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.	Transactions with minimal or no adverse environmental and social risks or impacts..

You can find out more about our transaction policies and procedures on our [website](#).

Environmental and social review summary

A summary of the categorisation of recent transactions is set out in the table below.

Table 4: Environmental and social review summary

				Existing project and non-project potential impact	
	Category A	Category B	Category C	Yes	No
2022-23					
All transactions*	1	3	1	3	248
Project finance	1	2	0	Not applicable	Not applicable
Project-related corporate loans	0	0	0	Not applicable	Not applicable
2021-22					
All transactions*	0	4	4	11	204
Project finance	0	2	0	Not applicable	Not applicable
Project-related corporate loans	0	2	0	Not applicable	Not applicable

* Excludes transactions related to the export of military equipment and dual-use goods.

Equator Principles

We are a signatory to the Equator Principles, a risk management framework for financial institutions to determine, assess and manage environmental and social risk in projects.

The framework provides a minimum standard for due diligence and monitoring to support responsible risk decision making.

As a signatory, we are required to provide an annual report on project-related transactions that have reached financial close.

We are actively involved with the Equator Principles Association through workshops and forums, including attending the Equator Principles Annual General Meeting.

Environmental, social and governance operational highlights 2022-23

Organisational emissions reporting

Reducing energy usage – APS Net Zero policy

APS Net Zero 2030 is the government's policy for the Australian Public Service (APS) to reduce its greenhouse gas emissions to net zero by 2030 and transparently report on its emissions from the latter half of 2023.

The APS is looking to achieve net zero by actively reducing emissions from its operations and through the use of offsets. This policy is consistent with Australia's international commitments and will contribute to achieving Australia's Paris Agreement targets.

As a corporate Commonwealth entity, we are publicly reporting our operational emissions for the first time, in line with the APS Net Zero 2030 policy requirements.

Sources for 2030 target and public reporting

There are seven types of greenhouse gases relevant to the 2030 target and public reporting:

- › carbon dioxide
- › methane
- › nitrous oxide
- › hydrofluorocarbons
- › perfluorocarbons
- › sulfur hexafluoride
- › nitrogen trifluoride.

The common sources of each of these gases are categorised by where they occur in the supply chain:

- › **Scope 1** - direct emissions from entity facilities and company-owned vehicles
- › **Scope 2** - indirect emissions from purchased electricity, steam, heating and cooling for own use
- › **Scope 3** - all other indirect emissions, including from leased assets.

At Export Finance Australia, our focus has been on scope 1 and scope 2 emissions, with scope 3 emissions included where robust data was available (ie domestic air travel by our employees).

Table 5 identifies our organisational emissions for the 2022-23 reporting year.

We will implement a continuous improvement cycle in our public reporting as data quality, methodology and capability improve. Materiality will also be an important consideration for our emissions assessment and reporting going forward.

Table 5: Organisational emissions, 2022-23

Emission source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (location-based approach)	N/A	680,037	55,894	735,931
Natural gas	37,810	N/A	9,612	47,422
Fleet vehicles	-	N/A	-	-
Domestic flights	N/A	N/A	77,406	77,406
Other energy	-	N/A	-	-
Total kg CO₂-e	37,810	680,037	142,912	860,758

CO₂-e is carbon dioxide equivalents.

The electricity emissions reported above are calculated using the location-based approach. When applying the market-based method, which accounts for activities such as Greenpower, purchased LGCs and/or being located in the ACT, the total emissions for electricity are below:

Emission source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (market-based approach)	N/A	362,970	48,040	411,010
Natural gas	37,810	N/A	9,612	47,422
Fleet vehicles	-	N/A	-	-
Domestic flights	N/A	N/A	77,406	77,406
Other energy	-	N/A	-	-
Total kg CO₂-e	37,810	362,970	135,058	535,837

CO₂-e is carbon dioxide equivalents.

Developments in climate-disclosure framework

The Australian Government is currently engaged in a process of seeking to implement and sequence standardised, internationally-aligned requirements for disclosure of climate-related financial risks and opportunities in Australia. Consultation has been

undertaken for this purpose. We intend to monitor and engage in any further developments in this area that are relevant to our activities and functions.

In support of these developments, we are working towards the assessment and reporting of our financed emissions, consistent with the Partnership for Carbon

Accounting Financials (PCAF)¹¹ methodology. The PCAF standard is an internationally recognised standard that enables financial institutions to assess and disclose greenhouse gas emissions associated with financial activities, in line with the Greenhouse Gas Protocol¹².

¹¹ <https://carbonaccountingfinancials.com/>

¹² The Greenhouse Gas Protocol identifies financed emissions as Scope 3, Category 15 emissions.

Our environmental footprint

A key priority is minimising our environmental footprint, including our:



› energy use



› water use



› solid waste generation



› business travel.

Our headquarters occupies three floors of Export Finance House, 22 Pitt Street, Sydney. We lease the remaining floors to tenants on standard commercial terms.

Our tenants include AIFFP and the Government agencies NHFIC and NAIF.

Table 6: Our environmental footprint

Parameter	2022-23	2021-22	2020-21
Energy use (megajoules /m2)			
Export Finance Australia occupancy ^a , electricity	320	316	338
Building services ^b , electricity	399	328	347
Building services ^b , gas	109	74	38
Water use			
Water (kilolitres) ^c	10,660 ^d (7,192)	2,059	2,541
Solid waste (tonnes)			
Co-mingle (recycled)	0.3	0.2	0.3
Cardboard (recycled)	7	5.1	7.5
Waste to landfill	17	12.7	17.8
Business travel by our employees^e			
Total domestic (million km)	0.524	0.084	0.073
Total international (million km)	1.217	0.377	0

^a This figure represents energy used on the floors we occupy, which includes other government agencies.

^b Building services are common facilities for all floors of Export Finance House and include lighting to common areas, lifts, air conditioning and hot water. Energy use per square metre is the building average.

^c This figure represents total usage by Export Finance House. It is not possible to separately identify water use by floor or tenancy.

^d This figure incorporates an undetected water leak within the building in the third quarter of the year. The figure provided in brackets is the water consumption of the building for the year, corrected for the estimated water loss.

^e Travel figures have seen a substantial increase on previous years due to the relaxation of COVID-19 travel restrictions both domestically and internationally.

Reducing energy, water and waste

Green energy sources accounted for 35 per cent of our electricity supply this year. Our building achieved a 5-star energy rating and a 3.5-star water rating under the National Australian Built Environment Rating System.

Waste, electricity and water usage increased in Export Finance House in 2022–23, mostly due to employees returning to the office following the COVID-19 lockdowns. We will continue to adopt practices that help minimise waste, electricity and water use, including using alternative energy sources.

The substantial increase in water usage is attributed to an undetected water leak downstream of the meter in the third quarter of the year, which has since been isolated. The utility provider acknowledged the issue and credited the account based on the estimated water loss. In consultation with the utility provider, an estimated quantity of water loss due to the leak was determined, and we have included in Table 6 a corrected figure taking this into account.

Since 2014, we have sourced some of our electricity supply from green energy sources, including mini hydro, wind power, solar, biogas and biomass.

We continue to consider how to decrease waste generation and how to increase the proportion of waste we recycle.

Our people flew 1.74 million kilometres during 2022–23, an increase on the previous two years. This increase was due to the relaxation of COVID-19 travel restrictions both domestically and internationally. We consider the travel undertaken this year more representative of our operations, compared to the previous two years.

Diversity, equity and inclusion

We have continued to build an inclusive workplace by fostering a culture that embraces diversity.

Our Diversity and Inclusion Council is responsible for supporting our diversity and inclusion initiatives. This year it has introduced and led a range of diversity and inclusion initiatives that improve our employee experience and celebrate our rich diversity. We continued to grow our pipeline of female leaders and championed our LGBTQ+ network, InclusivALLY.

We work to remove bias from our people processes by ensuring we are hiring from a diverse pool of talent, have parity reviews and champion our people with diverse backgrounds and experiences to share their perspectives with our people.

In our latest employee survey results, our people reported they are treated fairly, regardless of their:

- › gender (96%)
- › sexual orientation (100%)
- › age (90%)
- › race (97%).

When joining our organisation, 95% of employees said that people are made to feel welcome.

First Nations peoples and social engagement

This year we launched our second Innovate RAP to continue our efforts in promoting awareness of First Nations peoples and their achievements, supporting better First Nations employment outcomes, and delivering enhanced support to First Nations businesses.

To better reach and finance First Nations businesses to realise their export potential, we also signed an MOU with IBA. This will see us combine our expertise and support our organisations to do more together, driving social change and improving economic opportunities for First Nations peoples. The MOU focuses on collaboration between IBA and Export Finance Australia to support the growth of First Nations trade and investment and financing of First Nations export businesses.

Labour practices and employee health and safety

We have transitioned to a hybrid model of work where our people are in the office for a minimum of 50 per cent of the time. We have established both organisational and team office days to build cross-functional connections with colleagues across the business. We continue to refine our processes, resourcing, recognition practices and workplace environments to support the way we work in a hybrid world.

We continue to invest in a range of initiatives that support our people's physical, mental, financial and social wellbeing. These include educational sessions on our employee assistance program (EAP), support services, benefits, assessments, coaching and activities aimed at helping our people manage their wellbeing. Our Work Health and Safety report provides further details on our employee health and safety focus, on page 172.

Modern slavery considerations

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. This serious exploitation of people includes human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

We recognise that modern slavery can be linked to other crimes and activities that adversely affect human rights, including bribery, corruption and environmental damage. We have a responsibility to respect human rights in our operations and activities as part of our responsible business conduct.

We take a risk-based approach to modern slavery risk in our business operations, supply chain and customer relationships. Our expectation is that our suppliers, their employees, related entities and supply chains operate in a legal, ethical and socially responsible way, consistent with our Supplier Code of Conduct. We have a list of active contracts above the value of \$100,000 (incl. GST), complying with the Senate Order for Entity Contracts (Murray Motion), available on our [website](#).

As we are an Australian-based entity and our primary operations of providing finance are office-based, we consider the risk of modern slavery occurring directly within our business operations to be low. However, we recognise that there is an indirect risk of modern slavery occurring through our supply chain or our customers and the transactions and projects we support.

In accordance with the United Nations Guiding Principles on Business and Human Rights, we continue to prioritise our focus and actions on areas where we consider the potential impact of modern slavery to be greatest and where we might have a greater opportunity to influence outcomes.

For further details regarding our approach to modern slavery, refer to our Modern Slavery Statement published on our [website](#) and on the Australian Government's Online Register for Modern Slavery Statements.

Business ethics

We practise responsible lending in an ethical context by conducting our operations fairly, transparently and with integrity. We believe the success of our business depends on our stakeholders' trust and confidence in us. This trust can only be maintained if we act ethically.

Our commitment to ethical behaviour is demonstrated by our:

- › **transparency** – we aim for an appropriate balance between public accountability and our obligations to respect client confidentiality
- › **anti-corruption initiatives** – we foster awareness among customers and employees of the international conventions and Australian laws concerning this matter
- › **anti-money laundering and counter-terrorism financing** – through our anti-corruption initiatives, we are committed to deterring bribery and corruption in all aspects of our business, including in the transactions we support. These initiatives include robust due diligence and our anti-money laundering and counter-terrorism financing (AML/CTF) program, including checks against financial crime, bribery, corruption and sanctions before we provide any financial support
- › **governance framework** – we impose strong commercial discipline on our operations through our governance framework
- › **Human Rights Statement** – we respect internationally recognised human rights and endeavour to reflect that respect through our operations and governance processes
- › **policy and procedure for environmental and social review of transactions** – we uphold best-practice environmental and social standards in the transactions we support
- › **compliance program** – we are committed to meeting the highest standard of legal compliance across all our activities, with the aim of ensuring a fair and compliant organisation
- › **Code of Conduct** – we clearly state the obligations and responsibilities of our employees, including conflicts of interest, confidential information and standards of personal behaviour. We have additional employee policies that deal with insider trading and whistleblower protection
- › **OECD Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Low Income Countries** – we comply with international sustainable lending arrangements
- › **OECD Guidelines for Multinational Enterprises** – we encourage our customers to apply these voluntary principles and standards for responsible business conduct
- › **specific due diligence processes** – for areas such as live animal exports and military transactions
- › **Public Interest Disclosures** – current or former public officials under the *Public Interest Disclosure Act 2013* (PID Act) who become aware of serious wrongdoing at Export Finance Australia are encouraged to report this

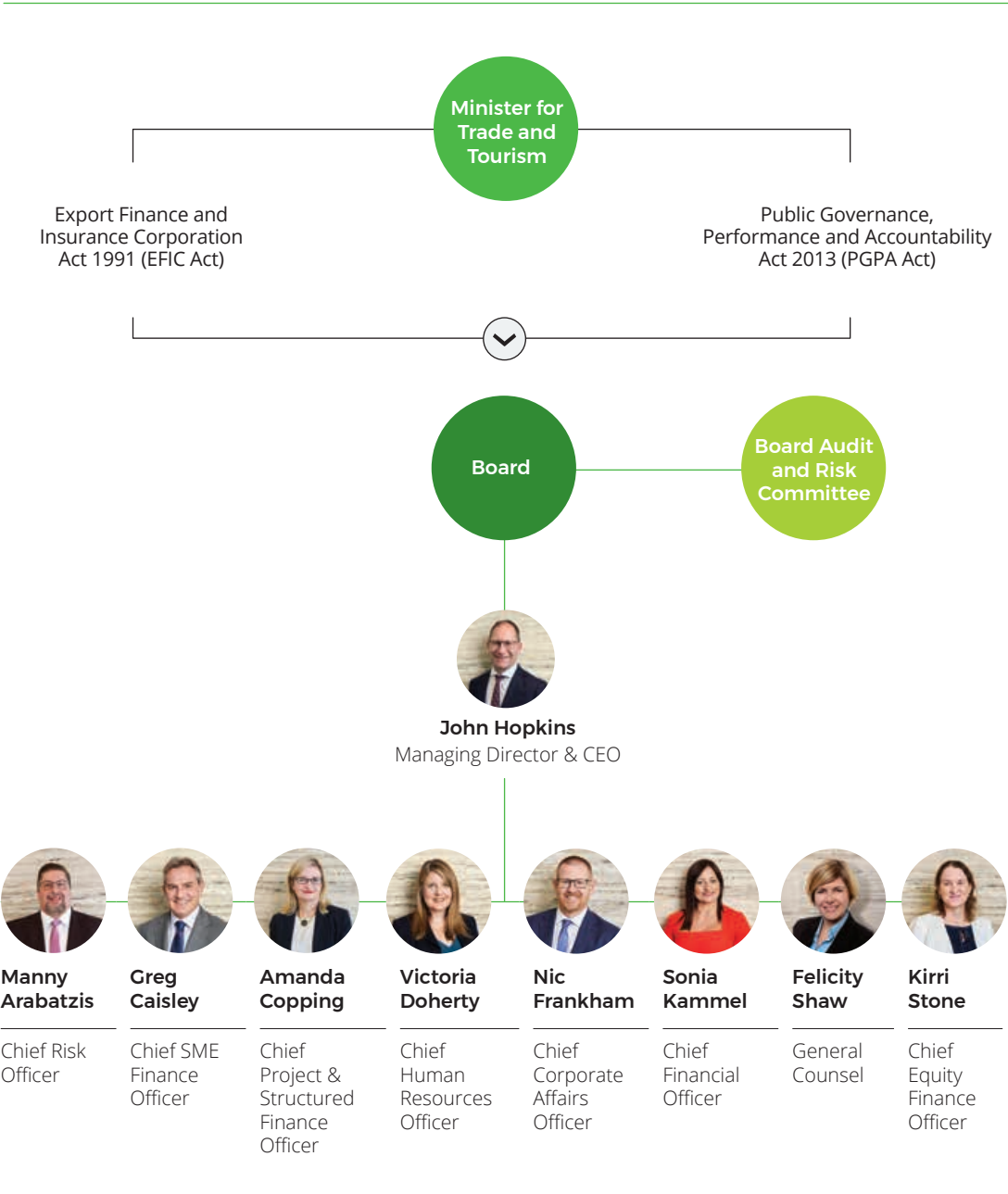
Governance

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Governance structure



Statement on governance

As an Australian Government agency, we recognise the significant role we play in helping to build Australia's global profile and in supporting our national interests.

Our adherence to sound governance practices, legislative compliance and risk management is designed to instil trust in our customers, employees and partners, and ensure that we can deliver on our purpose.

Our Minister

Our Minister has a number of powers relating to Export Finance Australia, as set out in the EFIC Act.

Our Minister may give us written directions relating to how we perform our functions or exercise our powers if the Minister believes these directions are in the public's best interest. Our Minister may also approve or direct us to enter into transactions on the NIA. Our Minister cannot direct us to enter into transactions on the CA. Details of Ministerial directions we received this year are set out on pages 72–78.

The Minister issues an SOE. The SOE expresses and formalises the Minister's expectations of Export Finance Australia. Our Board indicates its intention to meet these expectations through a corresponding Statement of Intent.

Our Board and Board Audit and Risk Committee

Our Board is responsible for our corporate governance, managing our affairs and overseeing our operations. We impose a strong commercial discipline on governance and risk management through our Governance Framework. For more information on our Board members, see pages 58–64.

Our Board Audit and Risk Committee and external and internal audit functions also provide valuable internal and external oversight. Our [Board Charter](#) and our [Board Audit and Risk Committee Charter](#) can be found on our website.

Board members



James M Millar AM

Chair | Independent,
Non-executive member

Appointed

9 December 2014 to 8 December 2017

9 December 2017 to 8 December 2020

9 December 2020 to 8 December 2023

Qualifications

BCom, FCA, FAICD

James is the former CEO and Area Managing Partner of Ernst & Young (EY) in the Oceania region and was a Director of the EY Global Board. His career before his leadership roles at EY was as a corporate reconstruction professional for large and small businesses, both within Australia and globally.

He is a Non-executive Director of Mirvac Limited and Credit Corp Group Limited. He is the Chair of The Vincent Fairfax Family Foundation and a Governor of The Smith Family.



David Bennett

Deputy Chair | Independent,
Non-executive member

Appointed

9 July 2021 to 8 July 2024

Qualifications

BCom MAICD

David has extensive experience in advising on, arranging and underwriting a range of financing instruments in the Australian and overseas bank debt and capital markets, including corporate and acquisition debt, project finance, CPI-linked debt, mezzanine, subordinated, high-yield and private placement debt securities.

David retired from Macquarie Group Limited on 30 August 2013, where he held the position of Executive Director, after almost 36 years in investment banking.

David was the Macquarie Group Treasurer from March 2012 until his retirement. Prior to this, he was Global Head of Debt Capital Markets within Macquarie Capital.

David's current roles include Director, AquaSure Holdings Pty Ltd; member Palisade Investment Partners Investment Committee; member Palisade Impact Investment Committee and Partner and Chair of Bridges Australia.

Previous roles include; Chair, Social Enterprise Finance Australia Limited; Chair, Challenger Retirement and Investment Services Limited, Investment Committee, Macquarie Infrastructure Debt Investment Solutions Fund; Director, Macquarie Group Foundation; Director, Centre for Social Impact; Member, Australian Advisory Board for Impact Investing and Chair, Manjeri School Project.



John Hopkins

Managing Director & CEO
Executive member

Appointed
2022

Qualifications

BEC (Soc.Sci) (Hons), LLB,
Grad. Dip (Postgraduate Law)

John was appointed Managing Director & CEO of Export Finance Australia in August 2022. He has more than 25 years' experience in the finance, corporate and government sectors, with an international career focused on risk, legal and operational roles.

Prior to joining Export Finance Australia, John held various senior management positions at Westpac, Goodman Group and National Australia Bank in Sydney, London and New York. During this period, he advised on a broad range of transactional and corporate matters, including major financings, capital raisings, domestic and cross-border governance, regulatory and compliance issues.

John joined Export Finance Australia in 2012 and played a central role, both as Chief Operating Officer and Chief Risk Officer, in overseeing the expansion of Export Finance Australia's mandate and the delivery of complex financing transactions in support of Australian business and key government policy objectives.



Jodie Baker

**Board Audit and Risk
Committee Chair**
Independent,
Non-executive member

Appointed
1 July 2018 to 30 June 2021
9 July 2021 to 8 July 2024

Qualifications

BCom, GAICD, TFASFA

Jodie is a Non-executive Director with more than 30 years of experience in investment banking and funds management. She is on the Board of Beyond Bank, where she chairs the Risk Committee, and is also on the Board of CareFlight, where she chairs the Audit and Risk Committee. Previous non-executive director roles include Spaceship Superannuation, Percussion Australia, Disability Sports Australia and industry association Financial Executives Institute. She was also a member of the Board Credit Committee of Social Enterprise Finance Australia.

During her executive career, Jodie's roles included Managing Partner of Blackhall & Pearl,

a board, risk and governance advisory firm, CEO and Managing Director of fintech business, Morgij Analytics, and senior executive risk roles at ANZ, Société Générale and BT Financial Group.

Earlier in her career, Jodie worked in frontline and risk roles at Westpac, Macquarie Bank and Bankers Trust Australia. She holds a Bachelor of Commerce from the University of Western Australia and is a Trustee Fellow of the Association of Superannuation Funds of Australia and a Graduate of the Australian Institute of Company Directors.



Rob Chapman

**Board Audit and Risk
Committee | Independent,
Non-executive member**

Appointed

1 March 2019 to 28 February 2022
11 March 2022 to 10 March 2025

Qualifications

SFFin, FAICD

Rob has enjoyed an extensive executive career within the financial services industry, having acted as both the Chief Executive Officer of St. George Banking Group (2010–2012) and the Managing Director of BankSA (2002–2010).

Rob is Chairman of Adelaide Airport Ltd, Barossa Infrastructure Ltd and ZeroCo. He is also a Director on the Board of Coopers Brewery Limited. He is the past Chairman of Adelaide Football Club and BankSA, and past President of Business SA and CEDA South Australia. Rob has also served on the Boards of Business SA, CEDA SA, Perks Integrated Business Services,

BankSA Advisory Board, Kelly & Co. Advisory Council, and as Chairman of Catholic Church Diocesan Finance Council, Deputy Chairman SA Economic Development Board and Global Chairman of Investment Attraction Advisory Board.

Rob is a Fellow of the Australian Institute of Company Directors and Senior Fellow of the Financial Services Institute of Australasia and holds an Associate Diploma in Business from the South Australian Institute of Technology. Rob has been recognised for his consistent pursuit of excellence and outstanding contribution to South Australia with the 2005 SA Great Award for Business.



James Douglas

**Board Audit and Risk
Committee | Independent,
Non-executive member**

Appointed

9 December 2020 to
8 December 2023

Qualifications

BSc, LLB, GAICD

Victoria-based Mr Douglas has more than 20 years of senior investment banking and SME-focused venture capital experience in Australia and the US.

James is a partner of Co:Act Capital. Co:Act is an investment partnership of experienced venture investors with a network of founders, business leaders and family offices. Prior to establishing Co:Act, James was an Investment Director and Venture Partner at Acorn Capital and established and led the Acorn Capital Expansion Platform (ACEP). ACEP is a venture capital fund focused on supporting innovative Australian companies across all industries.

He helped commercialise and scale listed Australian company Carbon Revolution and remains Chair of that company.

Prior to his venture capital career, he was co-head of Global Banking at Citi (Australia) and Global Head of Consumer Products Investment Banking for Merrill Lynch in New York.



Catherine Walter AM

**Independent,
Non-executive member**

Appointed

13 May 2022 to 12 May 2025

Qualifications

LLB (Hons), LLM, MBA, FAICD

Catherine was a financial services lawyer for 20 years and managing partner of the Melbourne office of Clayton Utz. Since that time, Catherine has served on many boards across the corporate, government and not-for-profit sectors.

Her current appointments include being a Director of Australian Foundation Investment Company, and Chair of Melbourne Genomics Health Alliance and Helen Macpherson Smith Trust.

Previous board positions include being a Director of ASX, NAB, Orica, Melbourne Business School, Financial Reporting

Council and Walter & Eliza Hall Institute of Medical Research, and Chair of Creative Partnerships Australia, Financial Adviser Standards and Ethics Authority, Federation Square, Equisuper and Australian Synchrotron.



James "Jimmy" Wilson

**Board Audit and Risk
Committee | Independent,
Non-executive member**

Appointed

9 December 2020 to
8 December 2023

Qualifications

BSc Mechanical Engineering

Western Australia-based Mr Wilson was formerly the Chief Executive Officer of CBH Group, a leader in the Australian grain industry along the value chain from grain storage, handling, transport, marketing and processing.

He was previously President of BHP Iron Ore and Member of the Group Management Committee at BHP Billiton from 2012 to 2016. Mr Wilson has significant international infrastructure and supply chain experience in Australia, South Africa, the US, South America and Indonesia across multiple commodities.

Mr Wilson is also currently an Executive Director at Greatland Gold Plc.



Jan Adams AO PSM

Government member

Appointed

16 September 2022

Qualifications

BEC (Hons), LLB (Hons)

Jan Adams AO PSM was appointed Secretary of the Department of Foreign Affairs and Trade on 1 July 2022. Prior to this, Ms Adams was Australia's Ambassador to Japan from November 2020 to June 2022 and, before that, Australia's Ambassador to China from 2016 to 2019.

From April 2013 to 2016, Ms Adams was Deputy Secretary with responsibility for trade and economic issues. In this role she oversaw Trans-Pacific Partnership Agreement negotiations and the conclusion of free trade agreements with China, Korea and Japan. She previously led the department's Free Trade Agreement Division.

Ms Adams served as Ambassador for the Environment and Ambassador for Climate Change between 2005 and 2008 and as Minister Counsellor (Trade) in Washington from 2000 to 2004.

Ms Adams joined the Department of Foreign Affairs and Trade in 1999 as Assistant Secretary, APEC Branch.

From 1993 to 1996, Ms Adams was an Adviser to the Minister for Trade and Minister for Industry, Science and Technology. She also previously worked in the OECD secretariat in Paris (Trade and Environment Directorates) and at the Department of Prime Minister and Cabinet.

In 2016, Ms Adams was appointed an Officer of the Order of Australia (AO) for distinguished service to international relations through the advancement of Australia's diplomatic and free trade relationships, particularly with the United States of America, South Korea, Japan and China. In 2007, she was awarded the Public Service Medal (PSM) for outstanding public service in pursuing Australia's international objectives on trade and the environment.

Ms Adams holds Honours degrees in Economics and Law from Monash University and is a Distinguished Alumni Award recipient. She grew up in Wodonga, Victoria and is married with one adult son.



Tim Yeend

Alternate Government member

Appointed

6 January 2022

Qualifications

BA (Hons)

Tim Yeend was appointed Associate Secretary in the Department of Foreign Affairs and Trade with responsibility for trade and investment in November 2021. He has over 30 years' experience at the highest levels of government and in the international system, providing strategic direction and vision on trade and related issues.

Before assuming his current role, Mr Yeend worked at the World Trade Organization as Principal Adviser and Chief of Staff to former Director-General Roberto Azevedo and current Director-General Ngozi Okonjo-Iweala. He also led the World Trade Organization's engagement with G20 Leaders as WTO Sherpa.

Prior to this, Mr Yeend was the Australian Ambassador to the WTO and other international economic organisations in Geneva. He has also worked in a number of senior positions in the Department of Foreign Affairs and Trade, including overseas assignments in Switzerland, Indonesia and South Africa. He worked as an adviser to former Deputy Prime Minister Tim Fischer and Trade Minister Mark Vaile. He has also worked in the former Departments of Primary Industries and Energy and Transport.

Mr Yeend holds a BA (Hons) from the Australian National University as well as postgraduate qualifications from the UK. He is married with two adult children.

Board operations

Members whose term ended in 2022-23

Swati Dave ended her term as Managing Director & CEO on 29 July 2022.

Members appointed in 2022-23

John Hopkins was appointed as Managing Director & CEO on 1 August 2022.

Jan Adams AO PSM was appointed as the Government Member on 16 September 2022.

Transactions with Board members and related entities of Board members

Board members have made appropriate disclosures in respect of transactions our organisation has undertaken where they may have, or may be perceived to have, a material personal interest.

Declared conflicts and potential conflicts of interest

Our Board always ensures that a Board member does not participate in discussions where there is, or may be, a conflict between their own interests, those of our organisation or one of our customers. We maintain a register which is updated with the disclosed interests of all Board members.

Meeting attendance

Board attendance

Table 7: Board attendance

Board member	Eligible to attend	Attended
Mr James M Millar AM (Chair)	6	6
Mr John Hopkins (Managing Director & CEO)	6	6
Mr David Bennett (Deputy Chair)	6	6
Ms Jodie Baker	6	6
Mr Rob Chapman	6	6
Mr James Douglas	6	6
Ms Catherine Walter AM	6	6
Mr Jimmy Wilson	6	6
Government / alternate Government members: Ms Jan Adams AO PSM Mr Tim Yeend	6	4

Board Audit and Risk Committee attendance

Table 8: Board Audit and Risk Committee attendance

Board member	Eligible to attend	Attended
Ms Jodie Baker	4	4
Mr Rob Chapman	4	4
Mr James Douglas	4	4
Mr Jimmy Wilson	4	4

In addition to Board meetings, which take place every two months, our Board held two intersessional meetings. Our Board Audit and Risk Committee met four times this year.

Attendance at Board Audit and Risk Committee meetings is encouraged for Board members not on the Board Audit and Risk Committee.

Indemnities and insurance

We have provided certain indemnities, as permitted by law, to our officers, including our Board members and employees.

We also maintained and paid premiums for professional indemnity insurance and Directors' and Officers' liability insurance, including cover for certain legal costs. In total, we paid \$317,823 in premiums during 2022–23.

We did not pay out any amount in connection with Board member or employee indemnities during the year.

Our people

We work to create an environment that attracts and retains the talent we need to deliver our purpose and create value for our customers.

We take pride in supporting Australian exporters to succeed and in enabling infrastructure development across the region.

We encourage our people to collaborate and actively challenge the status quo.

Our people strategy is focused on:



- Capability**
 Building capabilities to meet our changing operating context and mandate.



- Culture**
 Enabling a culture of ownership, supported by conversations that unlock opportunities and identify and manage risks.



- Connection**
 Maintaining an inclusive environment where our people feel they belong, are engaged and can thrive.



- Collaboration**
 Evolving our operating model around our customer and stakeholder needs and facilitating stronger cross-collaboration between teams.

Workforce profile

Table 9: Number of employees

	30 June 2023	30 June 2022	30 June 2021
Permanent employees (ongoing)	131	113	105
Fixed Term (non-ongoing)	12	9	13

Workforce highlights

As a purpose-led organisation, our culture supports our people to thrive and deliver results for our customers.

Building competitive advantage through our extraordinary teams

This year, we invested in the second phase of our employee development program, Team Edge, to help our people stretch their thinking, build team capabilities and drive individual agility in the pursuit of business goals.

We provided our people with learning experiences, including mentoring, training and peer learning sessions, all aimed at building capability in engaging with our customers and partners. We have also invested in strengthening the technical skills of our people through development programs.

Creating an engaging workplace

Our continued focus on creating an inclusive workplace has delivered significant benefits in lifting organisational performance and retaining critical talent.

Through employee surveys, our people have said they value our:

- › investment in connection and capability, as well as our open and transparent communication
- › culture of collaboration and teamwork, enabled by strong psychological safety and inclusion.

Enabling talent and capability

We have worked to attract high-calibre specialist talent, while also promoting our people internally to expand into new roles across all levels of the organisation.

We continued to build our capabilities across the organisation. During the year, we enhanced our operating model to deliver more effective solutions for our customers. This included introducing a partnerships function into our SME team, reorganising our PSF team to introduce additional capacity and capability and elevating the Corporate Affairs function to be part of the Executive team.

Investing in leadership

We believe that great leaders build high-performing teams and inclusive cultures. The calibre of our leaders continues to grow as we build internal capability as well as introduce new leadership talent.

To support this, we:

- › invested in leadership through our Coaching for Performance program
- › provided our leadership team with an online learning platform that connected them with inspiring business leaders, and explored how we can embed key ideas into practice.

We strive for a culture of excellence



We were delighted to be recognised as a Great Place to Work® for the third time.

Our positive results included:

- › an average score across all employee statements of

85%

(83 per cent in 2022)

- › a Great Workplace measure of

90%

(86 per cent in 2022).

We were also recognised as a Best Place to Work as part of the *Australian Financial Review* BOSS Best Places to Work list.



Table 10: All ongoing employees current report period (2022-23)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	60	-	60	45	11	56	1	-	1	-	-	-	-	-	-	117
QLD	4	-	4	1	-	1	-	-	-	-	-	-	-	-	-	5
SA	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1
TAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIC	3	-	3	-	-	-	-	-	-	-	-	-	-	-	-	3
WA	3	-	3	1	-	1	-	-	-	-	-	-	-	-	-	4
ACT	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1
NT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External Territories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	72	-	72	47	11	58	1	-	1	-	-	-	-	-	-	131

Table 11: All non-ongoing employees current report period (2022-23)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	6	-	6	5	1	6	-	-	-	-	-	-	-	-	-	12
QLD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External Territories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6	-	6	5	1	6	-	-	-	-	-	-	-	-	-	12

Risk management

Our risk management framework

Risk management is a critical enabler of our overall corporate objective of being financially sustainable within our Board's agreed risk appetite.

We have developed an enterprise-wide risk management framework that identifies the key risks facing the organisation and the controls we have in place.

Our Risk Appetite Statement details our Board's risk appetite for each key enterprise risk we face. Our Risk Control Matrix sets out each inherent risk we face and the controls we have in place to arrive at a residual risk rating.

More detail about our Risk Management Framework is available on our [website](#).

We regularly review the Risk Control Matrix to identify new risks or changes to existing risks. Each risk has an assigned owner who is responsible for managing each risk. This approach ensures we continue to build a culture of risk awareness and ownership across our organisation.

Core principles

Our risk culture and risk management foundations include:

- › a focus on uplifting risk management processes, including promoting the use of data-driven decision making, documented control processes and management reporting, supported by Board oversight and independent review
- › detailed policies and procedures supported by systems and processes
- › clear lines of responsibility and accountability for achieving set outcomes
- › strategies to recruit, develop and retain employees who have the required specialist skills to support the delivery of our mandate
- › an employee performance system that requires robust risk management behaviours
- › a culture of consultation and speaking up about potential issues
- › an open and transparent risk culture that seeks to anticipate, avoid and mitigate risks and seeks to always learn and improve.

Types of risks

We have an enterprise-wide risk management framework that identifies the risks facing the organisation and the controls we have in place.

Key risk categories and associated mitigation strategies include:

- › strategic risk
- › credit risk
- › reputational risk
- › market risk
- › operational risk.

Risk management oversight

Risk-related policies, tolerances and operational limits are set by our Board, with support and specific oversight by the Board Audit and Risk Committee.

All our transactions are reviewed by our Board or by management as delegated by our Board. Economic and political risks, market risks, capital management risks, compliance risks, credit risks, cyber risks and environmental and social risks are assessed by specialist risk teams.

We operate a 'three lines of defence' model for managing risk:

- 1 > business functions take responsibility for risks within their own operations
- 2 > an internal, but independent, Risk and Compliance function reviews our risk management controls
- 3 > audits and reviews by our independent internal auditors provide detailed reports on improving our risk management approach. The Australian National Audit Office (ANAO) and its appointed agent also review our financial statements independently.

Roles and responsibilities

Our Board is responsible for setting our risk strategy, including our risk appetite and tolerance.

Our Board Audit and Risk Committee oversees all aspects of risk management and internal control. This includes reviewing our compliance activity, financial reporting and performance reporting, audit program and the adequacy of our accounting policies and procedures.

Our Executive and senior management teams, led by our Managing Director & CEO, implement our Board's risk strategy. This involves developing policies, processes, procedures and controls to identify and manage risks across all our areas of activity. ESG is a high priority for our organisation and is also the responsibility of our Executive.

Our Board engages an independent internal auditor to review our risk management and internal controls. This service provider, currently EY, reports to our Board via our Board Audit and Risk Committee and the Executive team. It has full access to our employee and organisational data when conducting these reviews.

The ANAO and its appointed agent, currently KPMG, perform an independent review of our financial statements.

Role of committees

The Managing Director & CEO has responsibility for the day-to-day management of Export Finance Australia assisted by the Executive and its committees.

- > **Executive Committee**
Reviews all aspects of our business.
- > **Treasury Risk Review Committee**
Reviews Treasury activities, limits, noteworthy transactions and current issues.
- > **Credit Committee**
Reviews large potential transactions.
- > **Risk and Compliance Committee**
Reviews and monitors our management of risk and compliance.
- > **Work Health and Safety Committee**
Reviews workplace risks and reports any hazards or safety problems that may cause harm or injury to employees, contractors or visitors.
- > **Business Continuity Planning Steering Committee**
Coordinates Business Continuity Planning and Crisis Management.

Capital management

Our approach to capital management is based on assessing the level of, and appetite for, risk and ensuring that the level and quality of capital is appropriate to that risk profile.

Prudent practice requires that capital management be forward looking and to consider changes in strategy, business plans and the operating environment, as well as changes in the type, amount and concentration of risk that might affect the capital resources available.

Capital management also supports our operations by providing a buffer to absorb unanticipated losses from our normal business activities.

Capital reserves

We are required to maintain sufficient capital and reserves to meet our likely liabilities and provide for the possibility of loan defaults. Our Board is required to ensure that our capital and reserves, at any time, are sufficient, according to sound commercial principles.

If cash capital is insufficient, our Board, in consultation with our Minister, may call on additional cash capital from the Government up to a prescribed amount. Our organisation is also supported by a Commonwealth guarantee that protects third parties from any financial loss in the event we cannot meet our obligations. To date, this guarantee has never been called.

Our prudential management is guided on standards set by the Australian Prudential Regulation Authority (APRA) and the Bank for International Settlements through the Basel Committee on Banking Supervision (Basel Committee).

Our Board treats our capital as equivalent to regulatory capital under APRA guidelines and uses this as the basis for setting risk tolerances regarding large financial exposures. When making this assessment, our Board is required to include as capital the \$1.2 billion of callable capital available from the Commonwealth.

Callable capital

Our callable capital is an amount specified in the EFIC Act that the Commonwealth will make available to us if we (for whatever reason) are unable to meet our expected losses or liabilities. It is a requirement under the EFIC Act that in calculating our total capital, amounts specified as "callable capital" are included in that capital calculation. Our maximum liability is set at \$6.5 billion for our activities on the CA. This cap is set and regulated by the Export Finance and Insurance Corporation Regulations 2018.

The requirement to hold sufficient capital and reserves only relates to our CA activities. We hold no capital against our NIA exposures, as this is a wholly Commonwealth risk. For more information on our capital adequacy, see Note 20 under the 'Financial Statements' section on page 156.

Large exposures

We model our large exposure policy on APRA guidelines.

We limit large exposures to 25 per cent of eligible capital for exposures graded Export Finance Australia Rating System (ERS) 1 (AAA/AA- or Aaa/Aa3) or ERS 2 (A+/A- or A1/A3). We have adopted a more conservative target of 15 per cent for risks graded ERS 3 (BBB+/BBB- or Baa1/Baa3) or worse, within the general limit of 25 per cent.

As an exception to this policy, the Board has approved an increase in exposure limits from a maximum of 25 per cent to 30 per cent of capital applying to risk transfer partners that are ERS 1 government-backed ECAs. The maximum exposure limit applying to other risk transfer partners rated ERS 1 or 2 is 20 per cent of capital.

For treasury counterparties, maximum exposure to AAA to AA- Sovereigns¹ and Financials² is limited to 25 per cent of capital, except for 37.5 per cent of capital for the major Australian banks.

Under current delegations, our Board must approve all transactions that involve commitments to any group consisting of a parent and its controlled subsidiaries, affiliates and associates over \$50 million.

¹ Sovereigns refers to other countries.

² Financials refers to Financial Institutions, namely well-capitalised banks.

Risk allowances

Allowance for credit risk and expected credit loss

While it is never possible to know in advance the losses a financial institution will suffer in a particular year, we can forecast the average level of credit losses we would reasonably expect to experience. APRA guidelines refer to such losses as expected losses.

Our approach is to take credit risk into account in the fair value calculation of all credit exposures, both on and off the balance sheet. We assess this considering the expected losses over the life of facilities. Our current model considers the magnitude and nature of the exposures, their risk grading, the type of exposure and the maturity of the risk.

To ensure consistency, we periodically review our methodology and results against independent market sources.

When it is likely that a loan or debt will not be recovered in full due to a specific event, we do not use the model and instead determine an appropriate amount to set aside for expected loss.

The allowance for credit risk also provides for possible loan defaults and potential claims in relation to off-balance-sheet facilities, such as export finance guarantees.

Allowance for derivative risk

It is standard practice within financial markets to measure the credit risk and valuation risk component of all derivative transactions. The credit risk component factors in the counterparty risk rating, the maturity date and the terms of any collateral lodged under a credit support annex arrangement. The valuation risk component recognises that different counterparties may value the same transaction differently because of the sophistication of the models they use.

Each year, we consult our external auditors to ensure our methodology is appropriate for recognising credit and valuation risk in our derivatives portfolio.

Residual margin

When we value our loans and guarantees on a fair-value basis, we use a discounted cash flow methodology to calculate a valuation on day one for that particular transaction. The difference between the cash flow on day one and the net present value of the income stream (including an allowance for credit risk adjustment on that transaction) is termed 'residual margin'. This includes other risk factors, such as servicing costs and prepayment risk. When these factors are included in the valuation, the day one profit equates to zero. The residual margin is then recognised over the life of the transaction.

Loans at amortised cost

Transactions that are recorded at amortised cost are floating-rate loans and short-term loans. These transactions are not funded and therefore no derivative is required. As such, the amortised value approximates their fair value.

Loans measured at amortised cost are evaluated for impairment using an expected credit loss model.

Handling currency exposure

Our loans and rescheduled debts are mostly denominated in foreign currencies. As at 30 June 2023, 67 per cent of our loans were denominated in US dollars and six per cent were in euros. We convert income and expenses to Australian dollars when we receive or pay them.

Any currency exposure is subject to a Board-approved limit. To protect our assets and liabilities, we borrow in the same currency as our assets. Alternatively, we borrow in another currency and use cross-currency swaps and other foreign exchange instruments to manage currency risks.

We also use interest rate swaps and forward rate agreements to substantially match the interest rate profiles of our liabilities with those of our loans.

Foreign exchange rates do affect our fair value calculations, including the allowance for credit risk on the CA. This is because we do not hedge future income and expenses that are expected to be received and paid in foreign currencies.

Legislative and government information

EFIC Act

We were established under the EFIC Act, which sets out our functions, powers and duties.

Under the EFIC Act, our key functions are to:

- › facilitate and encourage Australian export trade and overseas infrastructure development by providing finance
- › encourage banks and other financial institutions to finance exports and overseas infrastructure development
- › provide information and advice about finance to help support Australian export trade and overseas infrastructure development

- › assist other Commonwealth entities and businesses in providing finance and financial services
- › administer payments in relation to certain overseas aid projects financed by the Commonwealth.

During 2022–23, the EFIC Act was amended by the *Climate Change (Consequential Amendments) Act 2022* to specify that, in performing our functions, we must have regard to Australia's obligations under the Paris Agreement and Australia's greenhouse gas emissions reduction targets.

Responsible and nominated Ministers

We are part of the DFAT portfolio of agencies. Our responsible Minister is the Minister for Trade and Tourism, Senator the Hon Don Farrell.

Directions from our Minister

During the year we had no incidences of non-compliance with Ministerial directions.

Section 9 of the EFIC Act

Section 9 of the EFIC Act permits our Minister to issue directions with respect to how we perform our functions or exercise our powers. We complied with each of the section 9 directions referred to below during 2022–23.

Date	Matter	Directing Export Finance Australia to:
2 May 2023	NRFC	Assist the DISR in the establishment and administration of the NRFC and, if required, upon its establishment, assist the NRFC in its administration and operations by providing services in relation to financial arrangements and agreements.
16 September 2022	The Russian Federation or Republic of Belarus	Not accept an application from a person in respect of any transaction that supports trade with or investment in the Russian Federation or Republic of Belarus.
9 June 2021	Republic of Cuba (Cuba)	Exercise its powers and perform its functions in accordance with and give effect to the agreement between Cuba and the Group of Creditors to Cuba recorded in the Agreed Minutes of 10 June 2021.
7 May 2020	Paris Club Debt Relief	Provide debt relief in relation to the NIA loan to the Independent State of Papua New Guinea in accordance with the G20 Paris Club Agreement.
21 November 2018	AIFFP	Assist DFAT in establishing and administering the AIFFP and, upon its establishment, to assist the AIFFP in its financial arrangements and agreements.

Date	Matter	Directing Export Finance Australia to:
8 May 2018	IECS	Assist the Department of the Prime Minister and Cabinet in establishing and managing the pilot Indigenous Entrepreneurs Capital Scheme (IECS).
8 May 2018	NHFIC	Assist Treasury in establishing and administering NHFIC and, upon its establishment, to assist NHFIC in its administration and operations.
15 February 2016	Iran	Resume facilitating and encouraging Australian export trade to Iran. However, Export Finance Australia shall not provide services or functions in relation to a prohibited activity under the Autonomous Sanctions Regulations 2011 and the Charter of the United Nations (Sanctions-Iran) Regulations 2008.
18 June 2014	Uranium	Not assist any transaction linked to uranium unless an acceptable proliferation risk assessment is obtained from DFAT and any foreign country relevant to the particular transaction: <ul style="list-style-type: none"> › is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or has concluded a Nuclear Cooperation Agreement with Australia › has in force a safeguard agreement and an additional protocol on strengthened safeguards within the International Atomic Energy Agency.
19 July 2009	Democratic People's Republic of Korea (DPRK)	Not accept an application from a person in respect of any transaction that relates to trade with, or investment in, the DPRK, or provide any insurance or financial services or products or in any other way assist or facilitate any trade with, or investment in, the DPRK.
27 May 2009	Zimbabwe	Not underwrite trade or investment in Zimbabwe that would be incompatible with the targeted autonomous sanctions implemented by the Australian Government. Any application must first be referred to and determined by DFAT and all decisions by Export Finance Australia must be determined by the Board.
4 July 2007	Funding	Implement certain accounting arrangements (to reflect certain income and expenses) and certain funding arrangements including in relation to benchmark rates for National Interest Account loans. The direction also covers arrangements for risks and losses associated with contracts and arrangements that Export Finance Australia enters into in order to fund National Interest Account loans.
4 July 2007	Paris Club	Continuing participation as part of the Australian Government's negotiations in the Paris Club. The role includes finding payment solutions for debtor nations.
4 July 2007	OECD	Arrangement on Officially Supported Export Credits (Arrangement). Comply with Australia's obligations under the OECD Arrangement on Officially Supported Export Credits.

Financial effect on our operations of each Ministerial direction issued under section 9

The recoverable costs associated with our support of other Commonwealth entities (NAIF*,

AIFFP and NHFIC) are detailed on page 34.

The specific costs of compliance with our Minister's other section 9 directions are not easily quantifiable. This is because our compliance systems, processes

and people ensure we adhere to a range of legal and regulatory frameworks, not just Ministerial directions. Meaningful separation of transaction-related costs is also difficult to calculate as some costs may be recoverable from third parties.

* Support for NAIF is not provided through the mechanism of a Ministerial section 9 direction, but instead directly through section 7 of the EFIC Act.

Section 26 of the EFIC Act

Section 26 of the EFIC Act permits our Minister to issue directions with respect to circumstances

in which applications for finance are, or are not, to be referred to our Minister. We complied with each of the section 26 directions referred to below during 2022–23.

Date	Matter	Directing Export Finance Australia to:
22 November 2022	AIFFP	<p>Refer applications to our Minister (up to a maximum amount of A\$3 billion in total) that relate to the provision of financial support for overseas infrastructure development in Pacific Island countries or Timor-Leste, which are made for the purposes of accessing the AIFFP and which satisfy the following conditions:</p> <ul style="list-style-type: none"> › the application is for financing infrastructure development required by Pacific Island countries or Timor-Leste › where Export Finance Australia is satisfied that private sector financiers ordinarily carrying on business in Australia are unable or unwilling to provide the financial support requested by the application.
11 November 2021	Equity Investments	<p>Not refer to our Minister any applications for equity investment that are:</p> <ul style="list-style-type: none"> › for a majority interest (50% or more). This includes the total Commonwealth interest if Export Finance Australia is providing financing alongside other Commonwealth entities › and/or valued at under \$20 million, unless there is a compelling reason.
28 September 2021	Defence Export Facility	<p>Refer applications to our Minister up to a maximum amount of US\$3 billion over 10 years that relate to the provision of financial support for Australian defence exports (including dual use goods or services) intended for defence or national security-related end-users overseas, where:</p> <ul style="list-style-type: none"> › Export Finance Australia has identified a private finance market gap › Export Finance Australia is unable to finance all or part of the application on the CA › any necessary Defence Export Control export permit or in-principle approval has already been obtained › the Australian Defence Export Office (or equivalent) has been consulted on alignment of the transaction with the Defence Export Strategy › due diligence for the application is conducted in the same manner as we would for a transaction on our own CA.
28 September 2021	Critical Minerals Facility	<p>Refer applications to our Minister up to a maximum amount of A\$2 billion over 10 years that relate to the provision of financial support for certain Australian critical minerals transactions (including related infrastructure), where:</p> <ul style="list-style-type: none"> › Export Finance Australia has identified a private finance market gap › Export Finance Australia is unable to finance all or part of the application on the CA › the Critical Minerals Facilitation Office (or equivalent) has been consulted on alignment of the transaction with the Critical Minerals Strategy › due diligence for the application is conducted in the same manner as we would for a transaction or project on our own CA.
9 April 2020	COVID-19 Export Capital Facility	<p>Refer applications to our Minister for financial accommodation of \$5 million or greater for any single eligible applicant pursuant to the direction's conditions.</p> <p>The 12-month COVID-19 Export Capital Facility (COVID-19 Facility) expired in April 2021.</p>

Section 27 of the EFIC Act

Section 27(4) of the EFIC Act permits our Minister to approve in writing loans made under section 23 of the EFIC Act if our Minister is satisfied that it is in the national interest.

In accordance with section 28(c) of the EFIC Act, each loan approval is subject to the final terms and conditions offered under the relevant loan being consistent with its summary term sheet.

We complied with each of the section 27 directions referred to below during 2022–23.

Date	Matter	Directing Export Finance Australia to:
2 May 2023	AIFFP	Provide a loan of up to A\$7 million to Solomon Islands Shipyard Limited, or another entity of the Silentworld Group that is acceptable to Export Finance Australia, on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia’s normal commercial practices.
10 November 2022	AIFFP	Provide a loan of up to US\$50 million to the Democratic Republic of Timor-Leste on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia’s normal commercial practices.
5 October 2022	AIFFP	Provide a loan of up to US\$45 million to the Republic of Fiji on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia’s normal commercial practices.
5 July 2022	Digicel Pacific	Enter into a contract of insurance (on such terms as determined by Export Finance Australia) with any one or more of Bidco (S) Pte. Ltd., Telstra PM Pty Ltd, Telstra PM Holdings Pty Ltd, Telstra Corporation Limited (or its Australian wholly owned subsidiary) with a limit of liability of up to US\$140 million (plus any gross up) for coverage against certain approved causes of loss as declared under section 21 of the EFIC Act.
29 March 2022	Digicel Pacific	Provide a guarantee of up to US\$77.5 million to Japanese Bank for International Cooperation (JBIC) under section 18A of the EFIC Act in order to support JBIC’s third-party participation.
29 March 2022	Critical Minerals Facility	Provide a loan of up to A\$1.25 billion to Iluka Rare Earths Pty Ltd that is to be managed in accordance with Export Finance Australia’s normal commercial practices.
25 March 2022	AIFFP	Provide a loan of up to US\$59.5 million to the Independent State of Papua New Guinea on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia’s normal commercial practices.
25 March 2022	AIFFP	Provide a loan of up to US\$53.12 million to the Independent State of Papua New Guinea on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia’s normal commercial practices.
1 February 2022	Critical Minerals Facility	Provide a loan of up to A\$185 million (or US dollar equivalent) to Ausmin Development Pty Ltd [Renascor] that is to be managed in accordance with Export Finance Australia’s normal commercial practices.
1 February 2022	Critical Minerals Facility	Provide a loan of up to US\$40 million to EcoGraf (Australia) Pty Ltd that is to be managed in accordance with Export Finance Australia’s normal commercial practices.
7 December 2021	AIFFP	Provide a loan of up to US\$430 million to the Independent State of Papua New Guinea on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia’s normal commercial practices.

Date	Matter	Directing Export Finance Australia to:
23 October 2021	Digicel Pacific	<p>Provide loans and other financial accommodation of up to, in aggregate, approximately US\$1.54 billion to Telstra PM Pty Ltd and Bidco (S) Pte. Ltd.</p> <p>Enter into contracts of insurance with any one or more of Telstra PM Pty Ltd, Telstra PM Holdings Pty Ltd, Telstra Corporation Limited (or its Australian wholly owned subsidiary) of up to US\$320 million (plus gross up).</p> <p>In each case, to be managed in accordance with Export Finance Australia's normal commercial practices.</p>
25 June 2021	AIFFP	<p>Provide a loan of up to FJ\$10 million to Airports Fiji PTE Limited (AFL) on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia's normal commercial practices.</p> <p>Provide a guarantee of up to FJ\$96 million to Australia and New Zealand Banking Group Limited – Fiji Branch (ANZ Fiji) in respect of a loan provided by ANZ Fiji to AFL that is to be managed in accordance with Export Finance Australia's normal commercial practices.</p>
13 December 2020	AIFFP	Provide a loan of up to US\$1.75 million to the Belau Submarine Cable Corporation on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia's normal commercial practices.
13 December 2020	AIFFP	Provide a loan of up to US\$7.56 million to the Belau Submarine Cable Corporation on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia's normal commercial practices.
13 December 2020	AIFFP	Provide a loan of up to US\$18 million to Solar Pacific Pristine Power on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia's normal commercial practices.
2 November 2020	COVID-19 Facility	Provide a loan of up to A\$30 million under the COVID-19 Facility to Intrepid Group Limited that is to be managed in accordance with Export Finance Australia's normal commercial practices.
18 August 2020	COVID-19 Facility	Provide a loan of up to A\$6.5 million under the COVID-19 Facility to Imperium Tourism Holdings Pty Ltd that is to be managed in accordance with Export Finance Australia's normal commercial practices.
13 August 2020	COVID-19 Facility	Provide a loan of up to A\$15 million under the COVID-19 Facility to Apollo Tourism & Leisure Ltd that is to be managed in accordance with Export Finance Australia's normal commercial practices.
31 July 2020	AIFFP	Provide a loan of up to US\$10.6 million to the Solomon Islands Electricity Authority on behalf of the AIFFP that is to be managed in accordance with Export Finance Australia's normal commercial practices.
3 December 2018	Defence Export Facility	Provide a loan of up to US\$80 million for the government of Trinidad & Tobago (as borrower or as guarantor for a related entity borrower) that is to be managed in accordance with Export Finance Australia's normal commercial practices.
3 December 2018	Defence Export Facility	Provide a loan of up to \$90 million to CEA Technologies Pty Ltd (and/or its wholly owned subsidiary) that is to be managed in accordance with Export Finance Australia's normal commercial practices.
1 August 2011	Defence Export Facility	Establish a facility on the NIA to provide financial support to Ferra Engineering Pty Ltd, Marand Precision Engineering Pty Ltd and Quickstep Pty Ltd in relation to the Joint Strike Fighter program, pursuant to the direction's conditions.

Section 29 of the EFIC Act

Section 29 of the EFIC Act permits our Minister to issue directions with specified transactions on the NIA.

We complied with each of the section 29 directions referred to below during 2022–23.

Date	Matter	Directing Export Finance Australia to:
9 April 2020	COVID-19 Facility	<p>Provide financial accommodation of any amount under \$5 million to any single eligible applicant and refer to our Minister applications for \$5 million or greater for any single eligible applicant, pursuant to the direction's conditions.</p> <p>The ability to provide financial accommodation under this direction expired in April 2021. We still manage some facilities provided under this direction in accordance with our normal processes.</p>
4 July 2007	NIA Guidelines Unsecured Advance Payment and Performance Bond Facility	Provide a proposed facility to provide indemnities or guarantees up to an aggregate of \$30 million in relation to contracts or proposed contracts.

Section 31 of the EFIC Act

Section 31 of the EFIC Act permits our Minister to issue us directions to reduce or reschedule any of our actual or contingent liability made under Part 5 (national interest transactions) of the EFIC Act. For more information, please refer to the 'Financial matters' section on page 83.

Section 55 of the EFIC Act

Section 55(2) of the EFIC Act permits our Minister to issue directions regarding the payment of a dividend to the Commonwealth.

A dividend of \$6.4 million of the 2021–22 CA profit was paid based on a direction from our Minister.

At the date of publication, the dividend for 2022–23 had not been determined.

Section 61A of the EFIC Act

Section 61A of the EFIC Act permits our Minister to inform us in writing of the requirement to pay a debt neutrality charge.

In 2022–23 a direction dated 18 June 2015 required Export Finance Australia to pay a debt neutrality charge of 10 basis points on its cost of borrowing. On 31 January 2020, our Minister advised us in writing that the debt neutrality charge is to no longer apply to new borrowings on the NIA.

The charge now applies to new borrowings on the CA and all existing CA debt that is rolled over or refinanced. The amount payable is \$1.5 million.

Section 63A of the EFIC Act

Section 63A of the EFIC Act permits our Minister to issue directions regarding tax equivalent payments.

As at 30 June 2023, a direction dated 18 June 2015 required Export Finance Australia to pay a tax equivalent payment comprising:

- › a payment in lieu of Commonwealth income tax at 30 per cent of accounting profits, and realised capital gains, with a capacity to carry forward any tax losses
- › a payment in lieu of New South Wales (NSW) payroll tax levied on wages, allowances, variable remuneration, fringe benefits and superannuation, at rates and thresholds specified in the NSW Budget
- › a payment in lieu of NSW land tax, at rates and threshold specified in the NSW Budget.

The amount payable in lieu of Commonwealth income tax is \$7.3 million, the amount payable in lieu of NSW payroll tax is \$1.5 million, and the amount payable in lieu of NSW land tax is \$0.5 million.

Sections 65(4), 65(10), 66(4), 66(10), 66A(6) and 66A(7) of the EFIC Act

The EFIC Act permits the Minister for Finance to issue directions regarding NIA and DIFF loan payments and administration fees. A direction was received from the Minister for Finance on 7 July 2022 under sections 65(4), 65(10), 66(4), 66(10), 66A(6) and 66A(7) of the EFIC Act.

A payment of \$6.4 million of the 2022–23 CA profit was paid based on a direction from the Minister for Finance. The above payment includes a deduction of \$12,792,330.27 for administering NIA transactions for the 12-month period ending 30 April 2023.

Section 67(1) of the EFIC Act

The EFIC Act permits our Minister to determine the principles by which the Commonwealth will pay a subsidy to Export Finance Australia in respect of contracts entered into, guarantees given, or loans made by EFIC in relation to eligible export transactions or overseas infrastructure development.

On 18 February 2022, the Minister issued a determination to Export Finance Australia in relation to such subsidy principles to apply in certain circumstances.

Section 34 of the PGPA Act

Export Finance Australia has an SOE issued by our Minister on 11 November 2021, which sets out the Australian Government's key priorities and objectives for Export Finance Australia, consistent with section 34 of the PGPA Act. This SOE replaces the previous SOE issued on 24 November 2020 and is available on our [website](#).

Other legislation, policies and governance events

PGPA Act

We are a corporate Commonwealth entity and are subject to the PGPA Act and the rules and other instruments made under it. The PGPA Act sets out requirements regarding aspects of our corporate governance, reporting and accountability. Our Board is our accountable authority under the PGPA Act.

Our confidentiality obligations

We are subject to the *Freedom of Information Act 1982* but have a partial exemption reflective of our confidentiality obligations under the EFIC Act. This recognises the requirement to keep confidential customer and transaction information.

Significant non-compliance with the Finance Law

There were no instances of significant non-compliance with the Finance Law.

Financial statements audit

The Auditor-General provided his annual independent auditor's report on our financial statements. The report was unmodified. This forms part of the 'Financial Statements' section on pages 107–108.

Activities

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Activities

The core function of our Treasury team is to prudently raise funding at competitive rates. Treasury also manages the investment of our capital and reserves, as well as our other investment and liquidity portfolios.

These activities are conducted within a control framework approved by our Board and compliant with the EFIC Act, the PGPA Act and associated approvals required by the Government.

Our Treasury team operates according to the following principles:

- › aim to minimise the cost of funding our loan assets for the CA and the NIA
- › seek to maximise the return on our investments, including funds that represent our equity, cash reserves and working capital
- › manage credit risk within Board and management-approved limits and do not trade speculatively when transacting on wholesale markets
- › use derivative products to minimise currency and interest rate risks.

See Note 18 of the 'Financial Statements' section on pages 133-150 for further details about our financial exposure.

Borrowings

We borrow money to fund our activities on either the CA or the NIA.

We also need funding capacity to cover possible borrower defaults on our contingent liabilities, such as when banks call on our export finance guarantees.

We maintain a diversified funding capability with spare capacity. This ensures we have the strength and flexibility to accommodate financial market disruptions and allows us to pursue a range of pricing and risk management strategies.

The main borrowing instruments we currently use are medium-term notes issued in the capital markets and Euro Commercial Paper (ECP). We are authorised to raise funds from our approved commercial paper borrowing facility in advance of our loan funding needs. Our funding activity in 2022-23 comprised issuing ECP and medium-term notes.

We were generally able to borrow US dollars at margins below the benchmark London Inter-bank Offered Rate (LIBOR). As at 30 June 2023, we were funding in reference to LIBOR. Next year we will transition to the new market standard benchmark, Secured Overnight Financing Rate.

Investments and liquidity

The investment approval issued by the Finance Minister under the PGPA Act requires our Treasury investments to be in entities rated AA- or better, or authorised deposit-taking institutions (ADIs) rated BBB- or better.

As at 30 June 2023, the face value of our investment and liquidity holdings on the CA was \$1.6 billion, comprising cash, bank deposits and investment securities. Of this amount:

- › \$543 million represented cash capital and reserves
- › the remaining \$1.1 billion represented liquidity being held to fund future loan drawdowns, maintain a minimum market presence, reduce collateral posting risk or refinance borrowings.

Financial matters

Rescheduling and debt forgiveness

The Paris Club is an international group of government creditors charged with finding coordinated and sustainable solutions to debtor nations' payment difficulties. We have rescheduled debts owed by the Indonesian, Cuban and Iraqi governments as a result of Paris Club agreements.

Iraq

Between 1987 and 1992, we paid credit insurance claims, mostly from the NIA, regarding non-payment by the Iraqi Government for exports from Australia.

These credit insurance claims were expensed as paid. The prevailing situation in Iraq following the claim payments prevented us and the Australian Government from pursuing the recovery of this money. After the passage of United Nations Security Council Resolution 1546 and transfer of full sovereignty to the interim Iraqi Government, the Paris Club restructured the country's external debt.

The Paris Club agreed to provide Iraq with 80 per cent debt forgiveness in three stages. In May 2006, we signed a bilateral agreement with Iraq that triggered 60 per cent forgiveness under stages one and two of the debt relief package. The third and final 20 per cent stage of debt forgiveness was made in accordance with the last International Monetary Fund (IMF) Board review of Iraq's three-year IMF Program, in December 2008.

The remaining principal debt is to be repaid over 17 years until January 2028.

The rescheduled debt balance as at 30 June 2023 is US\$62.3 million on the NIA and US\$0.2 million on the CA. As at 30 June 2023, all rescheduled amounts have been paid on time as per the rescheduling agreements.

Cuba

As at 30 June 2023, our rescheduled loans to Cuba were valued at \$8.8 million.

In the mid-1980s, we issued four NIA loans to Banco Nacional de Cuba to support the sale of sugar cultivation and harvesting equipment. In December 2015, the Paris Club's 'Group of Creditors of Cuba', which included Australia, agreed with Havana on terms to reschedule Cuba's outstanding debt.

As a result of the COVID-19 pandemic, Cuba requested the deferral of payments under the 2015 Paris Club Agreement.

In June 2021, the 'Group of Creditors of Cuba' at the Paris Club agreed to defer principal and interest payments due in 2020, 2021 and 2022, together with interest payments due in 2023 and 2024.

The loans have had a 100 per cent provision in place since the payments ceased and this is maintained as at 30 June 2023.

Dividends

Section 55 of the EFIC Act requires our Board to recommend in writing to our Minister that we pay a specified dividend, or not pay a dividend, to the Commonwealth for that financial year.

Our Minister then either approves the recommendation or directs that we pay a different dividend.

We paid a dividend of \$6.4 million in the financial year, based on a recommendation from our Board.

At the date of publication, the dividend for 2022-23 had not been determined.

Table of facilities

Table 12: Table of facilities

Commercial Account transactions for 1 July 2022 to 30 June 2023						
Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Active Apparel Group Pty Ltd	Manufacturing	Synthetic Textile Manufacturing	Canada, China, Hong Kong, Ireland, Netherlands, New Zealand, Singapore, United Kingdom of Great Britain and Northern Ireland, United States of America	ELOC-R	7.51	Low Potential - note 1
ADB - Asia Commercial Joint Stock Bank	Wholesale Trade	Cereal Grain Wholesaling	Vietnam	RPA - ADB	0.54	Low Potential - note 2
ADB - Asia Commercial Joint Stock Bank	Wholesale Trade	Cereal Grain Wholesaling	Vietnam	RPA - ADB	0.51	Low Potential - note 2
ADB - Asia Commercial Joint Stock Bank	Wholesale Trade	Other Agricultural Product Wholesaling	Vietnam	RPA - ADB	1.44	Low Potential - note 2
ADB - Asia Commercial Joint Stock Bank	Wholesale Trade	Other Agricultural Product Wholesaling	Vietnam	RPA - ADB	0.96	Low Potential - note 2
ADB - Asia Commercial Joint Stock Bank	Wholesale Trade	Other Agricultural Product Wholesaling	Vietnam	RPA - ADB	0.89	Low Potential - note 2
ADB - Dhaka Bank Limited	Wholesale Trade	Cereal Grain Wholesaling	Bangladesh	RPA - ADB	0.97	Low Potential - note 2
ADB - Dutch Bangla Bank Limited	Wholesale Trade	Cereal Grain Wholesaling	Vietnam	RPA - ADB	3.65	Low Potential - note 2
ADB - Military Commercial Joint Stock Bank	Wholesale Trade	Cereal Grain Wholesaling	Vietnam	RPA - ADB	7.64	Low Potential - note 2
ADB - Military Commercial Joint Stock Bank	Wholesale Trade	Cereal Grain Wholesaling	Vietnam	RPA - ADB	4.90	Low Potential - note 2
ADB - Military Commercial Joint Stock Bank	Wholesale Trade	Other Agricultural Product Wholesaling	Vietnam	RPA - ADB	1.46	Low Potential - note 2
ADB - Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	Wholesale Trade	Cereal Grain Wholesaling	Vietnam	RPA - ADB	1.30	Low Potential - note 2

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
ADB - Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	Wholesale Trade	Cereal Grain Wholesaling	Vietnam	RPA - ADB	1.83	Low Potential - note 2
ADB - Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	Wholesale Trade	Other Agricultural Product Wholesaling	Vietnam	RPA - ADB	1.55	Low Potential - note 2
ADB - Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	Wholesale Trade	Other Agricultural Product Wholesaling	Vietnam	RPA - ADB	1.03	Low Potential - note 2
ADB - Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	Wholesale Trade	Other Goods Wholesaling n.e.c.	Vietnam	RPA - ADB	0.11	Low Potential - note 2
ADB - Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	Wholesale Trade	Other Goods Wholesaling n.e.c.	Vietnam	RPA - ADB	0.11	Low Potential - note 2
ADB - Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	Wholesale Trade	Metal and Mineral Wholesaling	Vietnam	RPA - ADB	0.54	Low Potential - note 2
ADB - Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	Wholesale Trade	Metal and Mineral Wholesaling	Vietnam	RPA - ADB	0.25	Low Potential - note 2
ADB - Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	Wholesale Trade	Metal and Mineral Wholesaling	Vietnam	RPA - ADB	0.28	Low Potential - note 2
ADB - Vietnam Technological and Commercial Joint Stock Bank (Techcombank)	Wholesale Trade	Metal and Mineral Wholesaling	Vietnam	RPA - ADB	0.27	Low Potential - note 2
Add Business Group Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	1.87	Low Potential - note 1
Add Business Group Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	1.87	Low Potential - note 1
Advanced Navigation Pty Ltd	Manufacturing	Other Electronic Equipment Manufacturing	Sweden	ECL	1.50	ME
Ages Build Pty Ltd	Construction	Other Residential Building Construction	United States of America	Bond	0.11	Low Potential - note 3
Ages Build Pty Ltd	Construction	Other Residential Building Construction	United States of America	Bond	0.11	Low Potential - note 3

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Aimrite International Pty Ltd	Manufacturing	Toy, Sporting and Recreational Product Manufacturing	New Zealand, Qatar, United Kingdom of Great Britain and Northern Ireland, United States of America	SBEL	0.02	Low Potential - note 1
Airtight Pty Ltd	Agriculture, Forestry and Fishing	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.13	Low Potential - note 3
Airtight Pty Ltd	Agriculture, Forestry and Fishing	Other Machinery and Equipment Manufacturing n.e.c.	Australia	Bond	0.13	Low Potential - note 3
Akvotek Pty Ltd	Manufacturing	Other Specialised Machinery and Equipment Manufacturing	Qatar	ECL	0.63	Low Potential - note 1
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.04	Low Potential - note 1
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.04	Low Potential - note 1
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.03	Low Potential - note 3
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.03	Low Potential - note 3
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.09	Low Potential - note 3
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.09	Low Potential - note 3
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.08	Low Potential - note 1
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.08	Low Potential - note 1
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.82	Low Potential - note 1
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.82	Low Potential - note 1
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.12	Low Potential - note 1
Alltype Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	Bond	0.12	Low Potential - note 1
Altus Renewables Limited	Electricity, Gas, Water and Waste Services	Other Wood Product Manufacturing n.e.c.	Japan	ECL-R	3.50	Low Potential - note 1

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.49	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.49	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.19	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.19	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.07	Low Potential - note 3
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.07	Low Potential - note 3
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.07	Low Potential - note 3
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.07	Low Potential - note 3
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.05	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.05	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.35	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.47	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.47	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.14	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.14	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.23	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.23	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.62	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.62	Low Potential - note 1

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.08	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.08	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.11	Low Potential - note 1
Atlantic (Aust) Pty Ltd	Mining	Other Heavy and Civil Engineering Construction	Australia	Bond	0.11	Low Potential - note 1
Aussie Multibrands Pty Ltd	Wholesale Trade	Other Grocery Wholesaling	United Arab Emirates, Kuwait, Saudi Arabia	SBEL	0.05	Low Potential - note 3
Australian Beverage Contract Filling Pty Ltd	Manufacturing	Wine and Other Alcoholic Beverage Manufacturing	New Zealand	SBEL	0.23	Low Potential - note 3
Australian Beverage Contract Filling Pty Ltd	Manufacturing	Wine and Other Alcoholic Beverage Manufacturing	New Zealand	SBEL	0.07	Low Potential - note 3
Australian Portable Camps Pty Ltd in its own capacity and as trustee for the Monacilioni Family Trust	Mining	Non-Residential Building Construction	Australia	EWCG	6.50	Low Potential - note 1
Australian Portable Camps Pty Ltd in its own capacity and as trustee for the Monacilioni Family Trust	Mining	Non-Residential Building Construction	Australia	Bond	1.24	Low Potential - note 1
Australian Portable Camps Pty Ltd in its own capacity and as trustee for the Monacilioni Family Trust	Mining	Non-Residential Building Construction	Australia	Bond	6.07	Low Potential - note 1
Australian Portable Camps Pty Ltd in its own capacity and as trustee for the Monacilioni Family Trust	Mining	Non-Residential Building Construction	Australia	Bond	4.15	Low Potential - note 1
Australian Portable Camps Pty Ltd in its own capacity and as trustee for the Monacilioni Family Trust	Mining	Non-Residential Building Construction	Australia	Bond	2.73	Low Potential - note 1
Australian Portable Camps Pty Ltd in its own capacity and as trustee for the Monacilioni Family Trust	Mining	Non-Residential Building Construction	Australia	Bond	1.74	Low Potential - note 1

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Auzoo Pet Proteins Pty Ltd	Manufacturing	Prepared Animal and Bird Feed Manufacturing	United States of America	ELOC	0.35	Low Potential - note 3
Avenell Engineering System Limited	Transport, Postal and Warehousing	Port and Water Transport Terminal Operations	Papua New Guinea	EFG	33.08	Low Potential - note 1
Bader Investments Pty Ltd trading as Workit Spaces and SKUTOPIA	Professional, Scientific and Technical Services	Computer System Design and Related Services	United Kingdom of Great Britain and Northern Ireland	ECL	0.70	Low Potential - note 1
Bank of Beijing Co Ltd	Wholesale Trade	Wool Wholesaling	China	RPA - NAB	2.80	Low Potential - note 2
Bastion Cycles Pty Ltd	Manufacturing	Other Transport Equipment Manufacturing n.e.c.	Indonesia, Korea (Republic of), United States of America	ECL	0.30	Low Potential - note 1
BCS Technology International Pty Ltd	Professional, Scientific and Technical Services	Computer System Design and Related Services	Mexico, Philippines, United States of America	ELOC	0.40	Low Potential - note 1
BONDI BORN Pty Ltd	Manufacturing	Clothing Manufacturing	United States of America, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, Hong Kong, Canada, Italy	ELOC	0.50	Low Potential - note 1
Broadsource Group Pty Ltd	Professional, Scientific and Technical Services	Computer System Design and Related Services	Canada, United States of America	ECL	1.25	Low Potential - note 1
BSP Financial Group Limited	Wholesale Trade	Cereal Grain Wholesaling	Papua New Guinea	RPA - NAB	5.48	Low Potential - note 2
Bureau Proberts International Pty Ltd	Professional, Scientific and Technical Services	Architectural Services	Saudi Arabia	ECL	3.50	Low Potential - note 1
CCB Envico Pty Ltd	Electricity, Gas, Water and Waste Services	Waste Treatment and Disposal Services	Tuvalu, Kiribati, Marshall Islands, Papua New Guinea, Solomon Islands, Vanuatu	Bond	4.00	Low Potential - note 1
CCB Envico Pty Ltd	Electricity, Gas, Water and Waste Services	Waste Treatment and Disposal Services	Tuvalu, Kiribati, Marshall Islands, Papua New Guinea, Solomon Islands, Vanuatu	Bond-R	8.00	Low Potential - note 1
CCB Envico Pty Ltd	Electricity, Gas, Water and Waste Services	Waste Treatment and Disposal Services	Kiribati, Marshall Islands, Papua New Guinea, Solomon Islands, Vanuatu	ELOC-R	3.00	Low Potential - note 1

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Centrex Limited	Mining	Other Non-Metallic Mineral Mining and Quarrying	India, Indonesia, Japan, Korea (Republic of), Mexico, New Zealand	ELOC	5.09	Low Potential - note 1
China Everbright Bank Company Limited	Agriculture, Forestry and Fishing	Logging	China	RPA - NAB	8.11	Low Potential - note 2
CMG Operations Pty Ltd	Professional, Scientific and Technical Services	Other Professional, Scientific and Technical Services n.e.c.	United States of America	SBEL	0.15	Low Potential - note 3
Corrivium Pty Ltd	Information Media and Telecommunications	Internet Publishing and Broadcasting	United States of America	SBEL	0.20	Low Potential - note 3
Crestnut Products Pty Ltd	Wholesale Trade	Other Grocery Wholesaling	China, Hong Kong	ECL	1.50	Low Potential - note 1
DCI Electrical Services (WA) Pty Ltd	Mining	Other Mining Support Services	Australia	ECL	1.00	Low Potential - note 1
DCI Electrical Services (WA) Pty Ltd	Mining	Other Mining Support Services	Australia	Bond	0.29	Low Potential - note 1
DCI Electrical Services (WA) Pty Ltd	Mining	Other Mining Support Services	Australia	Bond	0.29	Low Potential - note 1
DCI Electrical Services (WA) Pty Ltd	Mining	Other Mining Support Services	Australia	ECL	1.00	Low Potential - note 1
Distributeall Pty Ltd	Wholesale Trade	Other Grocery Wholesaling	Saudi Arabia	SBEL	0.08	Low Potential - note 3
Dowson Pty Ltd	Manufacturing	Rigid and Semi-Rigid Polymer Product Manufacturing	Australia	ECL	1.00	Low Potential - note 1
Easy Signs Pty Ltd	Manufacturing	Printing	United States of America	ECL	1.03	Low Potential - note 1
Eco Structures Australia Pty Ltd	Manufacturing	Other Structural Metal Product Manufacturing	United States of America	ECL	0.60	Low Potential - note 1
EDK Enterprises Pty Ltd as trustee for Kims Property Trust Two	Retail Trade	Other Store-Based Retailing n.e.c.	Czech Republic, Germany, Italy, Poland, Spain, United Kingdom of Great Britain and Northern Ireland, United States of America	ELOC-R	0.35	Low Potential - note 1
Effusiontech Pty Ltd	Manufacturing	Other Specialised Machinery and Equipment Manufacturing	United Kingdom of Great Britain and Northern Ireland	ECL	1.30	ME
Eltirus Pty Ltd	Professional, Scientific and Technical Services	Other Professional, Scientific and Technical Services n.e.c.	New Zealand	SBEL	0.15	Low Potential - note 3

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
EOS Defence Systems Pty Ltd	Manufacturing	Other Specialised Machinery and Equipment Manufacturing	United Arab Emirates	Bond	2.40	ME
EOS Defence Systems Pty Ltd	Manufacturing	Other Specialised Machinery and Equipment Manufacturing	United Arab Emirates	Bond	1.23	ME
ESS Weathertech Pty Ltd	Manufacturing	Other Specialised Machinery and Equipment Manufacturing	Hong Kong, India, Israel, Morocco, Nepal, Philippines, Tanzania, United Republic of, United States of America, Uruguay	ELOC-R	13.31	Low Potential - note 1
FCT Holdings Pty Ltd	Professional, Scientific and Technical Services	Engineering Design and Engineering Consulting Services	Brazil	ECL	1.86	Low Potential - note 1
FCT Holdings Pty Ltd	Professional, Scientific and Technical Services	Engineering Design and Engineering Consulting Services	Brazil	Bond	1.24	Low Potential - note 1
FCT Holdings Pty Ltd	Professional, Scientific and Technical Services	Engineering Design and Engineering Consulting Services	Brazil	Bond-R	4.65	Low Potential - note 1
FFF Australia Pty Ltd	Wholesale Trade	Other Machinery and Equipment Wholesaling n.e.c.	Australia	ELOC-R	1.10	Low Potential - note 1
FFF Australia Pty Ltd	Manufacturing	Other Machinery and Equipment Wholesaling n.e.c.	Australia	Bond	0.05	Low Potential - note 1
FFF Australia Pty Ltd	Manufacturing	Other Machinery and Equipment Wholesaling n.e.c.	Australia	Bond	0.05	Low Potential - note 1
FFF Australia Pty Ltd	Manufacturing	Other Machinery and Equipment Wholesaling n.e.c.	Australia	Bond	0.03	Low Potential - note 1
FFF Australia Pty Ltd	Manufacturing	Other Machinery and Equipment Wholesaling n.e.c.	Australia	Bond	0.03	Low Potential - note 1
Flovac Vacuum Sewerage Systems Pty Limited	Manufacturing	Other Specialised Machinery and Equipment Manufacturing	United States of America	Bond	0.76	Low Potential - note 1
Flovac Vacuum Sewerage Systems Pty Limited	Manufacturing	Other Specialised Machinery and Equipment Manufacturing	United States of America	Bond	2.89	Low Potential - note 1
Fox Farming Pty Ltd as trustee for Fox Family Trust	Agriculture, Forestry and Fishing	Other Crop Growing n.e.c.	Indonesia, Thailand	SBEL	0.08	Low Potential - note 3
FRIGBOT PTY. LTD.	Manufacturing	Other Manufacturing n.e.c.	Switzerland, Sweden, United States of America	SBEL	0.10	Low Potential - note 3
Generators & OffGrid Energy	Construction	Other Construction Services n.e.c.	Papua New Guinea	Bond	0.66	Low Potential - note 1

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Generators & OffGrid Energy	Construction	Other Construction Services n.e.c.	Papua New Guinea	Bond	2.00	Low Potential - note 1
Generators & OffGrid Energy	Construction	Other Construction Services n.e.c.	Papua New Guinea	Bond	0.33	Low Potential - note 1
Generators & OffGrid Energy	Construction	Other Construction Services n.e.c.	Papua New Guinea	Bond	0.33	Low Potential - note 1
GMH Trading Pty Ltd	Wholesale Trade	Other Grocery Wholesaling	China	ELOC-R	1.50	Low Potential - note 1
Grace Loves Lace Pty Ltd	Manufacturing	Knitted Product Manufacturing	United States of America	ECL	0.50	Low Potential - note 1
Grounded Construction Group Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	1.75	Low Potential - note 1
Grounded Construction Group Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.54	Low Potential - note 1
Grounded Construction Group Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.54	Low Potential - note 1
Grounded Construction Group Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	1.75	Low Potential - note 1
Grounded Construction Group Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.77	Low Potential - note 1
Hall Contracting Pty Ltd	Construction	Other Heavy and Civil Engineering Construction	Tuvalu	Bond	6.75	Potential Impacts - note 1
Hall Contracting Pty Ltd	Construction	Other Heavy and Civil Engineering Construction	Tuvalu	Bond	3.37	Potential Impacts - note 1
Haydenshapes Pty Ltd	Manufacturing	Toy, Sporting and Recreational Product Manufacturing	Japan, United Kingdom of Great Britain and Northern Ireland	SBEL	0.25	Low Potential - note 1
HDFC Bank Limited	Wholesale Trade	Wool Wholesaling	India	RPA - NAB	0.16	Low Potential - note 2
HDFC Bank Limited	Wholesale Trade	Wool Wholesaling	India	RPA - NAB	0.21	Low Potential - note 2
HDFC Bank Limited	Wholesale Trade	Wool Wholesaling	India	RPA - NAB	0.21	Low Potential - note 2
Hms Equipment Pty Ltd	Manufacturing	Mining and Construction Machinery Manufacturing	United States of America	SBEL	0.08	Low Potential - note 3
Hully Pty Ltd	Mining	Road and Bridge Construction	Australia	Bond	1.16	Low Potential - note 1
Hully Pty Ltd	Mining	Road and Bridge Construction	Australia	Bond	1.16	Low Potential - note 1
Iaccessories Pty Ltd	Retail Trade	Watch and Jewellery Retailing	New Zealand, United Kingdom of Great Britain and Northern Ireland	SBEL	0.08	Low Potential - note 1

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
iMAGsystems Pty Ltd	Professional, Scientific and Technical Services	Computer System Design and Related Services	Korea (Republic of), Singapore, Thailand	SBEL	0.04	Low Potential - note 3
Incos Engineering Pty Ltd	Construction	Other Building Installation Services	Malaysia	Bond	0.50	Low Potential - note 1
IND Technology Pty Ltd	Manufacturing	Other Machinery and Equipment Manufacturing n.e.c.	Malaysia, Canada, United States of America	ELOC-R	0.50	Low Potential - note 1
Indian Bank	Wholesale Trade	Wool Wholesaling	India	RPA - NAB	0.22	Low Potential - note 2
Indian Bank	Wholesale Trade	Wool Wholesaling	India	RPA - NAB	0.26	Low Potential - note 2
Indian Bank	Wholesale Trade	Wool Wholesaling	India	RPA - NAB	0.24	Low Potential - note 2
Indian Bank	Wholesale Trade	Wool Wholesaling	India	RPA - NAB	0.25	Low Potential - note 2
Indian Bank	Wholesale Trade	Wool Wholesaling	India	RPA - NAB	0.23	Low Potential - note 2
Intrepid Group Limited	Administrative and Support Services	Travel Agency and Tour Arrangement Services	Australia	Loan	30.00	Low Potential - note 1
Jagcor Pty Ltd in its own capacity and as trustee for Jagcor Unit Trust	Mining	Other Construction Services n.e.c.	Australia	Bond	1.47	Low Potential - note 1
Joolca Pty Ltd	Retail Trade	Non-Store Retailing	United States of America	ECL	1.47	Low Potential - note 1
Jumping Juice Wine Company Pty Ltd	Manufacturing	Wine and Other Alcoholic Beverage Manufacturing	Japan, New Zealand, United States of America	ECL	0.20	Low Potential - note 3
K A Travel Pty Ltd	Administrative and Support Services	Tourism	Australia	SBEL	0.02	Low Potential - note 3
Knog Pty. Ltd.	Manufacturing	Toy, Sporting and Recreational Product Manufacturing	Belgium, Germany, Japan, Netherlands, United Kingdom of Great Britain and Northern Ireland, United States of America	ELOC-R	1.08	Low Potential - note 1
Le Bent Pty Ltd	Manufacturing	Clothing Manufacturing	United States of America	ELOC	0.40	Low Potential - note 1
Lee Mathews Australia Pty Limited	Wholesale Trade	Clothing and Footwear Wholesaling	China, Cyprus, Germany, Hong Kong, Indonesia, Japan, Korea (Republic of), Mexico, Saudi Arabia, Taiwan, United Arab Emirates	ELOC-R	1.00	Low Potential - note 1

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
LRL (Aust) Pty Ltd	Mining	Other Metal Ore Mining	Korea (Republic of), United States of America	Bond	25.00	Category B
Lumira Co Pty Ltd	Wholesale Trade	Pharmaceutical and Toiletry Goods Wholesaling	United States of America	ELOC	0.35	Low Potential - note 1
MAD Design Australia Pty Ltd	Manufacturing	Other Manufacturing n.e.c.	Japan, Luxembourg, United Kingdom of Great Britain and Northern Ireland, United States of America	ELOC-R	1.49	Low Potential - note 1
Maison Essentielle Pty Ltd	Retail Trade	Clothing Retailing	Germany, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United States of America	SBEL	0.08	Low Potential - note 3
Matters Enterprises Pty Ltd	Manufacturing	Other Polymer Product Manufacturing	United States of America	ECL	8.79	Category C
McConnell Dowell Corporation Limited	Construction	Other Heavy and Civil Engineering Construction	Tonga	Bond	45.00	Potential Impacts - note 1
McGregor Coxall Australia Pty Ltd	Other Services	Architectural Services	Saudi Arabia	ELOC	0.60	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.17	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.17	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	1.13	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.05	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.05	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.08	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.08	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.25	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.25	Low Potential - note 1

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	4.27	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	4.27	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	1.79	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.90	Low Potential - note 1
McNally Group Contracting Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.90	Low Potential - note 1
Meet Pat Pty Ltd	Manufacturing	Other Manufacturing n.e.c.	United Arab Emirates, Ireland, Netherlands	SBEL	0.20	Low Potential - note 3
Merino & Co. Pty Ltd	Manufacturing	Knitted Product Manufacturing	China	ECL	0.40	Low Potential - note 1
MGW Engineering Pty Ltd	Mining	Other Fabricated Metal Product Manufacturing n.e.c.	Australia	ELOC	1.50	Low Potential - note 1
Minprovis International Pty Ltd	Mining	Other Mining Support Services	Australia	Bond	0.02	Low Potential - note 3
Mobicon Systems Pty Ltd	Manufacturing	Other Transport Equipment Manufacturing n.e.c.	United States of America	SBEL	0.35	Low Potential - note 3
Neowest Building Co Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.12	Low Potential - note 1
Neowest Building Co Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.10	Low Potential - note 1
Neowest Building Co Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.10	Low Potential - note 1
Neowest Building Co Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.12	Low Potential - note 1
Neowest Building Co Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.09	Low Potential - note 1
Neowest Building Co Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.12	Low Potential - note 1
Neowest Building Co Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.12	Low Potential - note 1
Neowest Building Co Pty Ltd	Mining	Non-Residential Building Construction	Australia	Bond	0.09	Low Potential - note 1
Neowest Building Co Pty Ltd	Mining	Non-Residential Building Construction	Australia	ELOC-R	1.30	Low Potential - note 1

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Nu-Mega Ingredients Pty Ltd	Manufacturing	Other Food Product Manufacturing n.e.c.	China, New Zealand, Spain, United States of America	ECL	5.00	Low Potential - note 1
Offshore Intelligence Pty Ltd	Administrative and Support Services	Labour Supply Services	United States of America	ECL	0.20	Low Potential - note 1
Peloris Global Sourcing Pty Ltd	Wholesale Trade	Dairy Produce Wholesaling	China	SBEL	0.08	Low Potential - note 3
Perdaman Chemicals & Fertilisers (Finance) Pty Ltd	Manufacturing	Fertiliser Manufacturing	Brazil, India, New Zealand, Philippines, Thailand, United States of America	Loan	267.90	Category A
Phibion Pty Ltd	Manufacturing	Mining and Construction Machinery Manufacturing	Brazil, Chile, Peru	ECL	15.00	Low Potential - note 1
Pilbara Minerals Limited	Mining	Other Metal Ore Mining	China, Korea (Republic of)	Loan	125.11	Category B
Pinssar (Aust) Pty Ltd	Manufacturing	Other Professional and Scientific Equipment Manufacturing	United Kingdom of Great Britain and Northern Ireland, United States of America, South Africa, Chile, France	ELOC	0.45	Low Potential - note 1
Pinssar (Aust) Pty Ltd	Manufacturing	Other Professional and Scientific Equipment Manufacturing	Canada, Mongolia, Turkey, United Kingdom of Great Britain and Northern Ireland	ECL	0.45	Low Potential - note 1
Powerhouse Distribution Pty Ltd	Mining	Telecommunication Goods Wholesaling	Australia	Bond	0.50	Low Potential - note 1
Project Management Pty Ltd atf Darryl Corps Family Trust	Mining	Other Construction Services n.e.c.	Australia	Bond-R	3.00	Low Potential - note 1
ProviCo Australia Pty Ltd	Manufacturing	Cheese and Other Dairy Product Manufacturing	United Arab Emirates	ELOC-R	5.00	Low Potential - note 1
ProviCo Australia Pty Ltd	Manufacturing	Cheese and Other Dairy Product Manufacturing	United Arab Emirates	ELOC	4.00	Low Potential - note 1
PTI Pacific Pty Ltd	Manufacturing	Agricultural Machinery and Equipment Manufacturing	New Caledonia	ECL	0.45	Low Potential - note 1
Pure Food Alliance Pty Ltd	Manufacturing	Fruit and Vegetable Processing	Indonesia, Taiwan	ELOC	0.60	Low Potential - note 1
Purveyors International Pty Ltd	Wholesale Trade	Fruit and Vegetable Wholesaling	China, Hong Kong, Indonesia	SBEL	0.10	Low Potential - note 3

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Quickstep Holdings Ltd	Manufacturing	Other Machinery and Equipment Manufacturing n.e.c.	Australia, United States of America	ECL	5.00	ME
R2 Reliability Pty Ltd	Education and Training	Adult, Community and Other Education n.e.c.	Brazil, Chile, France	SBEL	0.06	Low Potential - note 3
Raider Targetry Pty Ltd	Manufacturing	Other Professional and Scientific Equipment Manufacturing	Singapore	SBEL	0.10	ME
Rathbone Wine Group Pty Ltd	Manufacturing	Wine and Other Alcoholic Beverage Manufacturing	Canada, China, Singapore, United Kingdom of Great Britain and Northern Ireland, United States of America	ELOC-R	0.30	Low Potential - note 1
Red Analytics Pty Ltd	Information Media and Telecommunications	Other Information Services	United States of America	ELOC	2.00	Low Potential - note 1
Remedial Membranes Pty Ltd	Manufacturing	Other Manufacturing n.e.c.	United States of America	SBEL	0.02	Low Potential - note 3
Remesis Group Pty Ltd	Wholesale Trade	Meat, Poultry and Smallgoods Wholesaling	Hong Kong, Singapore, Thailand	SBEL	0.35	Low Potential - note 3
Renewable Mobile Group Pty Ltd	Professional, Scientific and Technical Services	Other Professional, Scientific and Technical Services n.e.c.	China, Hong Kong, New Zealand, United Kingdom of Great Britain and Northern Ireland, United States of America	ELOC	0.70	Low Potential - note 1
Resolution Systems Pty Ltd	Mining	Mining and Construction Machinery Manufacturing	Australia, Mauritania	ECL	1.40	Low Potential - note 1
Resource Pty Ltd	Wholesale Trade	Metal and Mineral Wholesaling	Brazil, India, Pakistan, Thailand	ECL	1.42	Low Potential - note 1
Rhodes Project Services Pty Ltd	Construction	Non-Residential Building Construction	Papua New Guinea	Bond	1.00	Low Potential - note 1
Rhodes Project Services Pty Ltd	Construction	Non-Residential Building Construction	Papua New Guinea	ECL	3.00	Low Potential - note 1
Rhodes Project Services Pty Ltd	Construction	Non-Residential Building Construction	Papua New Guinea	Bond-R	3.00	Low Potential - note 1
Rhodes Project Services Pty Ltd	Construction	Non-Residential Building Construction	Papua New Guinea	ELOC-R	3.42	Low Potential - note 1
RJE Global Pty Ltd	Mining	Other Specialised Machinery and Equipment Manufacturing	Australia	Bond	2.47	Low Potential - note 1

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Robertson Technology Pty Ltd	Manufacturing	Other Electronic Equipment Manufacturing	India, Singapore, Sweden, United States of America	SBEL	0.05	Low Potential - note 3
RTI Pty Ltd	Manufacturing	Other Specialised Machinery and Equipment Manufacturing	Colombia	Bond-R	1.13	Low Potential - note 1
Ryan Meat Company (No. 2) Pty Ltd ATF Ryan Meat Trust	Wholesale Trade	Meat Processing	Australia, China, Japan, Korea (Republic of), Kuwait, Qatar, Taiwan, United Arab Emirates, United States of America	ELOC-R	3.00	Low Potential - note 1
S & E Engineering Pty Ltd	Manufacturing	Machine Tool and Parts Manufacturing	Germany	SBEL	0.35	Low Potential - note 3
Sai World Pty Ltd	Wholesale Trade	Fruit and Vegetable Wholesaling	Vietnam, India, Japan, Korea (Republic of)	SBEL	0.25	Low Potential - note 3
Sculpt Australia Pty Ltd as trustee for the Sculpt Unit Trust	Retail Trade	Clothing Retailing	United Kingdom of Great Britain and Northern Ireland, United States of America	SBEL	0.25	Low Potential - note 1
Seed Terminator Pty Ltd	Manufacturing	Agricultural Machinery and Equipment Manufacturing	Canada, Germany	SBEL	0.35	Low Potential - note 3
Shield Resources Pty Ltd	Wholesale Trade	Timber Wholesaling	Thailand, Vietnam	ELOC-R	0.80	Low Potential - note 1
Sila Australia Pty Ltd	Manufacturing	Iron and Steel Casting	Egypt, Saudi Arabia	SBEL	0.18	Low Potential - note 3
Sila Australia Pty Ltd	Manufacturing	Iron and Steel Casting	India, Malaysia, Thailand	SBEL	0.15	Low Potential - note 3
Silk Laundry Pty Ltd	Manufacturing	Clothing Manufacturing	United States of America	ECL	0.50	Low Potential - note 1
Sir The Label Pty Limited	Wholesale Trade	Clothing and Footwear Wholesaling	Germany, France, Hong Kong, Canada, United Kingdom of Great Britain and Northern Ireland, United States of America	ELOC-R	0.70	Low Potential - note 1
Sonic Essentials Pty Ltd	Manufacturing	Fertiliser Manufacturing	Thailand, Vietnam	ECL	0.30	Low Potential - note 1
Spacecube Pty Ltd	Construction	Other Building Installation Services	United Kingdom of Great Britain and Northern Ireland	ECL	3.00	Low Potential - note 1
Sunny Trading Group Pty Ltd	Wholesale Trade	Other Agricultural Product Wholesaling	Korea (Republic of), Vietnam	ELOC-R	0.30	Low Potential - note 1
Sunny Trading Group Pty Ltd	Wholesale Trade	Other Agricultural Product Wholesaling	Korea (Republic of), Vietnam	ELOC-R	0.15	Low Potential - note 3

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Sunny Trading Group Pty Ltd	Wholesale Trade	Other Agricultural Product Wholesaling	Korea (Republic of), Vietnam	ELOC	0.15	Low Potential - note 3
Superior Formulations Pty Ltd	Manufacturing	Other Food Product Manufacturing n.e.c.	Philippines, China, Indonesia	SBEL	0.15	Low Potential - note 3
Swa Water Australia Pty Limited	Manufacturing	Other Specialised Machinery and Equipment Manufacturing	Thailand, Tanzania, United Republic of	SBEL	0.10	Low Potential - note 3
Synergy Seeds Pty Ltd	Wholesale Trade	Other Agricultural Product Wholesaling	Saudi Arabia, United States of America	EWCG	1.13	Low Potential - note 1
Tag Marketing Solutions Pty Ltd	Manufacturing	Other Non-Metallic Mineral Product Manufacturing	United Kingdom of Great Britain and Northern Ireland, Hong Kong, United States of America	SBEL	0.06	Low Potential - note 1
Teron Labs Pty Ltd	Professional, Scientific and Technical Services	Computer System Design and Related Services	Canada, Finland, United States of America	SBEL	0.05	Low Potential - note 3
The Critical Slide Society Pty Ltd	Wholesale Trade	Clothing and Footwear Wholesaling	France, Japan, United States of America	SBEL	0.10	Low Potential - note 1
The One Handed Chef Pty Ltd	Wholesale Trade	Kitchen and Diningware Wholesaling	Lebanon, United Arab Emirates, United States of America	ELOC	0.50	Low Potential - note 1
The Ripe Bunch Pty Ltd	Manufacturing	Wine and Other Alcoholic Beverage Manufacturing	Singapore, United States of America	SBEL	0.10	Low Potential - note 3
The Wod Life Pty Ltd	Wholesale Trade	Clothing and Footwear Wholesaling	United States of America	ELOC-R	0.60	Low Potential - note 1
Theatre Safe Australia Pty Ltd ATF The Theatre Safe Australia Unit Trust	Arts and Recreation Services	Performing Arts Operation	Korea (Republic of)	SBEL	0.30	Low Potential - note 3
TNA Australia Pty Ltd	Manufacturing	Other Machinery and Equipment Manufacturing n.e.c.	Germany, Saudi Arabia, Argentina, Denmark, Poland, Switzerland, Turkey	Bond-R	7.71	Low Potential - note 1
UAP Australia Pty Ltd	Professional, Scientific and Technical Services	Other Specialised Design Services	United Arab Emirates	Bond	0.43	Low Potential - note 1
Vietnam Joint Stock Commercial Bank for Industry and Trade	Wholesale Trade	Cereal Grain Wholesaling	Vietnam	RPA - NAB	0.57	Low Potential - note 2

Commercial Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
VinFast Trading and Production Joint Stock Company	Transport, Postal and Warehousing	Urban Bus Transport (Including Tramway)	Vietnam	Loan	47.74	Low Potential - note 1
Vino Investments Pty Ltd Atf The VINO Investment Trust	Wholesale Trade	Liquor and Tobacco Product Wholesaling	United Kingdom of Great Britain and Northern Ireland	ECL	0.37	Low Potential - note 1
Worldpoly Pty Ltd	Manufacturing	Other Machinery and Equipment Manufacturing n.e.c.	Chile, Canada, Japan, Australia, Egypt, India, Indonesia, Mexico, South Africa, Spain, United Arab Emirates, United States of America	ELOC-R	0.38	Low Potential - note 1
Xcalibur Aviation (Australia) Pty Ltd	Professional, Scientific and Technical Services	Scientific Research Services	Japan	ECL	0.50	Low Potential - note 1
Zero Latency Pty Ltd	Manufacturing	Toy, Sporting and Recreational Product Manufacturing	Andorra, Austria, Belgium, Canada, France, Germany, India, Ireland, Netherlands, Portugal, Saudi Arabia, Spain, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America	ECL	1.50	Low Potential - note 1
Zinc Group Pty Ltd	Professional, Scientific and Technical Services	Advertising Services	China, United States of America	ECL	5.59	Low Potential - note 1
Zonte's Footstep Pty Ltd	Manufacturing	Wine and Other Alcoholic Beverage Manufacturing	Canada	ELOC-R	0.40	Low Potential - note 1
Zonte's Footstep Pty Ltd	Manufacturing	Wine and Other Alcoholic Beverage Manufacturing	Canada	ELOC-R	0.40	Low Potential - note 1

National Interest Account transactions for 1 July 2022 to 30 June 2023

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
Telstra PM Pty Ltd	Information Media and Telecommunications	Other Telecommunications Network Operation	Fiji, Nauru, Papua New Guinea, Samoa, Tonga, Vanuatu	Insurance	206.06	Low Potential - note 1

AIFFP

Exporter / Investor / Customer	Industry of export	Goods / Services	Country / Export Destination	Products / Transactions	Amount (A\$ million equivalent)	Environmental / Social impact category (a)
The Democratic Republic of Timor-Leste	Transport, Postal and Warehousing	Airport Operations and Other Air Transport Support Services	Timor-Leste	Loan	65.69	Category B – note 5
The Republic of Fiji	Construction	Road and Bridge Construction	Fiji	Loan	61.63	Low Potential - note 1

As at 30 June 2023 on the CA the weighted average margin on all facilities signed during the year was around 4.52%, with a weighted average tenor of 5.97 years.

ECL: Export Contract Loan

EFG: Export Finance Guarantee

ELOC: Export Line of Credit

ELOC-R: Export Line of Credit Renewal

EWCG: Export Working Capital Guarantee

RPA: Risk Participation Agreement

SBEL: Small Business Export Loan

(a) These notes refer to Export Finance Australia's Procedure for environmental and social review of transactions that is available on Export Finance Australia's [website](#) under "Our Organisation - Our Corporate Responsibility - Transactions - Environmental and Social Review - Procedure". This Procedure applies to all transactions that Export Finance Australia assesses after commencing its credit assessment and due diligence processes, other than military equipment transactions.

Note 1: Transaction associated with either a non-project or a bond. This association determines the way that Export Finance Australia considers the potential environmental and social impacts of the transaction. Further details are available in section 2.3 of the above Procedure.

Note 2: This type of product was assessed and found to always have a low or no potential for significant environmental and social impact.

Note 3: Assessed under a screen to identify which transactions require a detailed environmental and social review.

Note 4: Export destinations yet to be determined.

Note 5: The Environmental and Social Impact Category of B is based on our preliminary review. The categorisation will be finalised prior to the funding of the project.

ME: Denotes military equipment transaction.

Export Finance Australia confirms that the transactions comply with the most recent (as at the time the transaction closed) Statement of Expectations issued by the Minister for Trade and Tourism.

Ten-year summary

Commercial Account

Years ended 30 June (\$m)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Signings	888	344	553	411	378	194	396	390	179	577
Export contracts and overseas investments supported	8,570	1,807	2,576	1,780	2,289	1,394	996	1,475	823	2,138
Net interest income	21.9	15.8	17.9	20.4	24.7	22.0	22.5	24.6	26.5	22.6
Net premiums and fees	47.1	36.0	23.3	20.8	42.8	29.6	24.1	26.7	26.4	27.2
Fair value other financial instruments	4.3	4.8	(1.9)	3.1	0.7	(0.9)	0.0	0.1	(0.2)	(2.0)
Foreign exchange profit/(loss)	(2.8)	(5.5)	4.4	(2.2)	(2.9)	(1.4)	1.9	(1.6)	(5.4)	0.2
Debt Neutrality Charge	(1.5)	(1.1)	(1.5)	(1.0)	(1.1)	(1.0)	(1.1)	(0.9)	0.0	0.0
Other income	4.9	3.6	3.1	3.8	3.8	3.2	2.9	2.6	2.5	4.1
Operating income	73.9	53.6	45.3	44.9	68.0	51.5	50.3	51.5	49.8	52.1
Operating expenses	(47.6)	(33.6)	(27.6)	(28.1)	(29.3)	(29.0)	(32.4)	(34.0)	(31.5)	(27.9)
State-tax equivalent charges	(2.0)	(1.7)	(1.5)	(1.4)	(1.3)	(1.2)	(1.3)	(1.2)	0.0	0.0
(Charge)/credit for sundry allowances	0.0	0.0	0.0	0.6	(0.6)	0.0	0.0	0.1	(0.1)	0.0
Profit/(loss) from the discontinued credit insurance business	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Profit before tax equivalent	24.3	18.3	16.2	16.0	36.8	21.3	16.6	16.5	18.2	24.2
Income tax-equivalent charge	(7.3)	(5.5)	(4.9)	(4.8)	(11.0)	(6.4)	(5.0)	(5.0)	0.0	0.0
Operating profit for Export Finance Australia	17.0	12.8	11.3	11.2	25.8	14.9	11.6	11.5	18.2	24.2
Dividend (paid in subsequent years)	Not decided	(6.4)	(5.7)	(5.6)	(12.9)	(7.4)	(5.8)	(5.8)	(13.6)	(18.2)
Dividend payout ratio	Not decided	50%	50%	50%	50%	50%	50%	50%	75%	75%
Special dividend/capital injection	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	200.0	0.0
Equity	597.5	586.9	542.8	537.1	539.3	459.3	451.3	444.8	436.8	225.9
Return on average equity (% pa) before tax equivalent	4%	4%	3%	3%	7%	5%	4%	4%	5%	11%
Capital adequacy ratio including callable capital	55.6%	64.0%	57.5%	61.6%	60.2%	25.0%	25.2%	26.1%	30.5%	22.5%
Face value of Commercial Account client facilities outstanding (before provisions)										
Loans	1,158	1,067	1,178	1,119	1,069	910	813	868	878	594
Funded EFGs	0	8	12	24	34	51	72	99	117	123
Guarantees and other off-balance-sheet exposures	402	269	274	283	413	431	420	436	438	663
Exposures reinsured	119	118	203	355	562	640	634	673	601	478
Rescheduled debts	1	1	1	1	1	1	1	3	8	13
Total CA facilities	1,680	1,463	1,668	1,782	2,079	2,033	1,940	2,079	2,042	1,871

National Interest Account

Years ended 30 June (\$m)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Signings	333	4,539	166	675	10	0	49	0	0	0
Export contracts and overseas investments supported	119	8,748	148	670	261	0	2,667	0	0	0
Net interest income (including grant amortised)	(64.8)	(6.8)	(0.1)	0.3	0.5	0.7	0.9	1.4	1.8	2.1
Net premiums and fees	14.5	15.4	14.7	13.3	11.8	12.7	13.9	14.4	12.2	9.8
Total revenue	(71.3)	4.2	2.6	13.6	12.3	13.4	14.8	15.8	14.0	11.9
Operating expenses	(11.5)	(11.5)	(4.5)	(3.7)	(1.4)	(1.4)	(1.4)	(1.2)	(1.0)	(1.6)
Foreign exchange profit/(loss)	4.1	1.0	0.2	0.4	(0.1)	0.0	(0.1)	(0.1)	(0.3)	(0.2)
(Charge)/credit for specific provisions	(4.1)	(3.6)	14.7	0.3	0.2	0.2	(7.5)	(19.7)	(14.3)	(9.6)
Profit/(loss) from the discontinued credit insurance business	23.0	18.5	17.5	21.9	23.1	20.1	19.9	19.4	17.6	15.5
Operating profit attributable to the Commonwealth	(59.8)	8.6	30.5	32.5	34.1	32.3	25.7	14.2	16.0	16.0

Face value of National Interest Account client facilities outstanding (before provisions)

Loans	1,760	561	398	842	366	431	527	596	665	624
Guarantees and other off-balance-sheet exposures	715	46	0	5	8	10	10	11	12	11
Equity securities	941	0	0	0	0	0	0	0	0	0
Rescheduled debts	94	109	116	145	160	169	179	215	238	232
Total National Interest facilities	3,510	716	514	992	534	610	716	822	915	867

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Statement by Board Members and Chief Financial Officer

In the opinion of the members of the Board and the Chief Financial Officer of Export Finance Australia:

- (a) the accompanying financial statements are drawn up to give a true and fair view of the performance of Export Finance Australia for the year ended 30 June 2023 and the financial position of Export Finance Australia at 30 June 2023;
- (b) the financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*;
- (c) the financial statements have been prepared in accordance with Australian Accounting Standards;
- (d) the financial statements have been prepared based on properly maintained financial records; and
- (e) there are reasonable grounds to believe that Export Finance Australia will be able to pay its debts as and when they become due and payable.

Under section 62 of the *Export Finance and Insurance Corporation Act 1991 (EFIC Act)*, the Commonwealth guarantees the due payment by Export Finance Australia of any money payable by Export Finance Australia to third parties.

Signed in accordance with a resolution of the Board.



James M Millar AM
Chair

24 August 2023



Sonia Kammel
Chief Financial Officer

24 August 2023



John Hopkins
Managing Director & CEO

24 August 2023

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Trade and Tourism

Opinion

In my opinion, the financial statements of the Export Finance Australia (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by Board Members and Chief Financial Officer;
- Statement of Profit and Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

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

Accountable Authority's responsibility for the financial statements

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

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

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38 Sydney Avenue, Forrest ACT 2603
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Independent Auditor's Report

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Australian National Audit Office



Mark Vial
Executive Director
Delegate of the Auditor-General

Canberra

24 August 2023

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Interest income	3(i)	144.1	46.0	99.2	-
Other interest income	3(ii)	42.4	8.8	31.0	3.9
Interest expense	3(iii)	(166.1)	(40.1)	(195.0)	(10.7)
Net interest income		20.4	14.7	(64.8)	(6.8)
Fair value movement of loans, bonds, insurances and guarantees	3(iv)	47.1	36.0	32.6	-
Fair value movement of other financial instruments	3(v)	4.3	4.8	(46.5)	-
Unrealised foreign exchange gain/(loss)		(2.8)	(5.5)	4.1	1.0
Realised gain/(loss) on derivatives issued to Borrowers		-	-	2.8	-
Fair value movement of equity investments	3(vi)	-	-	(1.2)	-
Other revenue	3(vii)	4.9	3.6	37.5	33.9
Operating income		73.9	53.6	(35.5)	28.1
Operating expenses	3(viii)	(47.6)	(33.6)	(11.5)	(11.5)
Expected credit loss	3(ix)	-	-	(8.7)	(4.4)
State tax equivalent charges	3(x)	(2.0)	(1.7)	-	-
Net operating income		24.3	18.3	(55.7)	12.2
Specific provision	3(xi)	-	-	(4.1)	(3.6)
Profit/(loss) before tax equivalent		24.3	18.3	(59.8)	8.6
Income tax equivalent charge		(7.3)	(5.5)	-	-
Profit/(loss) from ordinary activities		17.0	12.8	(59.8)	8.6
National Interest Account attributable directly to the Commonwealth		-	-	59.8	(8.6)
Net profit available to the Commonwealth		17.0	12.8	-	-
Other comprehensive income					
<i>Items not subject to subsequent reclassification to profit or loss:</i>					
Gain on revaluation of land and buildings	11	-	37.0	-	-
Total other comprehensive (loss)/income for the period		-	37.0	-	-
Total comprehensive income for the period available to the Commonwealth		17.0	49.8	-	-

The accompanying notes form an integral part of the financial statements.

Statement of Financial Position

as at 30 June 2023

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Assets					
Cash and liquid assets	1(h)	40.7	19.0	83.2	-
Receivables from other financial institutions	4, 1(i)	850.0	641.4	96.2	2,506.5
Amounts receivable from the Commonwealth	5	-	-	60.2	-
Investment securities at amortised cost	6, 1(j)	780.3	891.7	-	-
Loans and receivables at amortised cost	7, 1(k)	0.1	0.1	607.7	556.9
Loans and receivables designated at fair value through profit or loss	8, 1(l)	1,161.0	1,100.8	1,161.5	-
Loans to National Interest Account designated at fair value through profit or loss	1(m)	603.7	550.3	-	-
Derivative financial assets	9, 1(n)	29.2	23.3	2.5	-
Equity securities	10, 1(o)	-	-	939.6	-
Property, plant and equipment	11, 1(p)	139.8	143.2	-	-
Other financial assets	12	16.8	19.8	8.4	4.3
Total assets		3,621.6	3,389.6	2,959.3	3,067.7
Liabilities					
Payables to other financial institutions	1(q)	-	-	-	2,511.4
Amounts payable to the Commonwealth	5	-	-	-	0.2
Borrowings from Commercial Account at amortised cost	24, 1(r)	-	-	603.9	552.2
Borrowings designated at fair value through profit or loss	13, 1(s)	2,557.1	2,379.3	2,304.1	-
Guarantees bonds and insurances designated at fair value through profit or loss	14, 1(t)	11.2	8.5	10.8	-
Derivative financial liabilities	9, 1(o)	350.1	340.5	33.6	-
Sundry provisions and allowances	15	18.5	14.5	1.6	1.5
Other financial liabilities	16	87.2	59.9	5.3	2.4
Total liabilities		3,024.1	2,802.7	2,959.3	3,067.7
Net assets		597.5	586.9	-	-
Equity					
Contributed equity		206.0	206.0	-	-
Reserves		227.5	227.5	-	-
Retained profits		164.0	153.4	-	-
Total equity		597.5	586.9	-	-

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

for the year ended 30 June 2023

	Retained Profits	Asset Revaluation Reserves	Other Reserves	Contributed Equity	Total Equity
Commercial Account	\$ m	\$ m	\$ m	\$ m	\$ m
Opening balance as at 30 June 2022	153.4	161.3	66.2	206.0	586.9
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Profit for the period	17.0	-	-	-	17.0
Total comprehensive income	17.0	-	-	-	17.0
Transactions with the Commonwealth					
Dividends paid	(6.4)	-	-	-	(6.4)
Closing balance available to the Commonwealth as at 30 June 2023	164.0	161.3	66.2	206.0	597.5
Opening balance as at 30 June 2021	146.3	124.3	66.2	206.0	542.8
Comprehensive income					
Other comprehensive income	-	37.0	-	-	37.0
Profit for the period	12.8	-	-	-	12.8
Total comprehensive income	12.8	37.0	-	-	49.8
Transactions with the Commonwealth					
Dividends paid	(5.7)	-	-	-	(5.7)
Closing balance available to the Commonwealth as at 30 June 2022	153.4	161.3	66.2	206.0	586.9

The accompanying notes form an integral part of the financial statements.

The above tables are for the Commercial Account only as the National Interest Account holds no equity.

Contributed equity comprises \$6 million of capital advanced by the Commonwealth in November 1991 and an equity injection of \$200 million paid in July 2014 that restored the capital base following a \$200 million special dividend paid in June 2013.

In addition to the contributed equity, section 54 of the EFIC Act provides for \$1.2 billion of callable capital from the Commonwealth, which to date has never been called.

Other reserves of \$66.2 million represent other net assets transferred from the Australian Trade Commission on 1 November 1991.

As agreed with the Minister for Trade and Tourism (Minister), Export Finance Australia paid a dividend for the year ended 30 June 2022 based on the recommendation from the Board that 50% of the 2021–22 profit be paid as a dividend, and accordingly a dividend of \$6.4 million was paid in December 2022.

Statement of Cash Flows

for the year ended 30 June 2023

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Cash flows from operating activities					
Inflows:					
Premium and fees received*		74.6	46.5	43.8	15.0
Interest received		178.7	52.6	117.2	2.7
Insurance claim recoveries		0.1	0.1	20.5	18.5
Sundry income*		5.1	3.7	-	-
Proceeds from derivatives issued to Borrowers		-	-	33.9	-
Decrease in other debtors and prepayments		25.8	2.7	-	-
Net Increase/(decrease) in payables to the Commonwealth		-	-	2.1	1.1
Outflows:					
Premiums paid to reinsurers (net of commissions)		(2.0)	(2.1)	-	-
Interest and other costs of finance paid		(156.9)	(35.7)	(150.0)	(4.9)
Payments to creditors and employees*		(50.8)	(38.3)	(5.6)	(3.8)
Guarantees paid		(1.3)	-	-	-
Repayments for derivatives issued to Borrowers		-	-	(31.1)	-
Net (disbursements)/repayments of loans		(79.0)	72.4	(1,175.7)	(144.5)
Purchase of equity investments		-	-	(925.0)	-
Net cash from/(used by) operating activities	24	(5.7)	101.9	(2,069.9)	(115.9)
Cash flows from investing activities					
Inflows:					
Proceeds from investment securities		613.5	1,093.5	-	-
Outflows:					
Payments for investment securities		(502.1)	(1,128.9)	-	-
Payments for property, plant and equipment		(0.4)	(0.8)	-	-
Net cash from/(used by) investing activities		111.0	(36.2)	-	-

* Grossed up for Goods and Services Tax.

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Cash flows from financing activities					
Inflows:					
Proceeds from payables to other financial institutions	24	-	16.1	2,471.2	3,750.7
Proceeds from other borrowings	24	4,958.1	4,264.5	2,501.5	184.7
Proceeds from derivatives	24	3,077.7	3,523.6	-	-
Receipts from the Commonwealth		-	-	44.9	8.8
Receipts from National Interest Account		7.2	5.0	-	-
Receipts from other Commonwealth entities		1.2	1.8	-	-
Outflows:					
Repayments of payables to other financial institutions	24	-	(16.1)	(5,097.6)	(1,370.5)
Repayments of other borrowings	24	(4,820.3)	(3,889.2)	(117.6)	(39.9)
Repayments of derivatives	24	(3,103.8)	(3,469.5)	-	-
Dividend payments to the Commonwealth		(6.4)	(5.7)	-	-
Other payments to the Commonwealth		(8.2)	(7.9)	(45.5)	(32.7)
Payments to Commercial Account		-	-	(7.2)	(5.0)
Net cash from/(used by) financing activities		105.5	422.6	(250.3)	2,496.1
Net increase/(decrease) in cash and cash equivalents held		210.8	488.3	(2,320.2)	2,380.2
Cash equivalents at beginning of financial year		660.4	150.1	2,506.5	-
Net effects of exchange rate changes on cash equivalent balances held in foreign currencies		19.5	22.0	(6.9)	126.3
Cash and cash equivalents at end of financial year	23	890.7	660.4	179.4	2,506.5

The accompanying notes form an integral part of the financial statements.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 1: Summary of Significant Accounting Policies

Export Finance Australia (formerly known as the Export Finance and Insurance Corporation or EFIC) is the Australian Government's export credit agency. We were established under the *Export Finance and Insurance Corporation Act 1991 (EFIC Act)* and are defined as a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. Export Finance Australia is part of the Department of Foreign Affairs and Trade portfolio of agencies, and reports to the Minister for Trade and Tourism (the Minister).

In recent years, the Government has enhanced Export Finance Australia's mandate to enable us to support a wider range of exporters, assist other government entities, and finance overseas infrastructure development.

These changes have complemented and enhanced Export Finance Australia's core export-focused mandate and enable us to use our specialist financing capabilities to support broader government policy initiatives.

We are a corporate Commonwealth entity with an independent Board who are responsible for managing the affairs of Export Finance Australia. This includes determining strategy, defining risk appetite and monitoring performance.

The continued existence of Export Finance Australia in its present form is dependent on Government policy.

(a) Basis of preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

- ▶ the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that apply for the reporting period; and
- ▶ *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*.

The financial statements are presented in Australian dollars and amounts are rounded to the nearest \$0.1 million unless otherwise stated.

Export Finance Australia operates two separate accounts; (i) the CA and (ii) the NIA. The results of these accounts are reported separately in the financial statements.

(i) Business undertaken on the Commercial Account

The majority of financial assets and liabilities on the CA are measured at fair value due to the way derivatives are used to hedge risk. Changes in fair value are taken through profit or loss. Some assets and liabilities, however, are measured at amortised cost. Typically, these transactions either qualify for hedge accounting, are receivables from other financial institutions, are investments in securities, or the transactions are short term and derivatives are not used to hedge the risk.

The CA operates on a for-profit basis and bears all the risks for those business activities undertaken under Part 4 of the EFIC Act.

(ii) Business undertaken on the National Interest Account

Financial assets and liabilities on the NIA are measured at amortised cost or fair value depending on the nature of the instrument.

The NIA operates on an approval or direction from the Minister for Trade and Tourism (Minister) enabling Export Finance Australia to undertake business activities under Part 5 of the EFIC Act, which the Minister considers to be in the 'national interest'. Such activities may relate to a class of business which Export Finance Australia is not authorised to undertake, or involve terms and conditions Export Finance Australia would not accept in the normal course of business. Where the Minister directs Export Finance Australia to undertake a business activity under Part 5 of the EFIC Act, the credit risk is borne by the Commonwealth. The funding risk, however, is borne by the CA. The CA is compensated for this funding risk by retaining the difference between the actual borrowing rate and an agreed benchmark rate for funding loans on the NIA. Premium or other income derived from the business activity on the NIA is paid to the Commonwealth.

The CA recovers from the Commonwealth, the costs of administering business undertaken under Part 5 and any losses incurred in respect of such business.

The EFIC Act also allows the CA to share part of a NIA business activity. In such cases, income and expenses are apportioned between the two accounts in accordance with the risk participation.

(b) New Australian Accounting Standards (AAS)

Consistent with government policy, no accounting standard has been adopted earlier than the application date as stated in the standard. There have been no new standards that have an application date for this financial year that affect the financial statements. New standards not yet effective are not anticipated to have a material impact.

(c) Recognition of income and expenses

For assets and liabilities held at fair value under the CA and the NIA, revenue and expenses are recognised and measured at the fair value of the consideration received/paid or receivable/payable, to the extent it is probable that the economic benefits will flow and the revenue or expense can be reliably measured.

For assets and liabilities held at amortised cost under the NIA, income and expense is recognised in the financial statements as earned or incurred from the date of attachment of risk and taken through the profit or loss using the effective interest method.

(d) Operating segments

Export Finance Australia operates its specialist financing activities through a single business segment - Export and Infrastructure Finance. Export Finance includes support for SME customers as well as larger corporate and sovereign customers by providing them with loans, bonds, guarantees and insurance products.

(e) Foreign currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables at reporting date are translated at exchange rates prevailing at reporting date.

All exchange gains and losses are brought to account in determining profit or loss for the year.

The principal exchange rates affecting the statement of financial position are the US dollar and the euro. The relevant exchange rates used are:

	2023	2022
Average rates during year		
US\$ / A\$	0.6729	0.7257
Euro / A\$	0.6649	0.6437
Rates at 30 June		
US\$ / A\$	0.6622	0.6877
Euro / A\$	0.6093	0.6587
PGK / A\$	2.3885	n/a

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 1: Summary of Significant Accounting Policies (cont.)

(f) Taxation

Under section 63 of the EFIC Act, Export Finance Australia is not subject to income tax and a number of other taxes. Under section 63A, Export Finance Australia is subject to tax-equivalent payments under competitive neutrality arrangements as outlined below.

Export Finance Australia is also subject to Goods and Services Tax (GST) and Fringe Benefits Tax (FBT). Revenues, expenses and assets are recognised net of the amount of GST, except:

- › where the amount of GST incurred is not recoverable as an input tax credit from the Australian Taxation Office, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- › the net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of the receivables, payables or commitments.

(g) Competitive neutrality

The competitive neutrality arrangements impose a mandatory obligation on Export Finance Australia to pay amounts as determined by the Minister each financial year.

Under section 61A of the EFIC Act, a direction dated 18 June 2015 by the Minister requires Export Finance Australia to pay a debt neutrality charge to the Commonwealth that consists of:

- › a payment of 10 basis points on Export Finance Australia's cost of borrowing, which applies to all new borrowings and to existing debt that is rolled over or refinanced.
- › On 31 January 2020, the Minister advised Export Finance Australia that the debt neutrality charge would no longer apply to new borrowings on the NIA. The charge now applies to new borrowings on the CA and all existing CA debt that is rolled over or refinanced.

Under section 63A of the EFIC Act, a direction dated 18 June 2015 by the Minister requires Export Finance Australia to pay a tax-equivalent payment to the Commonwealth that consists of:

- › a payment in lieu of Commonwealth income tax at 30% of accounting profits, and realised capital gains;
- › a payment in lieu of New South Wales payroll tax calculated at 4.85% above the relevant threshold; and
- › a payment in lieu of New South Wales land tax calculated at 2% above the relevant threshold.

(h) Cash and liquid assets

Cash and liquid assets include cash on hand and bank account balances. Cash is recognised at its nominal amount as this is considered fair value.

(i) Receivables from other financial institutions

Receivables from other financial institutions include overnight deposits and short-term fixed deposits with banks and other financial institutions. These are measured at amortised cost. They can be on both CA and also the NIA if the funding is borrowed directly to fund National Interest loans is greater than the loans and the balance is invested.

(j) Investment securities at amortised cost

The reason for holding investments is to collect the contractual cash flows which are 'solely payments of principal and interest on the principal amount outstanding'. Export Finance Australia's business model is to hold these financial assets until maturity. Investments may be sold due to credit quality issues and in limited cases for cash requirements. They are short-term, medium-term and long-term Government, bank and other debt securities and include bonds, bills of exchange, commercial paper and certificates of deposit. Interest income is taken up using the effective interest method. They are carried at amortised cost.

(k) Loans and receivables at amortised cost

On the CA, transactions that are recorded at amortised cost are floating rate loans and short-term loans. These transactions do not use derivatives to hedge. As such the amortised value approximates their fair value. Loans measured at amortised cost are evaluated for impairment using an expected credit loss model.

On the NIA, export finance loans that meet the definition of amortised cost and rescheduled credit insurance debts are carried at amortised cost. The recoverable amount is represented by the gross value of the outstanding balances, adjusted by expected credit loss, specific provisions for impairment, deferred income, unearned premium, and unamortised grants (see Note 1(e)). Unearned premiums and deferred income received in cash at the start of the loan are brought to income on an effective yield basis over the life of the loan by reducing the carrying amount. Interest income is recognised using the effective interest method. A loan or receivable is recognised as impaired when it is likely that the debt will not be recovered in full. In this instance a specific provision will be created for the impairment. An expected credit loss is recognised for corporate NIA exposures.

(l) Loans and receivables designated at fair value through profit or loss

Export finance loans and rescheduled credit insurance debts held on the CA are designated at fair value through profit or loss. They are designated at fair value as this designation significantly reduces the accounting mismatch that would otherwise arise from measuring the asset on a different basis from derivatives that have been entered into to hedge the transactions.

Some export finance loans held on the NIA Interest are classified as fair value through profit and loss as it fails the solely payment of principal and interest test under AASB 9 due to embedded foreign exchange derivatives features.

For export finance loans and rescheduled credit insurance debts, interest income through profit or loss is recorded using the effective interest method, which forms part of the fair value calculation. Movement in fair value for premium, reinsurance, residual margin, interest income and credit risk is recorded separately through profit or loss.

For more detail on the fair value calculation for loans held in the Commercial and NIA, refer to Note 19.

(m) Loans to National Interest Account designated at fair value through profit or loss

The CA funds most of the loans on the NIA from the pool of borrowings and this funding is recorded in the CA at fair value through profit or loss. For more detail, on the fair value calculation, refer to Note 19.

(n) Derivative financial instruments

Export Finance Australia uses derivative financial instruments on the CA to manage exposures to interest rate and foreign exchange risk. These include foreign exchange contracts, interest rate and cross-currency swaps, and forward rate agreements. Derivatives are initially recognised at fair value on the date a derivative is entered into and are subsequently remeasured to their fair value at each reporting date. Derivatives are carried as assets when their fair value is positive (in the money) and as liabilities when their fair value is negative (out of the money). Any gains and losses arising from changes in the fair value of derivatives, except those that qualify for hedge accounting, are taken through profit or loss. For more details on the fair value calculation, refer to Note 19.

The NIA uses derivative financial instruments to manage exposure to interest rate risks and certain loans have embedded derivative financial instruments.

(o) Equity securities at fair value through profit or loss

The amounts held in equity investments on the NIA Interest are classified as fair value through profit and loss and are classified as equity as they fail the accounting requirements to meet the definition of a loan. For more detail on the fair value calculation refer to Note 19.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 1: Summary of Significant Accounting Policies (cont.)

(p) Property, plant and equipment

Property, plant and equipment are revalued periodically to fair value to ensure that the carrying amounts of assets do not differ materially from the assets fair value at the reporting date.

The valuation of property, comprising land and buildings, is made by an independent registered valuer every three years based on an income approach and discounted cash flow analysis with reference to its highest and best use.

The valuation of plant and equipment is based on internal assessment by management to ensure that the carrying amounts do not differ materially from their fair value.

Revaluation increments are credited directly to the asset revaluation reserve and any subsequent decreases are written back against the asset revaluation reserve. On revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Property, plant and equipment, other than freehold land, is depreciated over their estimated useful economic lives using the straight-line method.

Depreciation rates used are as follows:

- › building 3.0% pa
- › computer equipment 33.3% pa
- › other plant and equipment 10.0-22.5% pa

The profit or loss on disposal of property, plant and equipment is taken into account in determining the result for the year.

(q) Payables to other financial institutions

Payables to other financial institutions are short-term borrowings with banks and other financial institutions and are measured at amortised cost. They can be on both CA and also the NIA if the funding is borrowed on a direct basis for a National Interest loan rather than from the pool of funds.

(r) Borrowings from Commercial Account

The NIA loans that are funded from the CA borrowing pool are borrowed from the CA at an agreed benchmark rate and these borrowings are recorded in the NIA at an amount equal to the net proceeds received. Interest expense is recognised using the effective interest method.

(s) Borrowings designated at fair value through profit or loss

Commercial paper, medium-term notes, bonds and structured bonds (which may have embedded derivatives) are designated at fair value through profit or loss. They are designated at fair value as this designation significantly reduces the accounting mismatch that would arise from measuring the liability on a different basis from derivatives that have been entered into to hedge the transactions. Interest expense in the profit or loss is recorded using the effective interest method, which forms part of the fair value calculation. They can be on both CA and also the NIA if the funding is borrowed on a direct basis for a National Interest loan rather than from the pool of funds. The movement in fair value is recorded separately through profit or loss. For more details on the fair value calculation, refer to Note 19.

(t) Guarantees designated at fair value through profit or loss

Guarantees, medium-term insurance, bonds and political risk insurance transactions are regarded as financial instruments under accounting standards. These are designated at fair value through profit or loss at inception. Subsequently, they are carried at their fair value with any movements transferred through profit or loss. For more details on the fair value calculation, refer to Note 19.

(u) Employee entitlements

Provisions for annual leave and long service leave have been established to provide for amounts expected to be paid to employees based on their entitlements. Where applicable, the entitlements take into account prior government service.

The provision for annual leave is based on the value of actual entitlements at reporting date. Long service leave is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date and discounted using appropriate market yields at reporting date.

Export Finance Australia makes contributions to the Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme and its obligation is limited to a required annual contribution as determined by the actuaries of the superannuation plans administered by the Commonwealth. Accordingly, the plans are accounted for as defined contribution plans. The liability for defined benefits are recognised in the financial statements of the Australian Government and are settled by the Australian Government in due course.

Export Finance Australia staff can also be members of superannuation funds held outside the Australian Government. Export Finance Australia makes employer contributions to these funds as per the superannuation guarantee contribution rate. The liability for superannuation recognised as at 30 June represents outstanding contributions.

(v) Sundry creditors

Creditors and other financial liabilities are recognised when Export Finance Australia becomes obliged to make future payments resulting from the purchase of goods or services.

(w) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand and at bank, and deposits with financial institutions, to maintain liquidity.

(x) Contingencies and commitments - assets and liabilities

Where, as a result of past events, there is a possible asset or liability whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Export Finance Australia, this will be disclosed as a contingent asset or contingent liability. When the inflow of economic benefits is probable, but not virtually certain, a contingent asset is recognised. When the outflow of economic benefits is probable, a contingent liability is recognised.

Commitments to provide financial facilities are contractually based. For loans and funded guarantees, Export Finance Australia has committed to lend a fixed amount and any undrawn amounts under these facilities are shown as commitments. For guarantees and bonds, Export Finance Australia has committed to cover a fixed exposure and any undrawn amounts under these facilities are shown as commitments.

Export Finance Australia is a respondent in legal proceedings commenced against it (and other parties) which arose in the ordinary course of business. Any liabilities arising from such legal actions are not expected to have a material adverse effect on Export Finance Australia. Provisions are not required in respect of these matters, as it is either not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

(y) Insurance guarantees

Export Finance Australia can issue insurance guarantee contracts to Borrowers as part of loan agreements. Premium revenue includes amounts charged to Borrowers. Premiums are recognised as revenue from the date of attachment of risk over the period of the insurance policy, which is usually one year.

(z) Events after the reporting period

There have been no material events occurring after the reporting period that impact these financial statements for the year ended 30 June 2023.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 2: Significant accounting judgements, estimates and assumptions

In applying accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the financial statements.

All judgements, estimates and assumptions made are believed to be reasonable, based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of the financial statements are outlined below.

Impairment of investment securities at amortised cost

Export Finance Australia holds a number of investment securities. A review of these investments has been undertaken for the year ended 30 June 2023 and it has been determined that no investment is considered to be impaired. These investments have a maturity of less than three years and are held with Australian ADIs rated BBB or above, or foreign financial institutions rated AA- or above.

Property, plant and equipment

The valuation of land and buildings is based on an independent assessment by a registered valuer every three (3) years. The valuation is based on an income approach and discounted cash flow analysis with reference to its highest and best use. A valuation was undertaken June 2022 and the details are in Note 11.

The valuation of plant and equipment is based on an internal assessment by management to ensure that the carrying amounts do not differ materially from their fair value.

The depreciation rate on the building has been evaluated and 33 years (3.0%) is considered the appropriate rate.

Fair value of financial instruments

Where financial instruments have a price quoted in an active market, this is its fair value.

Where the fair value of financial instruments cannot be determined from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The valuation of financial instruments is described in more detail in Note 19.

Due to the complex nature of transactions entered on the NIA, an independent valuation of these loans at fair value and equity investments at fair value was obtained. The fair value provided was based on calculation methods and assumptions which reflect market information that can be distilled from actively traded markets. This provides market-related valuations, which are consistent with the market information available. Net present value of cash flows and credit adjusted spreads were taken into account in the valuation.

LIBOR replacement

Export Finance Australia has historically used LIBOR-based prices for transactions with our customers, borrowings, investments and derivative arrangements. Export Finance Australia closely matched its LIBOR-based assets and liabilities to lock in margins. Accordingly, changes in LIBOR had minimal impact on margin. Export Finance Australia retained LIBOR on our existing deals for June and used LIBOR forward curves for valuation for June. From July to December, all deals will transition from LIBOR to SOFR with the appropriate credit adjustment spread or margin. The impact of the changes is expected to be minimal.

Note 3: Revenue and Expenses

	Commercial Account		National Interest Account	
	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
(i) Interest income				
Interest from loans and receivables	52.7	12.4	27.2	-
Interest from loans to National Interest Account	21.6	2.2	-	-
Derivative interest income	69.8	31.4	72.0	-
Total interest income	144.1	46.0	99.2	-
(ii) Other interest income				
Interest from other financial institutions	23.3	1.4	7.0	0.2
Interest from Investment securities	19.1	7.4	-	-
Interest from loans at amortised cost	-	-	24.0	3.7
Total other interest income	42.4	8.8	31.0	3.9
(iii) Interest expense				
Interest to other financial institutions	(1.9)	(0.3)	(0.1)	(7.0)
Interest on borrowings from Commercial Account	-	-	(24.0)	(3.7)
Interest on borrowings	(58.6)	(28.6)	(93.0)	-
Derivative interest expense	(104.1)	(10.1)	(77.9)	-
Debt neutrality charge	(1.5)	(1.1)	-	-
Total interest expense	(166.1)	(40.1)	(195.0)	(10.7)
(iv) Fair value movement of loans, bonds, insurances and guarantees				
Net premium and fees	73.6	33.9	28.9	-
Reinsurance	(5.4)	0.3	-	-
Interest	(1.1)	(6.4)	-	-
Credit risk	(11.4)	17.1	3.7	-
Claims paid	(0.3)	-	-	-
Specific credit risk	(8.3)	(8.9)	-	-
Total fair value movement of loans bonds, insurances and guarantees	47.1	36.0	32.6	-
(v) Fair value movement of other financial instruments				
Loans to National Interest Account designated at fair value through profit or loss	(1.6)	(3.8)	-	-
Borrowings designated at fair value through profit or loss	(0.9)	164.8	(33.9)	-
Derivative financial instruments	6.8	(156.2)	(12.6)	-
Total fair value movement of other financial instruments	4.3	4.8	(46.5)	-
(vi) Fair value movement equity investments				
Fair Value	-	-	(1.2)	-
Total fair value movement equity investments	-	-	(1.2)	-

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 3: Revenue and Expenses (cont.)

	Commercial Account		National Interest Account	
	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
(vii) Other revenue				
Premium and fees from loans	-	-	14.5	15.4
Rental income	4.6	3.3	-	-
Sundry income	0.2	0.2	-	-
Recoveries from credit insurance	0.1	0.1	23.0	18.5
Total other revenue	4.9	3.6	37.5	33.9
(viii) Operating expenses				
Employee costs	(27.5)	(22.2)	-	-
Professional fees	(7.5)	(4.5)	(2.7)	(5.8)
Depreciation and amortisation	(3.8)	(3.4)	-	-
Superannuation costs	(3.0)	(2.4)	-	-
Computer and communication costs	(5.3)	(1.7)	-	-
Provision for employee entitlements	(2.9)	(1.5)	-	-
Property costs	(1.2)	(1.3)	-	-
Advertising and promotional costs	(1.4)	(1.2)	-	-
Insurance	(0.7)	(0.9)	-	-
Credit information	(0.9)	(0.7)	(1.5)	-
Other expenses	(2.1)	(1.1)	-	-
National Interest Account recovery/(expense)	7.3	5.7	(7.3)	(5.7)
Recovery from other Commonwealth entities	1.4	1.6	-	-
Total operating expenses	(47.6)	(33.6)	(11.5)	(11.5)
(ix) Expected credit loss				
Expected credit loss	-	-	(8.7)	(4.4)
Total expected credit loss	-	-	(8.7)	(4.4)
(x) State tax-equivalent charges				
Payroll tax-equivalent charge	(1.5)	(1.2)	-	-
Land tax-equivalent charge	(0.5)	(0.5)	-	-
Total state tax-equivalent charges	(2.0)	(1.7)	-	-
(xi) Specific provision				
Specific provision	-	-	7.2	(3.6)
Write offs	-	-	(11.3)	-
Total specific provision	-	-	(4.1)	(3.6)

Note 4: Receivables from other financial institution

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
	1(i)				
Overnight deposits		450.4	376.3	-	2,506.50
Short-term cash deposits		399.6	265.1	96.2	-
Total receivables from other financial institutions		850.0	641.4	96.2	2,506.5
Maturity analysis of receivables from other financial institutions					
At call		450.4	376.3	96.2	2,506.50
Due in less than 3 months		179.3	236.5	-	-
Due after 3 months to 1 year		220.3	28.6	-	-
Total receivables from other financial institutions		850.0	641.4	96.2	2,506.5

These receivables are from various banking institutions all rated AA- or above.

Note 5: Amounts receivable/(payable) to the Commonwealth

		Commercial Account		National Interest Account	
		30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Commonwealth opening balance payable		-	-	(0.2)	(15.5)
Net payments to the Commonwealth		-	-	0.6	23.9
Less Profit/(loss) for the year on National Interest Account		-	-	59.8	(8.6)
Total amounts receivable/(payable) to the Commonwealth		-	-	60.2	(0.2)

Note 6: Investment securities

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Investment securities at amortised cost					
	1(j)				
Discount securities		-	257.4	-	-
Floating rate notes		352.0	256.0	-	-
Fixed rate bonds		428.3	378.3	-	-
Total investment securities at amortised cost		780.3	891.7	-	-
Maturity analysis of investment securities at amortised cost					
Due in 3 months or less		100.0	53.0	-	-
Due after 3 months to 1 year		137.8	264.9	-	-
Due after 1 year to 5 years		542.5	573.8	-	-
Total investment securities at amortised cost		780.3	891.7	-	-

Refer to Note 18 for further information regarding credit risk and market risk.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 7: Loans and receivables at amortised cost

	Note	Commercial Account		National Interest Account	
		30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
	1(k)				
Gross export finance loans		-	-	612.7	561.1
Gross rescheduled credit insurance debts		0.3	0.4	94.0	108.6
Loans and receivables gross		0.3	0.4	706.7	669.7
Unearned premiums		-	-	(4.0)	(3.5)
Expected credit loss		-	-	(24.1)	(15.2)
Specific provision for impairment		(0.2)	(0.3)	(70.9)	(94.1)
Total loans and receivables at amortised cost		0.1	0.1	607.7	556.9
Maturity analysis loans and receivables gross					
Overdue		-	-	0.1	5.4
Due in 3 months or less		-	-	39.4	14.2
Due after 3 months to 1 year		0.1	0.1	64.7	98.1
Due after 1 year to 5 years		0.2	0.3	258.0	298.3
Due after 5 years		-	-	344.5	253.7
Total loans and receivables gross		0.3	0.4	706.7	669.7
Restructured exposures included above		0.3	0.4	102.8	117.5
Overdue by:					
30 to 60 days		-	-	0.1	-
61 to 90 days		-	-	-	0.9
Over 90 days		-	-	-	4.5
Total overdue loans and receivables gross		-	-	0.1	5.4

Loans and receivables are considered restructured when the original contractual terms are modified. Restructured loans and receivables continue to accrue interest.

A loan or receivable is recognised as impaired when it is likely that the debt will not be recovered in full. In this instance a specific provision will be created for the impairment. For these overdue loans, Export Finance Australia has either received the payments in July 2023 or is working with the customer to receive payment in full or the amount has been fully provided for as a specific provision.

	Commercial Account		National Interest Account	
Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Expected credit loss				
Expected credit loss opening balance	-	-	15.2	12.0
Expected credit loss created	-	-	16.2	7.8
Expected credit loss written back	-	-	(7.0)	(4.9)
Expected credit loss remeasurement			(0.6)	-
Foreign exchange movement	-	-	0.3	0.3
Expected credit loss closing balance	-	-	24.1	15.2
Specific provision for impairment				
Specific provision for impairment opening balance	0.3	0.4	94.1	100.1
Specific impairment created	-	-	-	8.5
Foreign exchange movement	-	-	2.7	7.8
Loans written off	-	-	(11.0)	-
Specific impairment written back	(0.1)	(0.1)	(14.9)	(22.3)
Specific provision closing balance	0.2	0.3	70.9	94.1
Impaired loans				
Impaired loans	0.3	0.4	104.5	130.2
Specific provision for impairment	(0.2)	(0.3)	(70.9)	(94.1)
Carrying value of impaired loans	0.1	0.1	33.6	36.1

The carrying value of impaired loans represent amounts expected to be recovered.

Amounts shown under the NIA represent loans made by Export Finance Australia under Part 5 of the EFIC Act.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 8: Loans and receivables designated at fair value through profit or loss

	Note	Commercial Account		National Interest Account	
		30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Gross export finance loans		1,277.3	1,148.0	1,147.2	-
Gross funded export finance guarantees		-	44.5	-	-
Loans and receivables gross	1(l)	1,277.3	1,192.5	1,147.2	-
Fair value net premium and fees		26.2	34.8	-	-
Fair value interest income		(4.9)	(4.7)	-	-
Fair value of credit risk		(109.0)	(100.3)	1.7	-
Fair value of specific credit risk		(28.6)	(21.5)	-	-
Initial valuation adjustment for loans held at FVPL		-	-	12.6	-
Total loans and receivables at fair value		1,161.0	1,100.8	1,161.5	-
Maturity analysis loans and receivables gross					
Overdue		46.7	15.6	-	-
Due in 3 months or less		42.0	38.2	-	-
Due after 3 months to 1 year		148.9	186.3	5.9	-
Due after 1 year to 5 years		632.1	628.4	111.4	-
Due after 5 years		407.6	324.0	1,029.9	-
Total loans and receivables gross		1,277.3	1,192.5	1,147.2	-
Restructured exposures included above		7.8	7.5	-	-
Overdue by:					
Less than 30 days		4.1	3.7	-	-
30 to 60 days		9.1	9.0	-	-
61 to 90 days		1.8	2.0	-	-
Over 90 days		31.7	0.9	-	-
Total overdue loans and receivables gross		46.7	15.6	-	-

Loans and receivables are considered restructured when the original contractual terms are modified. Restructured loans and receivables continue to accrue interest.

A loan or receivable is recognised as impaired when it is likely that the debt will not be recovered in full. In this instance, a specific event will be created for the impairment.

For these overdue loans, Export Finance Australia has either received the payments in July 2023 or is working with the customer to receive payment in full or the amount has a specific credit risk allowance. A Paris Club rescheduling is anticipated for \$41.9 million of the overdue amounts on CA.

The fair value of loans and receivables is based on unobservable inputs (i.e. Level 3) with the principal components being expectations of cash flows, time value of money and credit. As a result, the difference between the transaction price and fair value on initial recognition is not recognised in the statement of comprehensive income and is instead recognised in the statement of financial position.

The deferred initial valuation adjustment is then subsequently amortised on a straight line amortisation basis over ten years. In the current year, Export Finance Australia has amortised an expense of \$1.4 million (2022- nil) into the statement of comprehensive income.

Refer to Note 18 for further information regarding credit risk including maximum exposures and market risk.

Note 9: Derivative financial instruments

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
	1(n)				
Derivative financial assets					
Interest rate swaps		11.9	8.6	2.5	-
Cross-currency swaps		15.2	8.2	-	-
Forward foreign exchange contracts		2.1	6.5	-	-
Total derivative financial assets	24	29.2	23.3	2.5	-
Maturity analysis of derivative financial assets					
Due in 3 months or less		8.5	5.0	2.5	-
Due after 3 months to 1 year		5.3	5.4	-	-
Due after 1 year to 5 years		11.3	8.7	-	-
Due after 5 years		4.1	4.2	-	-
Total derivative financial assets		29.2	23.3	2.5	-
Derivative financial liabilities					
Interest rate swaps		70.0	82.8	33.6	-
Cross-currency swaps		278.7	257.7	-	-
Forward foreign exchange contracts		1.4	-	-	-
Total derivative financial liabilities	25	350.1	340.5	33.6	-
Maturity analysis of derivative financial liabilities					
Due in 3 months or less		(3.1)	42.1	-	-
Due after 3 months to 1 year		105.7	33.0	34.3	-
Due after 1 year to 5 years		165.2	179.2	(0.7)	-
Due after 5 years		82.3	86.2	-	-
Total derivative financial liabilities		350.1	340.5	33.6	-

A derivative financial asset arises when the underlying value of the contract results in an overall receipt of funds by Export Finance Australia, and a derivative liability arises when the underlying value of the contract results in an overall payment of funds by Export Finance Australia.

Derivatives are undertaken to hedge borrowings, loans or investments. Derivatives may create anomalies when looking at maturities in certain periods. While a contract may be an asset or a liability, cash received in certain periods may change the nature of the underlying asset or liability in that period.

Refer to Note 18 for further information regarding credit risk, liquidity risk and market risk.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 10: Equity securities

	Note	Commercial Account		National Interest Account	
		30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
	1(o)				
Initial proceeds for issuance of equity security		-	-	940.8	-
Initial valuation adjustment for equity security		-	-	(461.7)	-
Initial fair value of equity investment		-	-	479.1	-
Subsequent fair value movement for equity security		-	-	23.0	-
Fair value of equity security as at 30 June 2023				502.1	-
Reconciliation to equity securities recognised on balance sheet					
Fair value of equity security as at 30 June		-	-	502.1	-
Initial valuation adjustment after amortisation		-	-	437.5	-
Equity Securities as at 30 June 2023		-	-	939.6	-
Maturity analysis equity securities initial proceeds					
Due after 5 years		-	-	940.8	-

The fair value of equity investments is based on unobservable inputs (i.e. Level 3) with the principal components being expectations of cash flows, time value of money and credit. As a result, the difference between the transaction price and fair value on initial recognition is not recognised in the statement of comprehensive income and is instead recognised in the statement of financial position. The initial valuation is different from the transaction prices due to deferred event-based repayment terms.

The deferred initial valuation adjustment is then subsequently recognised as a loss only to the extent that it arises from a change in factor (including time) that market participants would take into account when pricing the related equity instruments. In the current year, Export Finance Australia has amortised an expense of \$24.2 million (2022-nil) into the statement of comprehensive income.

Note 11: Property, plant and equipment

	Note	Commercial Account		National Interest Account	
		30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
	1(p)				
Freehold land and building, at valuation		140.0	140.0	-	-
Accumulated depreciation		(2.7)	-	-	-
Net book value - land and building		137.3	140.0	-	-
Plant and equipment, at valuation		13.1	18.9	-	-
Accumulated depreciation		(10.6)	(15.7)	-	-
Net book value - plant and equipment		2.5	3.2	-	-
Total property, plant and equipment		139.8	143.2	-	-

	Land and buildings \$m	Plant and equipment \$m	Total \$m
Gross value			
Balance as at 30 June 2022	140.0	18.9	158.9
Additions	-	0.4	0.4
Disposals	-	(6.2)	(6.2)
Gross value as at 30 June 2023	140.0	13.1	153.1
Accumulated depreciation			
Balance as at 30 June 2022	-	(15.7)	(15.7)
Depreciation charged for assets held at 1 July 2022	(2.7)	(0.9)	(3.6)
Disposals	-	6.0	6.0
Depreciation as at 30 June 2023	(2.7)	(10.6)	(13.3)
Net book value as at 1 July 2022	140.0	3.2	143.2
Net book value as at 30 June 2023	137.3	2.5	139.8

	Land and buildings \$m	Plant and equipment \$m	Total \$m
Gross value			
Balance as at 30 June 2021	110.0	18.1	128.1
Additions	-	0.8	0.8
Revaluation increment	37.0	-	37.0
Write back on revaluation	(7.0)	-	(7.0)
Gross value as at 30 June 2022	140.0	18.9	158.9
Accumulated depreciation			
Balance as at 30 June 2021	(4.9)	(14.4)	(19.3)
Depreciation charged for assets held at 1 July 2021	(2.1)	(1.3)	(3.4)
Write back on revaluation	7.0	-	7.0
Depreciation as at 30 June 2022	-	(15.7)	(15.7)
Net book value as at 1 July 2021	105.1	3.7	108.8
Net book value as at 30 June 2022	140.0	3.2	143.2

An independent valuation of land and buildings was carried out in June 2022 by Mr Benjamin Masters AAPI, Registered Valuer No. 16930. On an income approach and discounted cash flow analysis with reference to its highest and best use, the land and buildings were valued at \$140,000,000.

Leased accommodation

Freehold land and buildings includes accommodation which has been leased to third parties. The valuation, accumulated depreciation and depreciation charge attributed to the leased space has been derived based on the floor area of the leased space.

The allocated valuation, accumulated depreciation, written-down value and depreciation expense of the leased space is based on a pro rata of floor space:

	30 June 2023 \$ m	30 June 2022 \$ m
Leased accommodation		
Freehold land and building, at valuation	108.6	107.6
Accumulated depreciation	(2.1)	-
Written-down value	106.5	107.6
Depreciation expense	2.1	1.6

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 12: Other financial assets

	Commercial Account		National Interest Account	
	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Accrued interest receivable	12.3	14.2	6.9	1.7
Loan fees receivable	-	-	1.1	1.2
Sundry debtors and prepayments	4.5	5.6	0.4	1.4
Total other financial assets	16.8	19.8	8.4	4.3
Maturity analysis other financial assets				
No more than 12 months	16.8	19.8	8.4	4.3
Total equity investments	16.8	19.8	8.4	4.3

Note 13: Borrowings designated at fair value through profit or loss

	Note	Commercial Account		National Interest Account	
		30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Borrowings	1(s)	2,557.1	2,379.3	2,304.1	-
Total borrowings at fair value	24	2,557.1	2,379.3	2,304.1	-
Borrowings designated at fair value through profit or loss					
Australian dollar		1,310.3	1,410.8	-	-
Fijian Dollar		7.2	7.3	-	-
US Dollar		-	-	2,304.1	-
Total borrowings		1,317.5	1,418.1	2,304.1	-
Euro commercial paper					
US dollar		1,150.8	877.7	-	-
Euro		88.8	83.5	-	-
Total euro commercial paper		1,239.6	961.2	-	-
Total borrowings at fair value		2,557.1	2,379.3	2,304.1	-
Maturity analysis of borrowings					
Due in 3 months or less		932.5	879.4	-	-
Due after 3 months to 1 year		961.9	205.5	101.4	-
Due after 1 year to 5 years		266.3	892.5	2,202.7	-
Due after 5 years		396.4	401.9	-	-
Total borrowings at fair value		2,557.1	2,379.3	2,304.1	-

Where borrowings are in a different currency from the assets being financed, cross-currency swaps or foreign exchange contracts are entered into for economic hedging purposes.

A debt neutrality charge of 10 basis points on new borrowings and on existing debt that is rolled over or refinanced is payable to the Commonwealth. This neutrality charge is not charged if the borrowing is for a National Interest Loan.

Refer to Note 18 for further information regarding credit risk, liquidity risk, market risk and contractual amounts.

Note 14: Guarantees, bonds and insurance designated at fair value through profit and loss

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
	1(t)				
Fair value of credit risk		17.8	10.5	10.8	-
Fair value of specific events		6.3	4.6	-	-
Fair value of net premium receivable		(12.9)	(6.6)	-	-
Total guarantees designated at fair value through profit or loss		11.2	8.5	10.8	-

When it is likely that a guarantee will be called or a claim has been submitted but not yet paid, then a specific event will be recognised for the exposure that may be called or the claim that may be paid.

In July 2022, Export Finance Australia issued a series of debt and equity-like securities to a Borrower. As part of this financing package, Export Finance Australia also issued a Political Risk Insurance guarantee contract to the Borrower.

Refer to Note 18 for further information regarding credit risk, market risk and maximum exposures.

Note 15: Sundry provisions and allowances

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Employee entitlements	1(u)	7.6	6.3	-	-
Provision for guarantees		-	-	1.6	1.5
Provision for tax equivalent charges		10.9	8.2	-	-
Total sundry provisions and allowances		18.5	14.5	1.6	1.5
Maturity sundry provisions and allowances					
No more than 12 months		14.7	10.7	-	-
More than 12 months		3.8	3.8	1.6	1.6
Total sundry provisions and allowances		18.5	14.5	1.6	1.6

Note 16: Other financial liabilities

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Sundry creditors	1(v)	14.6	10.5	0.6	1.2
Security bond deposits		72.6	49.4	-	-
Interest payable		-	-	4.7	1.2
Total other financial liabilities		87.2	59.9	5.3	2.4
Maturity analysis other financial liabilities					
No more than 12 months		87.2	59.9	5.3	2.4
Total other financial liabilities		87.2	59.9	5.3	2.4

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 17: Contingencies and commitments

	Commercial Account		National Interest Account	
	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Contingent liabilities				
Guarantees*	172.2	115.5	52.1	46.5
Bonds	230.6	155.0	-	-
Insurance guarantee policies	-	-	663.2	-
Total contingent liabilities	402.8	270.5	715.3	46.5

* Guarantees include facilities signed under risk participation agreements.

These contingent liabilities commit Export Finance Australia to make payments should a default occur by a customer.

Commitments to provide financial facilities				
Loans	375.0	92.4	2,162.8	1,998.4
Bonds	56.5	14.3	-	-
Equity	-	-	78.5	-
Guarantees*	11.7	57.0	12.6	16.8
Total commitments to provide financial facilities	443.2	163.7	2,253.9	2,015.2

* Guarantees include facilities signed under risk participation agreements.

Commitments to provide financial facilities are contractually based.

Commitments payable				
Capital commitments				
Due in 1 year or less	0.1	0.1	-	-
Operating lease payable				
Due in 1 year or less	0.1	0.1	-	-
Due after 1 year to 2 years	-	-	-	-
Total commitments payable	0.2	0.2	-	-
Commitments receivable				
Operating lease receivable				
Due in 1 year or less	4.3	4.7	-	-
Due after 1 year to 2 years	2.4	4.3	-	-
Due after 2 years to 5 years	2.2	4.6	-	-
Due after 5 years	0.5	0.5	-	-
Total commitments receivable	9.4	14.1	-	-

Operating lease receivable represents rental income to be received in respect of the property owned and partially occupied by Export Finance Australia.

Note 18: Financial risk management

(i) General

As part of its normal operations, Export Finance Australia enters into a variety of transactions, including loans, guarantees, insurance and bonds, which can be denominated in various currencies.

Export Finance Australia enters into a number of financial derivative transactions on the CA to protect against interest rate, foreign exchange and funding risks associated with normal operations, including funding the NIA. The derivative instruments are not entered into for speculative or trading purposes. Derivative transactions include:

- › interest rate swaps and forward rate agreements, which protect against interest rate movements where the interest rate basis of the borrowing is different from that of the required liability to fund assets;
- › cross-currency swaps, which protect against interest rate and foreign exchange movements where the currency and interest rate of the borrowing are different from that of the required liability to fund assets. These contracts are used primarily to convert the borrowing and interest payment into the same currency and type as the loan or investment; and
- › forward foreign exchange contracts which are used to protect against foreign exchange movements in investments, loans and borrowings.

Export Finance Australia also conducts detailed stress testing, including examining the impact on the credit portfolio of slower economic growth in emerging markets and adverse movements in foreign exchange rates and commodity prices.

(ii) Credit risk

(a) Commercial Account exposures

Credit risk arises from the possibility of defaults by counterparties on contractual obligations, resulting in financial loss.

Exposures to credit risk for the CA are as follows:

	Note	30 June 2023 \$ m	30 June 2022 \$ m
Credit risk exposures			
Receivables from other financial institutions	4, 1(i)	850.0	641.4
Investment securities at amortised cost	6, 1(j)	780.3	891.7
Loans and receivables at amortised cost	7, 1(k)	0.1	0.1
Loans and receivables designated at fair value through profit or loss	8, 1(l)	1,161.0	1,100.8
Derivative financial assets	9, 1(n)	29.2	23.3
Total*		2,820.6	2,657.3
Contingent liabilities	17	402.8	270.5
Commitments	17	443.2	163.7
Total		846.0	434.2
Total credit risk exposure		3,666.6	3,091.5

* Cash and liquid assets, loans to NIA designated at fair value through profit or loss, other financial assets, and property, plant and equipment have not been included in the above table as there is no significant associated credit risk.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 18: Financial risk management (cont.)

> Exposures to treasury counterparties

Credit risk arising from Export Finance Australia through its investment portfolios and from interest rate and foreign exchange management is limited to Commonwealth and state or territory governments, ADIs rated BBB- or above and other entities with credit ratings the equivalent of AA- or above. However, if after purchase or a contracting counterparty subsequently falls below the minimum credit rating, management evaluates the risk and will decide on the applicable action, which may include selling the asset, novating the contract, holding the asset to maturity, or obtaining security through credit support annexures (CSAs).

The PGPA Act limits investment by Export Finance Australia of surplus monies to:

- (i) money with ADIs in Australia rated BBB- or above;
- (ii) securities issued by or guaranteed by the Commonwealth, a state or territory;
- (iii) money with other entities with credit ratings the equivalent of AA- or better;
- (iv) deposits with, or securities issued by, the above ADIs;
- (v) deposits with, or securities issued or guaranteed by, the above entities;

subject to:

- (a) investments in ADIs with a rating lower than A- must not exceed 25% of total investments;
- (b) investments in ADIs with a term longer than six months and a rating lower than A- must be able to be traded in the secondary market and must not exceed a term of three years;
- (c) investments in an individual ADI with a rating lower than A- must not exceed 10% of total investments.

In addition to the PGPA Act requirements, the Board does not permit proprietary trading and has set further controls for Export Finance Australia treasury operations which consist of:

- (i) a cap on foreign exchange open positions;
- (ii) a cap on interest rate exposure to asset maturity;
- (iii) minimum levels for committed funding over the life of assets;
- (iv) a cap on the structured borrowing component of funding;
- (v) limits relating to individual counterparty exposures and terms;
- (vi) limits relating to portfolio exposures and terms;
- (vii) limits on investments in structured, multi-credit entities;
- (viii) performance benchmarks relating to specific portfolios; and
- (ix) derivative limits and a CSA collateral policy.

All individual counterparty limits and sub-limits required by treasury are approved in line with the policies and the usage against limits is monitored independently of treasury.

All limits set by the Board are monitored by management. The Board also sets triggers that require information to be notified to the Board. A treasury report, addressing prudential controls, risk, limits and triggers is submitted to the Board Audit and Risk Committee meeting quarterly, which then reports to the Board. A treasury update is provided at each Board meeting.

Credit risk on treasury derivative transactions is mitigated by the fact that most of the contracts have a mutual five-year right to break clause. In addition, some contracts include a clause that allows the contract to be terminated if the counterparty rating falls below an agreed credit rating. Some contracts also have CSAs in operation where Export Finance Australia receives collateral to offset the exposure.

The tables below show treasury credit risk exposures for CA by the current counterparty rating:

	Note	30 June 2023 \$ m	30 June 2022 \$ m
Investment securities			
Australian authorised deposit-taking institutions			
AA-		382.8	647.7
A+		45.4	-
A-		47.4	-
BBB+		90.0	90.0
BBB		9.5	-
Other financial institutions or foreign entities			
AA-		205.2	154.0
Exposure to credit risk of investment securities	1(l), 6	780.3	891.7

Derivative financial assets			
Australian authorised deposit-taking institutions			
AA-		13.3	7.8
Other financial institutions or foreign entities			
AA-		15.9	15.5
Exposure to credit risk for derivative financial assets	1(o), 9	29.2	23.3

For treasury exposures there are no overdue or restructured amounts.

> Exposures to customers

Export Finance Australia's principal exposure to credit risk arises from the financing and credit facilities extended to customers. On the CA, loans written off during the year or called credit facilities that were not subsequently recovered within the year were \$1.6 million (2022: nil).

Gross exposures (before fair value adjustments) on each of the products on the CA are as follows:

	Note	30 June 2023 \$ m	30 June 2022 \$ m
Gross exposures			
Export finance loans	8, 1(l)	1,277.3	1,148.0
Funded export finance guarantees	8, 1(l)	-	44.5
Rescheduled credit insurance debts at amortised cost	7	0.3	0.4
Guarantees	17	172.2	115.5
Bonds	17	230.6	155.0
Total gross exposures		1,680.4	1,463.4
Reinsured exposures included above		118.5	118.3

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 18: Financial risk management (cont.)

Gross exposures are also monitored by country of risk (not country of export). On the CA the country exposures are as follows:

	30 June 2023 \$ m	30 June 2023 % of total	30 June 2022 \$ m	30 June 2022 % of total
Country exposures*				
Australia**	930.5	55.4	801.5	54.8
Trinidad & Tobago	147.6	8.8	157.4	10.8
Mongolia	138.1	8.2	142.5	9.7
Vietnam	97.9	5.8	56.8	3.9
Papua New Guinea	95.1	5.7	77.1	5.3
Chile	90.6	5.4	52.0	3.5
Norway	88.0	5.2	83.1	5.7
Bermuda	41.9	2.5	42.5	2.9
United Kingdom	25.5	1.5	24.7	1.7
Sri Lanka	16.9	1.0	15.7	1.1
Bangladesh	4.7	0.3	2.1	0.1
New Zealand	2.0	0.1	1.8	0.1
Saudi Arabia	0.8	0.1	5.8	0.4
India	0.5	-	-	-
Iraq	0.3	-	0.4	-
Total country exposures	1,680.4	100.0	1,463.4	100.0
Reinsured exposures included above	118.5		118.3	

* Underlying country exposures are shown after applying reinsurance which does not change gross exposures but reallocates risk to the reinsurers' country of risk.

** Includes performance bonds and guarantees issued on behalf of Australian companies.

Allowance for credit risk on the above gross exposures on the CA is as follows:

	30 June 2023 \$ m	30 June 2022 \$ m
Allowance for credit risk by product		
Export finance loans	(109.0)	(100.3)
Guarantees	(7.7)	(3.8)
Bonds	(10.1)	(6.7)
Allowance for credit risk closing balance	(126.8)	(110.8)

The movement in the allowance for credit risk on the CA is comprised of:

	30 June 2023 \$ m	30 June 2022 \$ m
Allowance for credit risk for gross exposures		
Allowance for credit risk opening balance	(110.8)	(122.0)
New exposures	(41.7)	(37.4)
Repayments	20.6	28.3
Change in risk grade	1.4	4.3
Change in term to maturity	6.2	17.9
Change in probability of default rates	2.0	4.0
Exchange rate movements	(4.5)	(5.9)
Allowance for credit risk closing balance	(126.8)	(110.8)

Export Finance Australia employs a risk grading system to rank risks according to both the counterparty risk and the level of country risk inherent in the exposure. Export Finance Australia also measures and monitors country, industry and counterparty concentration risk on the CA. Any significant concentration risk on the CA is taken into account in assessing the amount of capital which is required to conduct the CA activities.

Export Finance Australia uses nine broad categories of risk grade, with category 1 representing the lowest risk. Within categories 1 to 6, an outlook modifier of plus or minus is used if the counterparty is particularly strong or weak for that risk grade. The equivalent risk, based on Standard and Poor's risk rating, is stated in brackets. The gross exposures (before fair value adjustments) for the CA after reinsurance under each category are as follows:

	Note	30 June 2023 \$ m	30 June 2022 \$ m
Gross exposures loans and receivables			
Risk category 1 (AA- to AAA)		29.2	27.2
Risk category 2 (A- to A+)		88.8	89.6
Risk category 3 (BBB- to BBB+)		59.5	-
Risk category 4 (BB- to BB+)		344.8	328.7
Risk category 5 (B- to B+)		292.8	305.9
Risk category 6 (CCC+)		342.7	331.4
Risk category 7 (C to CCC)		107.2	99.8
Risk category 8 doubtful		12.3	9.9
Risk category 9 impaired		0.3	0.4
Gross exposures loans and receivables	1(n), 7, 8	1,277.6	1,192.9

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 18: Financial risk management (cont.)

As part of its normal operations, Export Finance Australia enters into a variety of transactions that give rise to contingent liabilities, including guarantees, insurance, and bonds. The maximum exposure to credit risk for these types of transactions is the maximum amount that Export Finance Australia would pay if called upon to do so. The exposures for the CA after reinsurance under each risk category are as follows:

	Note	30 June 2023 \$ m	30 June 2022 \$ m
Contingent liabilities*			
Risk category 1 (AA- to AAA)		74.0	51.3
Risk category 3 (BBB- to BBB+)		0.5	-
Risk category 4 (BB- to BB+)		119.1	84.9
Risk category 5 (B- to B+)		45.3	40.4
Risk category 6 (CCC+)		119.2	85.7
Risk category 7 (C to CCC)		37.5	1.5
Risk category 8 doubtful		7.2	6.7
Total contingent liabilities	17	402.8	270.5

* There are no exposures in category 2 and 9.

As part of its normal operations, Export Finance Australia enters into a variety of transactions that give rise to commitments, including loans, guarantees, insurance and bonds. The maximum exposure to credit risk on CA is the full amount of the commitment.

	Note	30 June 2023 \$ m	30 June 2022 \$ m
Commitments*			
Risk category 4 (BB- to BB+)		275.3	46.2
Risk category 5 (B- to B+)		94.2	65.4
Risk category 6 (CCC+)		72.7	52.0
Risk category 7 (C to CCC)		1.0	0.1
Total commitments	17	443.2	163.7

* There are no exposures in categories 1, 2, 3, 8 and 9.

> Retained sector exposure

The sectors that represents more than 15% of Export Finance Australia's CA retained exposure are the Mining - LNG, the Transport, Postal and Warehousing, Mining and Manufacturing sectors. At 30 June 2023, the exposure to the Mining sector was \$247 million, representing 18.4% of total retained exposure (2022: \$206.1 million, representing 15.3%), Transport, Postal and Warehousing sector was \$242.1 million, representing 18% of total retained exposure (2022: \$241.7 million, representing 18.4%), Mining - LNG sector was \$227.2 million, representing 16.9% of total retained exposure (2022: \$255 million, representing 19%), and the exposure to the Manufacturing sector was \$213.0 million, representing 15.8% of total retained exposure (2022: \$203.7 million, representing 15.1%).

> Reinsured exposure

To reduce Export Finance Australia's exposure to counterparties in the higher risk categories or to reduce concentration risk, contracts are entered into with reinsurers, including other export credit agencies. This will change the exposure from the counterparty in the higher risk categories to an exposure to the reinsurers that will be in lower risk categories, or reduce concentration risk to a counterparty with the same or lower risk. As can be seen from the table below, Export Finance Australia has reinsured exposures with counterparties in risk category 6 or 8 to reinsurers in risk categories 1 or 2.

	30 June 2023 \$ m	30 June 2022 \$ m
Reinsurance		
Reinsured to		
Risk category 1 (AA- to AAA)	29.7	28.8
Risk category 2 (A- to A+)	88.8	89.6
Reinsured from		
Risk category 6 (CCC+)	(69.1)	(71.3)
Risk category 8 doubtful	(49.4)	(47.1)
Total reinsurance	-	-

The above tables do not take into account the value of any collateral or security held which may include first-ranking mortgage over assets financed by Export Finance Australia, standby documentary credits, third-party guarantees and recourse to companies and company directors. No collateral has been called and held at year end. For the bond product in the normal course of business, we do hold cash security deposits which at 30 June 2023 were \$72.6 million (2022: \$49.4 million).

(b) National Interest Account exposures

Under the NIA, the Minister can direct Export Finance Australia to support transactions that are in the national interest. The Commonwealth receives all income on NIA transactions and bears all risks and losses.

Section 66 of the *Export Finance and Insurance Corporation Act 1991 (EFIC Act)* details loans made in the national interest and 66(6)(b) provides that the Commonwealth is liable to pay Export Finance Australia an amount equal to any defaulted amount under an NIA loan. Sections 66(7) and 66(8) empower the Minister to direct Export Finance Australia to access the market to borrow an amount equal to that due by the Commonwealth. Any such borrowings would then be supported by the Commonwealth Guarantee at Section 62.

Decisions under the NIA are the responsibility of the Government.

The NIA principal exposure to credit risk arises from the financing and credit facilities extended to customers. Loans written off during the year were \$11.4 million (2022: nil).

Gross exposures (before unearned premiums, expected credit loss, specific provision for impairment and unamortised grants) on each of the products offered on the NIA are as follows:

	Note	30 June 2023 \$ m	30 June 2022 \$ m
Gross exposures			
Export finance loans at amortised cost	1(k), 7	612.7	561.1
Rescheduled credit insurance debts	1(k), 7	94.0	108.6
Export finance loans	8, 1(l)	1,147.2	-
Equity securities	10, 1(o)	940.8	-
Guarantees	17	715.3	46.5
Total gross exposures		3,510.0	716.2

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 18: Financial risk management (cont.)

Gross exposures are also monitored by country of risk (not country of export) and on the NIA the country exposures are as follows:

	30 June 2023 \$ m	30 June 2023 % of total	30 June 2022 \$ m	30 June 2022 % of total
Country exposures				
Papua New Guinea	2,941.0	83.8	288.4	40.3
Australia*	183.0	5.2	136.6	19.1
Trinidad & Tobago	100.7	2.9	106.6	14.9
Iraq	94.0	2.7	108.6	15.2
Japan	74.6	2.1	-	-
Fiji	80.3	2.3	53.1	7.4
Palau	27.2	0.8	13.1	1.8
Cuba	8.8	0.2	9.0	1.2
Indonesia	0.4	0.0	0.8	0.1
Total country exposures	3,510.0	100.0	716.2	100.0
Reinsured exposures included above	74.6		-	

* Includes performance bonds and guarantees issued on behalf of Australian companies.

Expected credit loss on the above gross exposures on the NIA is as follows:

	30 June 2023 \$ m	30 June 2022 \$ m
Expected credit loss by product		
Export finance loans	(24.1)	(15.2)
Guarantees	(1.6)	(1.5)
Expected credit loss closing balance	(25.7)	(16.7)

(c) Rescheduled debt exposures

Iraq: The rescheduled debt balance at 30 June 2023 is US\$62.3 million (2022: US\$74.7 million) on the NIA and US\$0.2 million (2022: US\$0.3 million) on the CA. The situation was assessed as significantly impacting the likelihood of future payments from Iraq. During 2022–23, the impairment provision was reduced in line with EFA model to 71.39% against the rescheduled debt and this treatment will be reviewed on an annual basis. Future payments from Iraq are recognised as income on receipt and booked as a recovery and the provision reversed, consistent with current practice. Recoveries made during the year under this agreement were \$23.0 million on the NIA. These debts arose from credit insurance claims between 1987 and 1992 in respect of non-payment by the Iraqi Government on wheat exports from Australia. These debts were subject to rescheduling, with 80% debt forgiveness in three stages at the Paris Club. The repayment schedule for the remaining rescheduled amounts call for six-monthly payments until January 2028. At 30 June 2022, all rescheduled amounts have been paid on time as per the rescheduling agreements.

Cuba: At 30 June 2023, the rescheduled debt balance on the NIA was \$8.8 million (2022: \$8.8 million). In June 2021, the 'Group of Creditors of Cuba' at the Paris Club (of which Australia is a member) agreed to defer principal and interest payments due in 2020, 2021 and 2022, together with interest in 2023 and 2024. Export Finance Australia executed a bilateral agreement with Cuba in late December 2021 to document those arrangements. The maturity date of the debt remains October 2033. The debt has a 100% provision in place and this is maintained at 30 June 2023.

(iii) Liquidity risk

Prudent liquidity risk management on the CA is achieved by maintaining sufficient cash and marketable securities to meet any sudden shortfalls in the ability to fund Export Finance Australia. Export Finance Australia also has the explicit guarantee of the Commonwealth of Australia, which is rated AAA, and therefore in normal markets there is no significant liquidity risk. Section 61 of the EFIC Act states that 'Efic must not borrow or raise money except under section 58 or 59'. Section 58 allows the Finance Minister, on behalf of the Commonwealth, to lend money to Efic and section 59 allows Efic to borrow or raise money, subject to written approval of the Finance Minister. To date, Export Finance Australia has funded its activities under section 59 and does not borrow directly from the Commonwealth of Australia. Notwithstanding the above, a liquid investment portfolio is maintained.

The liquidity table below is based on estimated future cash flows for principal and interest and is not their fair value as is shown on the statement of financial position. For the CA, the contractual undiscounted amounts comprise principal and interest repayment obligations and are as follows:

Contractual undiscounted principal and interest				
30 June 2023	3 months or less \$ m	3 months to 1 year \$ m	1 year to 5 years \$ m	Greater than 5 years \$ m
Undiscounted financial assets				
Cash and liquid assets	40.7	-	-	-
Receivables from other financial institutions	556.3	303.7	-	-
Investment securities at amortised cost	107.7	138.7	598.9	-
Loans and receivables at amortised cost	-	0.1	0.3	-
Loans and receivables designated at fair value through profit or loss	46.2	241.0	823.6	471.8
Loans to National Interest Account designated at fair value through profit or loss	35.5	82.6	355.3	294.3
Derivative financial instruments receivable				
- Contractual amounts receivable	245.4	868.3	530.4	498.7
Total undiscounted financial assets	1,031.8	1,634.4	2,308.5	1,264.8
Undiscounted financial liabilities				
Borrowings designated at fair value through profit or loss				
- Euro commercial paper	930.5	321.3	-	-
- Borrowings	8.6	664.2	298.9	548.8
Derivative financial instruments payable				
- Contractual amounts payable	233.3	975.6	701.7	576.4
Total undiscounted financial liabilities	1,172.4	1,961.1	1,000.6	1,125.2
Net undiscounted financial assets/(liabilities)	(140.6)	(326.7)	1,307.9	139.6

Export Finance Australia has legally enforceable master netting arrangements which apply on default and as such have not been taken into account. If these master netting arrangements were considered then the derivative assets would be \$7.8 million and the derivative liabilities would be \$323.6 million.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 18: Financial risk management (cont.)

30 June 2022	Contractual undiscounted principal and interest			
	3 months or less \$ m	3 months to 1 year \$ m	1 year to 5 years \$ m	Greater than 5 years \$ m
Undiscounted financial assets				
Cash and liquid assets	19.0	-	-	-
Receivables from other financial institutions	613.7	28.9	-	-
Investment securities at amortised cost	57.4	281.3	605.3	-
Loans and receivables at amortised cost	-	0.1	0.3	-
Loans and receivables designated at fair value through profit or loss	41.1	243.9	777.7	370.4
Loans to National Interest Account designated at fair value through profit or loss	37.8	78.5	273.5	301.3
Derivative financial instruments receivable				
- Contractual amounts receivable	315.8	346.0	1,200.3	515.6
Total undiscounted financial assets	1,084.8	978.7	2,857.1	1,187.3
Undiscounted financial liabilities				
Borrowings designated at fair value through profit or loss				
- Euro commercial paper	770.7	192.6	-	-
- Borrowings	110.6	14.2	962.3	557.9
Derivative financial instruments payable				
- Contractual amounts payable	352.8	374.0	1,377.4	579.6
Total undiscounted financial liabilities	1,234.1	580.8	2,339.7	1,137.5
Net undiscounted financial assets/(liabilities)	(149.3)	397.9	517.4	49.8

The liquidity table below is based on estimated future cash flows for principal and interest and is not their fair value as is shown on the statement of financial position. For the NIA, the contractual undiscounted amounts comprise principal and interest repayment obligations and are as follows:

30 June 2023	Contractual undiscounted principal and interest			
	3 months or less \$ m	3 months to 1 year \$ m	1 year to 5 years \$ m	Greater than 5 years \$ m
Undiscounted financial assets				
Cash and liquid assets	83.2	-	-	-
Receivables from other financial institutions	96.2	-	-	-
Loans and receivables at amortised cost	47.4	94.9	441.3	300.3
Loans and receivables designated at fair value through profit or loss	-	66.6	248.6	1,183.2
Derivative financial instruments receivable				
- Contractual amounts receivable	-	107.3	360.5	-
Total undiscounted financial assets	226.8	268.8	1,050.4	1,483.5
Undiscounted financial liabilities				
Borrowings designated at fair value through profit or loss	-	104.8	2,631.9	-
Borrowings from Commercial Account at amortised cost	35.5	82.6	355.3	294.3
Derivative financial instruments payable				
- Contractual amounts payable	-	137.8	350.9	-
Total undiscounted financial liabilities	35.5	325.2	3,338.1	294.3
Net undiscounted financial assets/(liabilities)	191.3	(56.4)	(2,287.7)	1,189.2

A new borrowing will be entered on maturity of the current borrowing, to continue to fund the outstanding loans.

(iv) Market risk

(a) Interest rate risk

As Export Finance Australia is involved in lending and borrowing activities, interest rate risks arise. Interest rate swaps, forward rate agreements, and cross-currency swaps are used on the CA as the primary methods of reducing exposure to interest rate movements.

Export Finance Australia's policy is to minimise interest rate risk. If loans are not at floating rates, a fixed to floating rate swap is generally entered into from the time terms and conditions are agreed.

In certain circumstances, cash flow hedges may be entered into to hedge the exposure to variability in interest rate movements that are attributable to future interest cash flows. At year end, there are no outstanding cash flow hedges.

Fair value hedges are intended to hedge the exposure to variability in fair value movements that are attributable to future interest cash flows only. At year end, there are no outstanding fair value hedges.

Fixed interest loans and borrowing portfolios have an opportunity cost exposure to changes in market value. The change in market value can be caused by either a general shift in the level of interest rates or by a change in the credit margin of individual assets. Exposure to the general level of interest rates is a function of 'duration', whereas exposure to credit margin is a function of 'term to maturity'. Management sets a benchmark for the 'duration' of the capital and reserves portfolio. Other fixed interest portfolios, loan and investments and borrowing portfolios are not impacted by changes in the general level of interest rates due to duration hedging.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 18: Financial risk management (cont.)

The table below is based on actual or notional principal balances for the CA and is not their fair value as shown on the statement of financial position. The amounts shown are the undiscounted principal exposure and notional principal amounts outstanding.

30 June 2023	Contractual undiscounted principal exposure				
	Floating interest rate \$ m	Fixed Less than 1 year \$ m	Fixed 1 to 5 years \$ m	Fixed More than 5 years \$ m	Fixed Total \$ m
Undiscounted principal exposures					
Financial assets					
Cash and liquid assets	40.7	-	-	-	-
Receivables from other financial institutions	850.0	-	-	-	-
Investment securities at amortised cost	352.0	123.3	305.0	-	428.3
Loans and receivables designated at amortised cost	0.3	-	-	-	-
Loans and receivables designated at fair value through profit or loss	1,232.3	2.7	11.9	30.4	45.0
Loans to National Interest Account designated at fair value through profit or loss	596.8	0.4	6.7	-	7.1
Total financial assets	3,072.1	126.4	323.6	30.4	480.4
Financial liabilities					
Derivative financial instruments					
- Cross-currency swaps	737.1	-	(235.0)	(280.0)	(515.0)
- Foreign exchange swaps	(1.5)	-	-	-	-
- Interest rate swaps*	833.4	(650.4)	9.9	(192.9)	(833.4)
Borrowings designated at fair value through profit or loss	1,251.8	650.0	241.7	530.0	1,421.7
Other monetary liabilities	87.8	-	-	-	-
Total financial liabilities	2,908.6	(0.4)	16.6	57.1	73.3
Net interest exposures	163.5	126.8	307.0	(26.7)	407.1
Capital and reserves portfolio	107.3	123.3	305.0	-	428.3
Net interest exposures	56.2	3.5	2.0	(26.7)	(21.2)

* Notional principal amounts.

The capital and reserves portfolio is the investment of the cash equity. The investment of these funds is exposed to interest rate movements and the tables below in the interest margin (duration) section show the analysis of the sensitivity of these investments to interest rate movements. The net interest exposure after these investments show that there is insignificant interest rate exposure in the rest of the assets and liabilities. Other areas are indirectly affected by the change in future anticipated interest rates due to the discounting factor when calculating the net present value of future cash flows.

Fixed Interest rate swaps have been entered to hedge fixed interest rate loans. The loans have not drawn as expected and remain undrawn and this has created a temporary fixed exposure.

Contractual undiscounted principal exposure

30 June 2022	Floating interest rate \$ m	Fixed Less than 1 year \$ m	Fixed 1 to 5 years \$ m	Fixed More than 5 years \$ m	Fixed Total \$ m
Undiscounted principal exposures					
Financial assets					
Cash and liquid assets	19.0	-	-	-	-
Receivables from other financial institutions	641.4	-	-	-	-
Investment securities at amortised cost	515.0	60.5	317.8	-	378.3
Loans and receivables designated at amortised cost	0.4	-	-	-	-
Loans and receivables designated at fair value through profit or loss	1,146.6	2.5	11.0	32.4	45.9
Loans to National Interest Account designated at fair value through profit or loss	544.8	0.4	7.0	-	7.4
Total financial assets	2,867.2	63.4	335.8	32.4	431.6
Financial liabilities					
Derivative financial instruments					
- Cross-currency swaps	837.0	(100.0)	(235.0)	(280.0)	(615.0)
- Foreign exchange swaps	(6.9)	-	-	-	-
- Interest rate swaps*	849.9	6.3	(638.6)	(217.6)	(849.9)
Borrowings designated at fair value through profit or loss	963.2	100.0	891.6	530.0	1,521.6
Other monetary liabilities	49.4	-	-	-	-
Total financial liabilities	2,692.6	6.3	18.0	32.4	56.7
Interest exposures	174.6	57.1	317.8	-	374.9
Capital and reserves portfolio	155.3	60.5	317.8	-	378.3
Net interest exposures	19.3	(3.4)	-	-	(3.4)

* Notional principal amounts.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 18: Financial risk management (cont.)

The table below is based on actual or notional principal balances for the NIA and is not their fair value as shown on the statement of financial position. The amounts shown are the undiscounted principal exposure and notional principal amounts outstanding.

30 June 2023	Contractual undiscounted principal exposure				
	Floating interest rate \$ m	Fixed Less than 1 year \$ m	Fixed 1 to 5 years \$ m	Fixed More than 5 years \$ m	Fixed Total \$ m
Undiscounted principal exposures					
Financial assets					
Cash and liquid assets	83.2	-	-	-	-
Receivables from other financial institutions	96.2	-	-	-	-
Loans and receivables designated at amortised cost	699.6	0.4	6.7	-	7.1
Loans and receivables designated at fair value through profit or loss	1,147.2	-	-	-	-
Total financial assets	2,026.2	0.4	6.7	-	7.1
Financial liabilities					
Derivative financial instruments					
- Interest rate swaps*	2,265.2	-	(2,265.2)	-	(2,265.2)
Borrowings designated at fair value through profit or loss	-	-	2,265.2	-	2,265.2
Borrowings from Commercial Account at amortised cost	596.8	0.4	6.7	-	7.1
Monetary liabilities	102.8	-	-	-	-
Total financial liabilities	2,964.8	0.4	6.7	-	7.1
Net interest exposures	(938.6)	-	-	-	-

* Notional principal amounts.

The floating exposure is primarily due to the borrowings are being used to fund an equity investment held at fair value through profit and loss, which has no contractual cash flows.

> Interest margin (duration)

To ensure consistency and a common approach to interest rate sensitivity analysis, the recommendations provided by the Commonwealth as to the sensitivity rates to use in the analysis have been adopted. The sensitivity analysis movement percentages are based on both statistical and non-statistical analysis. The statistical analysis is based on the cash rate for the past five years issued by the Reserve Bank of Australia (RBA) as the underlying data set. This information is then revised and adjusted for reasonableness under the current economic circumstances. The below percentage changes are the recommendations for interest rate sensitivity provided by the Commonwealth.

Sensitivity analysis of interest rate risk (which is the risk that the fair value will fluctuate because of changes in market interest rates and not credit factors) for the CA is only performed for capital and reserve investments. The net interest exposure after these investments show that there is insignificant interest rate exposure in the rest of the assets and liabilities. Other areas are indirectly affected by the change in future anticipated interest rates due to the discounting factor when calculating the net present value of future cash flows.

30 June 2023	Exposure at risk \$ m	Increase in basis points Change in market value \$ m	Decrease in basis points Change in market value \$ m	Increase in basis points Effect on equity \$ m	Decrease in basis points Effect on equity \$ m
Capital and reserve portfolio					
Fixed rate investments	428.3				
Change of 104 basis points interest margin		8.2	(8.2)	-	-
Floating rate investments	107.3				
Change of 104 basis points interest margin		1.0	(1.0)	-	-

30 June 2022	Exposure at risk \$ m	Increase in basis points Effect on profit \$ m	Decrease in basis points Effect on profit \$ m	Increase in basis points Effect on equity \$ m	Decrease in basis points Effect on equity \$ m
Capital and reserve portfolio					
Fixed rate investments	378.3				
Change of 74 basis points interest margin		6.5	(6.5)	-	-
Floating rate investments	155.3				
Change of 74 basis points interest margin		1.2	(1.2)	-	-

For the NIA the only interest exposure is the net floating rate on the variance between the assets and liabilities:

30 June 2023	Exposure at risk \$ m	Increase in basis points Change in market value \$ m	Decrease in basis points Change in market value \$ m
Net exposure			
Change of 104 basis points interest margin		(938.6)	6.9

> Credit margin (term to maturity)

For Export Finance Australia's investment portfolio, there is a credit revaluation risk as the fair value of the investments will fluctuate because of changes in the credit quality of the investment counterparty.

As at 30 June 2023, Export Finance Australia's investment approval is derived from the PGPA Act. This authority requires Export Finance Australia to invest its surplus money in only Australian Commonwealth and state or territory government securities, on deposit with or in securities issued by ADIs rated at least BBB- or above, and on deposit with or in securities of other entities with credit ratings the equivalent of AA- or above. However, if after purchase a counterparty subsequently falls below the minimum credit rating, management evaluates the risk and will decide on the applicable action, which may include selling the asset, holding the asset to maturity, or obtaining security through CSAs.

Notwithstanding such a high level of credit quality in investments, the portfolio is exposed to movements in credit spreads.

Unrealised marked to market movements are minimised by having an average life to maturity of approximately two years. As investments are classified at amortised cost, mark to market movements are not reflected in the financial statements, and assuming no credit defaults, losses or gains would not be realised in the profit or loss.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 18: Financial risk management (cont.)

Sensitivity analysis of credit risk for the CA is as follows:

	Exposure at risk	Exposure at risk	Increase in basis points change in market value	Decrease in basis points change in market value	Increase in basis points Effect on equity	Decrease in basis points Effect on equity
	2023	2022	2023	2023	2022	2022
	\$ m	\$ m	\$ m	\$ m	\$ m	\$ m
Investment portfolio						
Fixed rate investments	428.3	378.3				
Change of 50 basis points credit margin			(3.9)	3.9	(4.3)	4.3
Change of 120 basis points credit margin			(8.5)	9.5	(10.3)	10.3
Change of 200 basis points credit margin			(15.7)	15.8	(17.1)	17.2
Floating rate investments	1,202.0	1,156.4				
Change of 50 basis points credit margin			(3.5)	3.5	(3.3)	3.3
Change of 120 basis points credit margin			(8.3)	8.3	(7.9)	7.9
Change of 200 basis points credit margin			(13.8)	13.8	(13.2)	13.2

(b) Foreign exchange risk

Export Finance Australia extends facilities in various currencies, principally in US dollars, euros and Papua New Guinea kina. Where the borrowing currency is different from the currency of the assets being funded, cross-currency swaps or foreign exchange contracts are used to offset the exposure (before allowances and provisions).

The table below does not include any balances that are in AUD as they are not exposed to foreign currency movements. Foreign currency exposures for the CA in Australian dollar equivalents are:

	Foreign currency fair value exposures		
30 June 2023	USD A\$ m	EUR A\$ m	Other A\$ m
Financial assets exposure in foreign currencies			
Cash and liquid assets	20.2	2.9	2.9
Receivables from other financial institutions	759.4	-	-
Loans and receivables at amortised cost	0.1	-	-
Loans and receivables designated at fair value through profit or loss	928.5	75.8	-
Loans to National Interest Account designated at fair value through profit or loss	413.4	-	7.3
Derivative financial instruments receivable	387.8	-	-
Other financial assets	2.4	-	-
Total financial assets exposure in foreign currencies	2,511.8	78.7	10.2
Financial liabilities exposure in foreign currencies			
Borrowings designated at fair value through profit or loss	1,150.8	88.8	7.2
Guarantees designated at fair value through profit or loss	5.2	3.2	0.7
Derivative financial instruments payable	1,371.6	-	-
Other financial liabilities	56.7	0.9	-
Total financial liabilities exposure in foreign currencies	2,584.3	92.9	7.9
Net foreign exchange exposures in foreign currencies	(72.5)	(14.2)	2.3

As shown in the above table, the net foreign exchange exposure as at 30 June 2023 is minimal in value for all currencies other than USD with an exposure of \$72.5 million and EUR with an exposure of \$14.2 million. The exposure in this currency is largely due to movements in credit risk provisioning.

Foreign currency fair value exposures			
30 June 2022	USD A\$ m	EUR A\$ m	Other A\$ m
Financial assets exposure in foreign currencies			
Cash and liquid assets	2.6	9.3	1.8
Receivables from other financial institutions	568.3	-	-
Loans and receivables at amortised cost	0.1	-	-
Loans and receivables designated at fair value through profit or loss	834.3	72.1	-
Loans to National Interest Account designated at fair value through profit or loss	410.6	-	7.3
Derivative financial instruments receivable	693.6	-	-
Other financial assets	0.6	-	-
Total financial assets exposure in foreign currencies	2,510.1	81.4	9.1
Financial liabilities exposure in foreign currencies			
Borrowings designated at fair value through profit or loss	877.7	83.5	7.3
Guarantees designated at fair value through profit or loss	3.8	2.6	(0.1)
Derivative financial instruments payable	1,661.1	6.1	-
Other financial liabilities	37.4	1.1	0.3
Total financial liabilities exposure in foreign currencies	2,580.0	93.3	7.5
Net foreign exchange exposures in foreign currencies	(69.9)	(11.9)	1.6

Export Finance Australia's business creates foreign exchange exposures in relation to future income and expense. The current policy is only to hedge 'realised' income and expense, not to hedge 'unrealised' or future foreign currency income and expense. There is also unrealised exposure to the discounting factor applied to the future cash flows. The discount factor can be affected by the anticipated future interest rates, which then can give rise to a profit or loss movement based on the discounted rate used to net present value the future anticipated cash flows.

The exposure to foreign exchange rate movement is kept to a minimum as borrowings are converted via cross-currency swaps into the currency that is needed to lend to customers. The three main components that are exposed to foreign exchange movements relate to:

- (i) future fixed interest profit that has been taken to income in foreign currency;
- (ii) future risk premiums and other residual components taken to income in foreign currency; and
- (iii) the allowance for credit risk which is held in Australian-dollar equivalents against loans predominantly in foreign currency.

To ensure consistency and a common approach to foreign exchange sensitivity, the recommendations provided by the Commonwealth have been adopted. The sensitivity analysis movement percentages are based on both statistical and non-statistical analysis. The statistical analysis is based on main currency movements for the last five years. This information is then revised and adjusted for reasonableness under the current economic circumstances. Sensitivity has only been performed on the currencies that are material to financial statements.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 18: Financial risk management (cont.)

Sensitivity analysis for foreign exchange on the CA:

30 June 2023	Change in foreign exchange (FX) rate %	Exposure at risk A\$ m	Increase in FX rate Effect on profit A\$ m	Decrease in FX rate Effect on profit A\$ m
Exposure to USD	8.5	(72.5)	5.7	(6.7)
Exposure to EUR	8.5	(14.2)	1.1	(1.3)

30 June 2022	Change in foreign exchange (FX) rate %	Exposure at risk A\$ m	Increase in FX rate Effect on profit A\$ m	Decrease in FX rate Effect on profit A\$ m
Exposure to USD	8.3	(69.9)	5.4	(6.4)
Exposure to EUR	8.3	(11.9)	0.9	(1.1)

Foreign currency exposures for the NIA in Australian dollar equivalents are:

	USD 30 June 2023 A\$ m	FJD 30 June 2023 A\$ m	PGK 30 June 2023 A\$ m	USD 30 June 2022 A\$ m	FJD 30 June 2022 A\$ m
Financial assets exposure					
Cash and liquid assets	-	-	83.2	-	-
Receivables from other financial institutions	96.2	-	-	2,506.5	-
Loans and receivables at amortised cost	436.3	6.5	-	437.3	6.4
Loans and receivable designated at fair value through profit and loss	1,161.5	-	-	-	-
Equity securities at fair value through profit and loss	939.6	-	-	-	-
Derivative financial instruments receivable	2.5	-	-	-	-
Other financial assets	7.8	0.2	-	- 0.1	0.2
Total financial assets exposure	2,643.9	6.7	83.2	2,943.7	6.6
Financial liabilities exposure					
Payables to other financial institutions	-	-	-	2,511.4	-
Borrowings designated at fair value through profit or loss	2,304.1	-	-	-	-
Borrowings from Commercial Account	414.2	6.7	-	413.2	6.6
Derivative financial instruments payable	33.6	-	-	-	-
Guarantees bonds and insurances designated at fair value through profit or loss	10.8	-	-	-	-
Sundry provisions and allowances	-	1.6	-	-	1.5
Other financial liabilities	3.6	-	-	0.9	-
Total financial liabilities exposure	2,766.3	8.3	-	2,925.5	8.1
Net foreign exchange exposures	(122.4)	(1.6)	83.2	18.2	(1.5)

The policy of the Commonwealth is not to hedge these exposures.

Sensitivity analysis for foreign exchange on the NIA:

30 June 2023	Change in foreign exchange (FX) rate	Exposure at risk	Increase in FX rate	Decrease in FX rate
	%	A\$ m	Effect on profit A\$ m	Effect on profit A\$ m
Exposure to USD	8.5	(122.4)	(9.6)	11.3
Exposure to PGK	8.5	83.2	6.5	(7.7)

30 June 2022	Change in foreign exchange (FX) rate	Exposure at risk	Increase in FX rate	Decrease in FX rate
	%	A\$ m	Effect on profit A\$ m	Effect on profit A\$ m
Exposure to USD	8.3	18.2	1.4	(1.7)

Note 19: Fair value of financial instruments

(i) Determination of fair value hierarchy

Export Finance Australia uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- › Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- › Level 2: techniques for which all inputs significantly affecting the recorded fair value are observable, either directly or indirectly; and
- › Level 3: other techniques for which inputs significantly affecting the recorded fair value are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, it is determined whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table shows an analysis of financial instruments in the CA recorded at fair value for levels 2 or 3 fair value hierarchy:

	Carrying amount	Fair value exposures by hierarchy		
	Total \$ m	Level 2 \$ m	Level 3 \$ m	Total \$ m
30 June 2023				
Financial assets measured at fair value				
Loans and receivables designated at fair value through profit or loss	1,161.0	-	1,161.0	1,161.0
Loans to National Interest Account designated at fair value through profit or loss	603.7	603.7	-	603.7
Interest rate swaps	11.9	11.9	-	11.9
Cross-currency swaps	15.2	15.2	-	15.2
Forward foreign exchange contracts	2.1	2.1	-	2.1
Non financial assets				
Property, plant and equipment	139.8	139.8	-	139.8
Investment securities measured at amortised cost				
Floating rate notes	352.0	358.3	-	358.3
Fixed rate bonds	428.3	422.9	-	422.9
Total	2,714.0	1,553.9	1,161.0	2,714.9
Financial liabilities				
Borrowings designated at fair value through profit or loss	(2,557.1)	(2,557.1)	-	(2,557.1)
Guarantees designated at fair value through profit or loss	(11.2)	-	(11.2)	(11.2)
Interest rate swaps	(70.0)	(70.0)	-	(70.0)
Cross-currency swaps	(278.7)	(278.7)	-	(278.7)
Total	(2,918.4)	(2,907.2)	(11.2)	(2,918.4)

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 19: Fair value of financial instruments (cont.)

30 June 2022	Carrying amount	Fair value exposures by hierarchy		
	Total \$ m	Level 2 \$ m	Level 3 \$ m	Total \$ m
Financial assets measured at fair value				
Loans and receivables designated at fair value through profit or loss	1,226.9	-	1,226.9	1,226.9
Loans to National Interest Account designated at fair value through profit or loss	390.2	390.2	-	390.2
Interest rate swaps	0.1	0.1	-	0.1
Cross-currency swaps	51.3	51.3	-	51.3
Forward foreign exchange contracts	15.1	15.1	-	15.1
Investment securities measured at amortised cost				
Discount securities	207.8	207.9	-	207.9
Floating rate notes	231.0	232.9	-	232.9
Fixed rate bonds	417.2	437.6	-	437.6
Total	2,539.6	1,335.1	1,226.9	2,562.0
Financial liabilities				
Borrowings designated at fair value through profit or loss	(2,379.3)	(2,379.3)	-	(2,379.3)
Guarantees designated at fair value through profit or loss	(4.8)	-	(4.8)	(4.8)
Interest rate swaps	(2.4)	(2.4)	-	(2.4)
Cross-currency swaps	(94.2)	(94.2)	-	(94.2)
Forward foreign exchange contracts	(5.0)	(5.0)	-	(5.0)
Total	(2,485.7)	(2,480.9)	(4.8)	(2,485.7)

The following table shows an analysis of financial instruments in the NIA recorded at fair value by level of the fair value hierarchy level 2 or 3:

30 June 2023	Carrying amount	Fair value exposures by hierarchy		
	Total \$ m	Level 2 \$ m	Level 3 \$ m	Total \$ m
Financial assets measured at fair value				
Loans and receivables designated at fair value through profit or loss	1,161.5	-	1,148.8	1,148.8
Equity Securities at fair value through profit and loss	939.6	-	502.1	502.1
Interest rate swaps	2.5	2.5	-	2.5
Total	2,103.6	2.5	1,650.9	1,653.4
Financial liabilities				
Borrowings designated at fair value through profit or loss	(2,304.1)	(2,304.1)	-	(2,304.1)
Forward foreign exchange contracts	(33.6)	(33.6)	-	(33.6)
Guarantees designated at fair value through profit or loss	(10.8)	-	(10.8)	(10.8)
Total	(2,348.5)	(2,337.7)	(10.8)	(2,348.5)

The following table shows an analysis of movement in level 3 fair value hierarchy on the CA:

Movement in level 3 fair value exposures							
	At 1 July 2022	New Deals	Repayments	Foreign exchange	Profit/(loss) deals matured	Profit/(loss) deals existing	At 30 June 2023
	\$ m	\$ m	\$ m	\$ m	\$ m	\$ m	\$ m
Level 3 financial assets							
Loans and receivables designated at fair value through profit or loss	1,100.8	370.3	(328.9)	41.1	-	(22.3)	1,161.0
	1,100.8	370.3	(328.9)	41.1	-	(22.3)	1,161.0
Level 3 financial liabilities							
Guarantees designated at fair value through profit or loss*	(8.5)	-	-	3.6	-	(6.3)	(11.2)
	(8.5)	-	-	3.6	-	(6.3)	(11.2)
Total net level 3	1,092.3	370.3	(328.9)	44.7	-	(28.6)	1,149.8

Movement in level 3 fair value exposures							
	At 1 July 2021	New Deals	Repayments	Foreign exchange	Profit/(loss) deals matured	Profit/(loss) deals existing	At 30 June 2022
	\$ m	\$ m	\$ m	\$ m	\$ m	\$ m	\$ m
Level 3 financial assets							
Loans and receivables designated at fair value through profit or loss	1,226.9	348.7	(547.6)	81.8	-	(8.9)	1,100.8
	1,226.9	348.7	(547.6)	81.8	-	(8.9)	1,100.8
Level 3 financial liabilities							
Guarantees designated at fair value through profit or loss*	(4.8)	-	-	(0.3)	-	(3.4)	(8.5)
	(4.8)	-	-	(0.3)	-	(3.4)	(8.5)
Total net level 3	1,222.1	348.7	(547.6)	81.5	-	(12.3)	1,092.3

* Guarantees are contingent liabilities and so the face value is not held in the statement of financial position.

The profit or loss on the above level 3 financial assets and liabilities is recorded in the statement of profit or loss or other comprehensive income in either the category fair value of third party loans and guarantees or the category fair value of other financial instruments.

The following table shows an analysis of movement in level 3 fair value hierarchy on the NIA:

Movement in level 3 fair value exposures							
	At 1 July 2022	New Deals	Repayments	Foreign exchange	Valuation Adjustment	Profit/(loss) deals existing	At 30 June 2023
	\$ m	\$ m	\$ m	\$ m	\$ m	\$ m	\$ m
Level 3 financial assets							
Loans and receivables designated at fair value through profit or loss	-	1,130.4	(2.6)	19.4	(12.7)	14.3	1,148.8
Equity Securities at fair value through profit and loss	-	925.0	-	15.8	(437.5)	(1.2)	502.1
	-	2,055.4	(2.6)	35.2	(450.2)	13.1	1,650.9
Level 3 financial liabilities							
Guarantees designated at fair value through profit or loss*	-	-	-	(0.2)	-	(10.6)	(10.8)
	-	-	-	(0.2)	-	(10.6)	(10.8)
Total net level 3	-	2,055.4	(2.6)	35.0	(450.2)	2.5	1,640.1

* Guarantees are contingent liabilities and so the face value is not held in the statement of financial position.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 19: Fair value of financial instruments (cont.)

The following table shows the quantitative information of significant unobservable inputs for level 3 fair value exposures on the CA:

Sensitivity of level 3 fair value exposures				
	At 30 June 2023 \$ m	Effect of reasonable alternative assumptions \$ m	At 30 June 2022 \$ m	Effect of reasonable alternative assumptions \$ m
Level 3 financial assets				
Loans and receivables designated at fair value through profit or loss	1,161.0	(24.4)	1,100.8	(23.5)
Level 3 financial liabilities				
Guarantees designated at fair value through profit or loss	(11.2)	(5.4)	(8.5)	(3.7)

In order to determine reasonable alternative assumptions, the following model inputs were adjusted:

For both loans and receivables designated at fair value through profit or loss, and guarantees designated at fair value through profit or loss, the credit risk assumptions were adjusted. This involved adjusting the ratings modifier down by one notch (eg risk category 5 flat to 5 negative) across the entire portfolio, which is considered a reasonable alternative assumption.

The following table shows the quantitative information of significant unobservable inputs for level 3 fair value exposures on the NIA:

Sensitivity of level 3 fair value exposures				
	At 30 June 2023 \$ m	Effect of reasonable alternative assumptions \$ m	At 30 June 2022 \$ m	Effect of reasonable alternative assumptions \$ m
Level 3 financial assets				
Loans and receivables designated at fair value through profit or loss	1,148.8	(13.5)	-	-
Equity Securities at fair value through profit and loss	502.1	(15.7)	-	-
Level 3 financial liabilities				
Guarantees designated at fair value through profit or loss	(10.8)	(2.3)	-	-

In order to determine reasonable alternative assumptions, the following model inputs were adjusted:

For both loans and receivables designated at fair value through profit or loss, and equity securities designated at fair value through profit or loss, the model assumptions were adjusted. To obtain the sensitivity, inputs such as the discounting rate and the credit risk were adjusted to what is considered the lower end of reasonable assumptions in the same model that was used to value the transactions, which is considered a reasonable alternative assumption.

(ii) Determination of fair value

The process for determination of fair value is regularly reviewed, and any changes recommended to the inputs used in the valuations are documented and submitted to the Board Audit and Risk Committee and then to the Board for approval if necessary. A summary paper is submitted to the Board Audit and Risk Committee and Board every year prior to the approval of the financial statements, which documents the accounting estimates used in fair value calculations including level 3 unobservable inputs.

Export Finance Australia is closely monitoring technical and regulatory developments offshore affecting the replacement of LIBOR and expects to adopt the market consensus as it emerges.

The following is a description of the determination of fair value for financial instruments that are recorded at fair value using valuation techniques.

Commercial Account loans and receivables designated at fair value through profit or loss

The fair value on day one is the transaction price, and subsequent fair value is determined by applying market interest rates and using a discounted cash flow valuation through an external valuation system. These are classified as level 3 as the credit risk component is included in the valuation through an internal model to reflect the impact of expected loss on the fair value of each loan or receivable. A residual margin covering prepayment risks, other risks and servicing costs is also included in the fair value of each loan or receivable. When it is likely that a loan or debt will not be recovered in full, a specific event is recognised and recorded using the discounted cash flow method. All individual facilities are reviewed regularly.

Loans to National Interest Account designated at fair value through profit or loss

Fair value is determined by applying market rates and using a discounted cash flow valuation through an external valuation system. These loans are classified as level 2.

Derivative financial instruments

The fair value of derivative financial instruments is determined by applying market rates and using a discounted cash flow valuation. For derivatives that are associated with borrowings, an adjusted curve is derived from the London Inter-bank Offered Rate (LIBOR) or risk-free curve and then adjusted to calculate a margin based on Export Finance Australia's current ability to issue debt at a margin to LIBOR. These valuations before the allowance for derivative risk are being obtained from an external valuation system. In the calculation of the allowance for derivative risk, a credit risk component is included through the use of published credit default spreads and a valuation risk component is included through an internal model. Derivatives are classified as level 2.

Borrowings designated at fair value through profit or loss

The fair value of borrowings is determined by applying market interest rates and using a discounted cash flow valuation. An adjusted curve is derived from the LIBOR or risk-free curve and then adjusted to calculate a margin based on Export Finance Australia's current ability to issue debt at a margin to LIBOR. These valuations are being obtained from an external valuation system. The borrowings are classified as level 2.

Guarantees designated at fair value through profit or loss

The fair value on day one is the transaction price, and subsequent fair value is determined by applying market rates and using a discounted cash flow valuation through an external valuation system. These are classified as level 3 as the credit risk component is included in the valuation through an internal model to reflect the impact of expected loss on the fair value of each guarantee. A residual margin covering prepayment risks, other risks and servicing costs is also included in the fair value of the guarantee. When it is likely that a guarantee will be called, a specific event is recognised and recorded using the discounted cash flow method. All individual facilities are reviewed regularly.

Investment securities measured at amortised cost

The indicative fair value quoted in the above table are for information purposes only and are determined by applying market interest rates and using a discounted cash flow valuation. These valuations are being obtained from an external valuation system and are classified as level 2. The assets are held at amortised costs in the financial statements.

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 19: Fair value of financial instruments (cont.)

National interest account loans and receivables designated at fair value through profit or loss

Due to the complex nature of these transactions, Export finance Australia obtained an independent valuation of these loans. The fair value provided was based on calculation methods and assumptions which reflect market information that can be distilled from actively traded markets. This provides market-related valuations, which are consistent with the market information available. Net present value of cash flows and credit adjusted spreads were taken into account in the valuation.

Equity investments at fair value through profit and loss

Due to the complex nature of these transactions, Export finance Australia obtained an independent valuation of these equity investments. The fair value provided was based on calculation methods and assumptions which reflect market information that can be distilled from actively traded markets. This provides market-related valuations, which are consistent with the market information available.

Note 20: Capital equivalent

	Note	Commercial Account		National Interest Account	
		30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Capital available					
Equity at start of period		586.9	542.8	-	-
Profit		17.0	12.8	-	-
Asset revaluation reserve	11	-	37.0	-	-
Dividend payable/paid		(6.4)	(5.7)	-	-
Equity at end of period		597.5	586.9	-	-
Eligible allowance for credit risk in capital		19.6	16.8	-	-
Export Finance Australia capital		617.1	603.7	-	-
Callable capital		1,200.0	1,200.0	-	-
Capital available (including callable capital)		1,817.1	1,803.7	-	-

Commercial Account

Capital management

Under section 56 of the EFIC Act, the Board is required 'to ensure, according to sound commercial principles, that the capital and reserves of Export Finance Australia at any time are sufficient'. This requirement relates only to our CA activities, and this provides guidance in fulfilling the obligation by setting regulatory standards drawing upon both the standards of APRA and those set by the Bank for International Settlements through the Basel Committee on Banking Supervision.

Actual capital available (cash and callable) is used by the Board as the base for setting risk tolerances for counterparty and country exposure limits.

Export Finance Australia has modelled its large exposure policy on Basel and APRA guidelines. Our large exposures limits are 25% of eligible capital for internal risk grades 1 and 2 (A- and above), and 15% for internal risk grades 3 and worse (below A-). Any exceptions above these limits are subject to Board approval. In addition, the Board allows a small tolerance above these limits for foreign exchange movements given the majority of the large exposures are in foreign currency against an AUD capital base.

Export Finance Australia's approach to capital management is based around assessing the level of and appetite for risk, and ensuring that the level and quality of capital is appropriate to that risk profile. Prudent practice also requires that capital management be forward-looking, having regard to changes in strategy, business plans and the operating environment as well as changes in the type, amount and concentration of risk that might impact on the capital resources available.

Capital also supports the operations by providing a buffer to absorb unanticipated losses from its normal business activities. In the event cash capital is insufficient, the Board, in consultation with the Government, may call additional cash capital up to a prescribed amount. Export Finance Australia is also supported by a Commonwealth guarantee that protects third parties from any financial loss in the event Export Finance Australia cannot meet its obligations. This guarantee has never been called.

The Board treats the capital as equivalent to the regulatory capital under Basel and APRA guidelines and uses this as the basis for setting risk tolerances with regard to large exposures. Changes to the EFIC Act in 2013, which gave the Minister power under section 55A(2) to 'direct Efic to pay specified dividends within a specific period', means the capital base may not meet the regulatory definition of 'capital'.

When making this assessment, the Board is required to include as equity the \$1.2 billion of callable capital that is available from the Commonwealth in accordance with the provisions of section 54(8)(a) of the EFIC Act.

National Interest Account

Export Finance Australia holds no capital against the NIA business on the basis that the risks are borne by the Commonwealth.

Note 21: Remuneration of external auditors

	Commercial Account		National Interest Account	
	30 June 2023 \$	30 June 2022 \$	30 June 2023 \$	30 June 2022 \$
Auditor's remuneration				
Amounts received or due and receivable by Export Finance Australia's auditors for:				
Other services	-	-	-	-
An audit or review of the annual report	252,000	252,000	-	-
Total audit remuneration	252,000	252,000	-	-

Export Finance Australia's auditor is the Australian National Audit Office (ANAO).

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 22: Related party disclosures

Key management remuneration expenses for the reporting period

Total remuneration received and receivable by key management personnel for the year (includes Directors). Remuneration includes all cash remuneration, superannuation and any non-cash benefits (including applicable fringe benefits tax).

	Commercial Account		National Interest Account	
	30 June 2023 \$	30 June 2022 \$	30 June 2023 \$	30 June 2022 \$
Short-term employee benefits	4,460,294	3,893,769	-	-
Post-employment benefits	373,323	281,042	-	-
Long-term employee benefits	87,776	60,215	-	-
Termination benefits	-	-	-	-
Total remuneration	4,921,393	4,235,026	-	-
Total number of senior management personnel	18	17	-	-

The table has been based on the requirements stipulated in the Resource Management Guide No. 138 *Commonwealth Entities Executive Remuneration Reporting Guide for Annual Reports*.

The number of key management personnel at 30 June 2023 were 16 positions comprising 7 Board Members, the Managing Director & Chief Executive Officer, and 8 Executives. There has been one position added to KMPs this year compared to the prior year. The numbers that hold these positions vary depending on how many positions had departures and new starters within the year.

Transactions with key management personnel

Export Finance Australia has not entered into any direct transactions with key management personnel.

Under the EFIC Act, Export Finance Australia has a number of transactions with the Commonwealth. The principal transactions are those related to the NIA activities.

The Commonwealth guarantees the due payment by Export Finance Australia of any money that becomes payable to a third party.

Note 23: Reconciliation of operating profit to net cash flows from operating activities

		Commercial Account		National Interest Account	
	Note	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Profit from ordinary activities		17.0	12.8	(59.8)	8.6
Changes for non-cash items					
Depreciation	3(vii)	3.8	3.4	-	-
Employee entitlements	3(vii)	2.9	1.5	-	-
Amortisation of deferred income		5.8	(6.3)	-	0.1
Movement in accruals		3.0	-	31.1	7.2
Credit risk movement	3(iv),(viii)	11.4	(17.1)	5.0	4.4
Unrealised foreign exchange losses		2.8	5.5	(4.1)	(1.0)
Unearned premium		-	-	(0.4)	0.6
Operating expenses		-	-	7.2	5.0
Fair value movement of third-party loans and guarantees		(12.7)	16.0	-	-
Fair value movement of other financial instruments	3(v)	(4.3)	(4.8)	46.5	-
Fair value movement of equity investments		-	-	1.2	-
Specific provision for credit risk	3(iv)	8.3	8.9	4.1	3.6
Provision for competitive neutrality charges	15	10.9	8.2	-	-
Other		(1.4)	(1.3)	-	0.1
Adjustment for non-cash items					
Net movement in receivables/payables		25.8	2.7	-	-
Net repayments of loan balances		(79.0)	72.4	(1,175.7)	(144.5)
Purchase of equity investments		-	-	(925.0)	-
Net cash inflows/(outflows) from operating activities		(5.7)	101.9	(2,069.9)	(115.9)
Reconciliation of cash					
Cash at end of financial year is reconciled to the related items in the statement of financial position as follows:					
Cash		40.7	19.0	83.2	-
Receivables from other financial institutions	4	850.0	641.4	96.2	2,506.5
Cash (including liquid funds) at end of financial year		890.7	660.4	179.4	2,506.5
Financing facilities					
Borrowing facilities available at end of financial year					
Overdraft facilities		0.3	0.3	-	-
Amount of facilities used		-	-	-	-
Amount of facilities unused		0.3	0.3	-	-

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 24: Reconciliation of liabilities arising from financing activities

	Note	At 1 July 2022 \$ m	Cash Proceeds \$ m	Cash Repayments \$ m	Net Proceeds/ (Repayments) \$ m	Fair Value/ Foreign Exchange \$ m	At 30 June 2023 \$ m
Commercial Account							
Derivative assets and liabilities							
Derivative financial assets	9	23.3	1,697.1	(1,653.2)	43.9	(38.0)	29.2
Derivative financial liabilities	9	(340.5)	1,380.6	(1,450.6)	(70.0)	60.4	(350.1)
		(317.2)	3,077.7	(3,103.8)	(26.1)	22.4	(320.9)
Borrowings designated at fair value through profit and loss							
Borrowings	13	1,418.1	-	(100.0)	(100.0)	(0.6)	1,317.5
Euro commercial paper	13	961.2	4,958.1	(4,720.3)	237.8	40.6	1,239.6
		2,379.3	4,958.1	(4,820.3)	137.8	40.0	2,557.1
National Interest Account							
Payables to other financial institutions							
Payables to other financial institutions		2,511.4	2,471.2	(5,097.6)	(2,626.4)	115.0	-
Borrowings designated at fair value through profit and loss							
Borrowings	13	-	2,346.9	-	2,346.9	(42.8)	2,304.1
Borrowings from Commercial Account							
Borrowings from Commercial Account		552.2	154.6	(117.6)	37.0	14.7	603.9

	Note	At 1 July 2021 \$ m	Cash Proceeds \$ m	Cash Repayments \$ m	Net Proceeds/ (Repayments) \$ m	Fair Value/ Foreign Exchange \$ m	At 30 June 2022 \$ m
Commercial Account							
Derivative assets and liabilities							
Derivative financial assets	9	66.5	2,196.3	(2,162.2)	34.1	(77.3)	23.3
Derivative financial liabilities	9	(96.6)	1,327.3	(1,307.3)	20.0	(263.9)	(340.5)
		(30.1)	3,523.6	(3,469.5)	54.1	(341.2)	(317.2)
Payables to other financial institutions							
Payables to other financial institutions		-	16.1	(16.1)	-	-	-
Borrowings designated at fair value through profit and loss							
Structured borrowings		-	-	-	-	-	-
Non-structured borrowings		1,325.1	256.5	-	256.5	(163.5)	1,418.1
Euro commercial paper		780.6	4,008.0	(3,889.2)	118.8	61.8	961.2
	13	2,105.7	4,264.5	(3,889.2)	375.3	(101.7)	2,379.3
National Interest Account							
Payables to other financial institutions							
Payables to other financial institutions		-	3,750.7	(1,370.5)	2,380.2	131.2	2,511.4
Borrowings from Commercial Account							
Borrowings from Commercial Account		389.2	184.7	(39.9)	144.8	18.2	552.2

Note 25: Aggregate assets and liabilities

	Commercial Account		National Interest Account	
	30 June 2023 \$ m	30 June 2022 \$ m	30 June 2023 \$ m	30 June 2022 \$ m
Assets expected to be recovered in:				
No more than 12 months	1,510.2	1,364.6	228.5	2,593.2
More than 12 months	2,111.4	2,025.0	2,730.8	474.5
Total assets	3,621.6	3,389.6	2,959.3	3,067.7
Liabilities expected to be settled in:				
No more than 12 months	2,098.9	1,230.6	228.5	2,593.2
More than 12 months	925.2	1,572.1	2,730.8	474.5
Total liabilities	3,024.1	2,802.7	2,959.3	3,067.7
Net assets and liabilities	597.5	586.9	-	-

Appendices

Appendix A: **164**
Index of statutory
requirements

Appendix B: **169**
Equal Employment
Opportunities report

Appendix C: **172**
Work health and
safety report

Appendix D: **174**
Executive
remuneration report

Appendix E: **178**
Abbreviations
and acronyms





Appendix A:

Index of statutory requirements

We report in accordance with the requirements of the various acts and statutory instruments as set out in Table 13.

Table 13: Index of statutory reporting requirements

Section	Subject	Part of the report	Page
Public Governance, Performance and Accountability Act 2013			
Section 39	The Board must prepare Annual Performance Statements and include a copy in the Annual Report	Performance	24–53
Section 42	The Board must state in the annual financial statements whether, in the Board's opinion they comply with: (a) accounting standards and any other requirements prescribed by the rules (b) present fairly the entity's financial position, financial performance and cash flows	Financial statements	104–108
Section 43	A copy of the annual financial statements and the independent auditor's report must be included in an Annual Report	Financial statements	104–161
Section 46	The Board must prepare an Annual Report	2022–2023 Annual Report	1–180

PGPA Rule Reference	Description	Part of the report	Page
17BE	Contents of annual report	2022–2023 Annual Report	1–180
17BE(a)	Details of the legislation establishing the body	Governance	72
17BE(b)(i)	A summary of the objects and functions of the entity as set out in legislation	About Export Finance Australia	6–7 12–15
17BE(b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	About Export Finance Australia	6–7 12–15
17BE(c)	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	About Export Finance Australia Governance	12 72

PGPA Rule Reference	Description	Part of the report	Page
17BE(d)	Directions given to the entity by the Minister under an Act or instrument during the reporting period	Governance	72–78
17BE(e)	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	Not applicable	Not applicable
17BE(f)	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	Governance	72–78
17BE(g)	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Performance	24–53
17BE(h), 17BE(i)	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	Not applicable	Not applicable
17BE(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Governance	58–62
17BE(k)	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Governance	56
17BE(ka)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Governance	65–67
17BE(l)	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	About Export Finance Australia	15
17BE(m)	Information relating to the main corporate governance practices used by the entity during the reporting period	Governance	54–79

PGPA Rule Reference	Description	Part of the report	Page
17BE(n), 17BE(o)	<p>For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST):</p> <p>(a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and</p> <p>(b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions</p>	Not applicable	Not applicable
17BE(p)	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	About Export Finance Australia Performance	18–23 24–53
17BE(q)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	Not applicable	Not applicable
17BE(r)	<p>Particulars of any reports on the entity given by:</p> <p>(a) the Auditor-General (other than a report under section 43 of the Act); or</p> <p>(b) a Parliamentary Committee; or</p> <p>(c) the Commonwealth Ombudsman; or</p> <p>(d) the Office of the Australian Information Commissioner</p>	Not applicable	Not applicable
17BE(s)	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	Not applicable	Not applicable
17BE(t)	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	Governance	64

PGPA Rule Reference	Description	Part of the report	Page
17BE(taa)	The following information about the audit committee for the entity:		
	(a) a direct electronic address of the charter determining the functions of the audit committee;	Governance	57
	(b) the name of each member of the audit committee;	Governance	64
	(c) the qualifications, knowledge, skills or experience of each member of the audit committee;	Governance	58–62
	(d) information about each member’s attendance at meetings of the audit committee;	Governance	64
	(e) the remuneration of each member of the audit committee	Appendix D	177
17BE(ta)	Information about executive remuneration	Appendix D	174–177
17BF	Disclosure requirements for government business enterprises	Not applicable	Not applicable
17BF(1)(a)(i)	An assessment of significant changes in the entity’s overall financial structure and financial conditions	Not applicable	Not applicable
17BF(1)(a)(ii)	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	Not applicable	Not applicable
17BF(1)(b)	Information on dividends paid or recommended	Not applicable	Not applicable
17BF(1)(c)	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	Not applicable	Not applicable
17BF(2)	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	Not applicable	Not applicable

Other legislation

Section	Subject	Part of the report	Page
Environment Protection and Biodiversity Conservation Act 1999			
Section 516A(6)	Ecologically sustainable development and environmental performance	Performance	42–51
Export Finance and Insurance Corporation Act 1991			
Section 9(4), Section 85(2)(a)	Particulars of Ministerial directions issued under Section 9(4)	Governance	72–73
Section 70	Financial effect on the operations of Export Finance Australia of each Ministerial direction issued under Section 9(2)	Governance	73
Section 85(2)(b)	Statement of principal objectives	About Export Finance Australia Governance	6–15 72
Section 85(2)(c)	Assessment of principal objectives achieved	Performance	24–53
Work Health and Safety Act 2011			
Schedule 2, Part 4, Clause 4(2)	Work health and safety initiatives, outcomes, statistics of any notifiable incidents and investigations or notices.	Performance Appendix C	52 172–173
Equal Employment Opportunity (Commonwealth Authorities) Act 1987			
Section 9	Action taken to develop and implement equal employment opportunity program, assessment of objectives achieved and effectiveness of the program, and particulars of each Ministerial direction issued under Section 12.	Appendix B	169–171

Appendix B: Equal Employment Opportunities report

Introduction

Our Equal Employment Opportunity (EEO) Program report covers the period 2022–23. We seek to reflect the diverse nature of the Australian community and are committed to developing and supporting positive working relationships and a healthy and safe workplace. Our EEO Policy sets out guidelines to help ensure our people are employed, trained and promoted fairly on merit, without discrimination and harassment.

Implementation

EEO principles that are embedded in our operational practices underpin our policies and procedures.

Relevant policies and procedures include:

- › our Code of Conduct
- › internal corporate policies and procedures, including EEO principles, anti-discrimination and workplace bullying and harassment policies
- › information on the PID Act 2013
- › induction training for all new employees and ongoing refresher training for all employees.

Monitoring and evaluation

We regularly review the effectiveness of our EEO Policy and have not identified any policies, procedures or processes that discriminate against women and designated groups, nor any practices that indicate a lack of equality.

Flexible work arrangements

We offer flexible work arrangements including alternate work hours, job sharing, part-time roles, remote working and the use of purchased leave. Our technology tools and systems support enhanced flexibility for our people.

Our work practices and resources actively support flexibility for all our people to accommodate their personal circumstances and on an ad hoc basis (for example, flexible start and finish times and remote working) to help them balance personal and work commitments.

Our people work from both the office and home under a hybrid model. Office-based days have been established to encourage all teams to be in the office together to increase collaboration and connections.

Employee promotions

During the reporting period, we promoted seven employees.

Employee training and policies

Our employees complete induction training and compliance modules. This training includes EEO, workplace bullying, harassment, including sexual harassment, and discrimination, our Code of Conduct, whistleblowing awareness and workplace health and safety. We review this regularly and it is updated as required, to ensure it reflects current legislative requirements.

We also provide ongoing compliance training for our

people, including Anti-Money Laundering Awareness and Anti-Bribery and Corruption, along with cultural competence and LGBTQ+ awareness training.

We require all employees to complete training annually and conduct periodic briefings to ensure they stay up to date on EEO and other emerging compliance matters.

Gender equality programs

This year we had four women participate in the Women in Banking and Finance Mentoring Program (WiBF), one as a mentee and three as mentors. We also had two women participate in WiBF's Workplace Wellbeing & Flourishing Leadership Program.

With the success of the previous 'Lean In Circles', we completed this program again this year. They provide our women with the opportunity to come together to share insights, resources and strategies for continuing to navigate work and personal challenges.

We continue to invest in leadership for our people through our 'Coaching for Performance' leadership program which has 55 per cent representation of women.

Our key talent was also provided with access to an online learning platform that gives them access to global thought leaders on leadership, strategy and communication. The ideas are embedded via roundtable discussions. Fifty-six per cent of the talent cohort that has access to the program are women.

Paid parental leave

Our Paid Parental Leave scheme includes 14 weeks of paid leave for employees taking parental leave as the primary caregiver. This year, five employees used the Paid Parental Leave scheme, and three employees used the Partner Secondary Scheme, which includes 10 days of paid leave for secondary caregivers.

Gender pay equity

A gender pay analysis is conducted at the time of the annual remuneration review to inform pay decisions and to monitor and mitigate any bias in decision making. The outcomes of the review are provided to our Board on an annual basis and reflected in our annual remuneration review.

Particulars of directions by responsible Ministers under S12

We have not received any directions given by responsible Ministers under section 12 of the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*.

Diversity profile

As at 30 June 2023, we had:

- › 143 employees of whom 131 were permanent (ongoing) equivalents.

Our organisation has:

- › 55% male employees
- › 45% female employees.

The Executive team was made up of:

- › five women
- › three men.

Forty-four per cent of our people leadership positions were held by women and women comprised 50 per cent of our senior leadership team, including Executive and head of department positions. We continue to align our people processes to ensure gender parity and we work to remove inherent gender biases.

We welcome LGBTQ+ employees, allies and customers and are proud to be a member of Pride in Diversity. We continue to expand our LGBTQ+ and Ally Network, 'InclusivALLY'. Currently, 30 per cent of our people are InclusivALLY members.

We continue to collect relevant data on our workforce via a voluntary survey* to help us track our progress in achieving a more diverse workforce and help inform our business activities that support the rich diversity profile of our workforce.

As this survey is voluntary, data is not reflective of our entire workforce, however, the results provide us with a strong indication that our workforce is culturally diverse.

Our cultural diversity

- › 41% of responding employees born overseas
- › 27% from a non-English speaking country
- › 48% of our responding employees are bilingual or multilingual
- › 38 different ancestries represented among us
- › 48% of our employees have lived and worked in countries other than Australia
- › three employees identify as being of Aboriginal or Torres Strait Islander background
- › one employee has disclosed a disability
- › the average age of our workforce is 43 years.

Working to advance reconciliation

Our organisation is committed to advancing reconciliation in the communities we operate in. Our second Innovate RAP was launched during Reconciliation Week in May 2023. We align our efforts with the strategic focus of the Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–2024.

We are committed to making a difference to First Nations businesses by supporting Aboriginal and Torres Strait Islander exporting businesses, fostering a more diverse and inclusive workforce and establishing strong working relationships with Aboriginal and Torres Strait Islander organisations. Our partnership with IBA will see increased collaboration between our organisations to support the growth of First Nations trade and investment and the financing of First Nations exporting businesses.

* Voluntary survey conducted in June 2023 had a response rate of 53% of employees.

We are strengthening our cultural integrity by developing and delivering against our RAP commitments and building networks and partnerships across agencies and industry.

We continued our partnership with CareerTrackers to provide internships for Aboriginal and Torres Strait Islander undergraduates.

Table 14: Export Finance Australia employee diversity profile 30 June 2023

Classification	Female	Male	Other	Total employees	Non -English speaking background	Aboriginal and Torres Strait Islander	People with disability
Leadership	10	10	-	20	3	-	1
Middle Management	12	28	-	40	18	-	-
Technical	27	27	-	54	32	1	-
Support	15	13	1	29	16	2	-
Total	64	78	1	143	69	3	1

Table 15: Export Finance Australia EEO comparison

EEO Designated groups	30 June 22		30 June 23	
	Employees	%	Employees	%
Female	59	48%	64	45%
Non-English speaking background	53	43%	69	48%
Aboriginal and Torres Strait Islander	1	1%	3	2%
People with disability	1	1%	1	1%

Appendix C: Work Health and Safety Report

We are committed to providing a positive and safe work environment for all our people, consistent with our Board Charter and our obligations under work health and safety legislation, including the *Work Health and Safety Act 2011* (WHS Act).

Work Health and Safety Committee

Our Work Health and Safety (WHS) Committee includes employee and management representatives. This committee supports our Board and officers to meet their work health and safety obligations and provides an important forum to ensure our employees' workplace is safe. It focuses on promoting employee wellbeing and mental health, work health and safety awareness and support in a hybrid working environment.

The WHS Committee:

- › meets once every three months to discuss employee wellbeing and review WHS-related policies and the findings of regular workplace inspections by our Health and Safety Representative
- › establishes a plan to address any material issues, monitors ongoing risks and reports all material issues to our Board and Board Audit and Risk Committee
- › reviews our compliance requirements annually and completes an annual audit of its activities to ensure that all actions arising out of the Committee's activities have been completed and comply with the Work Health and Safety Committee Charter.

Risk management

We take a pragmatic, risk-based approach to maintaining our WHS compliance framework and management practices.

This is backed by our strong culture of incident notification and investigation, which includes reporting any hazards, accidents, incidents or 'near misses'.

To support this approach, we provide:

- › a work health and safety overview with our Health and Safety Representative to all new employees
- › training on safe workplace behaviour as part of our annual compliance program

- › annual training for first aid officers and fire wardens
- › officers and key employees with additional training to increase awareness of legislative requirements and best practice.

Business travel

All employees travelling domestically and internationally are required to complete our certified traveller program.

We maintain a travel insurance policy to cover business travellers against various risks. This includes personal liability, sickness and injury, medical expenses, and other miscellaneous losses.

When travelling overseas, our people also have access to 24-hour medical and security assistance for emergency and non-emergency situations.

Health and wellbeing

Physical and mental health for our people is a strong focus for us. We provide employees with access to:

- › an EAP with confidential counselling services
- › executive health checks for senior employees and frequent overseas travellers
- › annual health and wellbeing program offerings, including workshops and activities
- › regular communications from management, and regular employee and team connection activities.

Health and safety initiatives and outcomes

We are committed to ensuring the health and safety of our people and any other person in the workplace.

In 2022–23, we undertook measures to ensure health and safety in the workplace, including:

- › introducing new and enhanced training modules for Workplace Bullying, Anti-discrimination, Equal Opportunity and Sexual Harassment Prevention
- › addressing the new legislative requirement to identify and manage psychosocial risks by developing a specific framework, noting our existing policies and practices
- › offering employees ergonomic assessments for working in the office and working remotely
- › reviewing our Health and Safety Management Arrangements that set out our work health and safety management framework
- › implementing corrective actions and improvements, as required, resulting from eight workplace inspections and regular ongoing inspections and 10 accidents and near misses reported by our employees.

We continued to review and update our policies, processes and protocols to ensure health and safety risks are effectively managed.

Notifiable incidents and investigations

In 2022–23, we did not receive any notices and were not investigated for work health and safety matters. There were no ‘notifiable incidents’ under the WHS Act.

Other matters under the Joint Committee of Public Accounts and Audit guidelines

Under the WHS Act, we must report on other matters as required by guidelines approved on behalf of the Australian Parliament by the Joint Committee of Public Accounts and Audit (JCPAA). At the end of the reporting period, the JCPAA had not specified any additional requirements for us under this provision.

Appendix D:

Key management remuneration

This report covers the remuneration of our key management personnel (KMP), including Non-executive Directors and those Executives deemed to be KMP by our Board. This information is outlined in Table 16 below for 2022–23.

Table 16: Key management personnel

Name	Title	FY23 Status	KMP Status
Executive Team			
John Hopkins	Managing Director & CEO	Part Year	Current
Swati Dave	Managing Director & CEO	Part Year	Former
Manny Arabatzis	Chief Risk Officer	Part Year	Current
Greg Caisley	Chief SME Finance Officer	Full Year	Current
Amanda Copping	Chief Project & Structured Finance Officer	Full Year	Current
Victoria Doherty	Chief Human Resources Officer	Full Year	Current
Nic Frankham	Chief Corporate Affairs Officer	Part Year	Current
John Hopkins	Chief Risk Officer and General Counsel	Part Year	Former
Sonia Kammel	Chief Financial Officer	Full Year	Current
John Pacey	Chief Credit Officer	Part Year	Former
Felicity Shaw	General Counsel	Part Year	Current
Kirri Stone	Chief Equity Finance Officer	Full Year	Current
Board Members			
James M Millar	Chair	Full Year	Current
David Bennett	Deputy Chair	Full Year	Current
Jodie Baker	Director	Full Year	Current
Rob Chapman	Director	Full Year	Current
James Douglas	Director	Full Year	Current
Catherine Walter	Director	Full Year	Current
James Wilson	Director	Full Year	Current
Government member	Non-remunerated		
John Hopkins	Managing Director & CEO	Part Year	Current
Swati Dave	Managing Director & CEO	Part Year	Former

The following changes were made in KMP during the year:

- Swati Dave ceased to be a KMP on 29 July 2022
- John Hopkins changed KMP roles on 1 August 2022
- Felicity Shaw was appointed as a KMP on 26 September 2022
- Nic Frankham was appointed as a KMP on 17 April 2023
- John Pacey ceased to be a KMP on 23 April 2023
- Manny Arabatzis was appointed as a KMP on 24 April 2023.

In accordance with Public Governance, Performance and Accountability Rule 2014, this report also contains summary data of other highly paid employees. Other highly paid employees are employees who are neither KMP nor senior executives and whose total remuneration exceeds the \$240,000 threshold for this reporting period. We had no employees classified as senior executives, as the Executive team who report directly to our Managing Director & CEO have been classified as KMP.

Remuneration strategy

Our remuneration strategy supports our strategic aims while remaining aligned to market practice and in the interests of our key stakeholders.

Our remuneration approach is designed to attract and retain the right people, with the right expertise, to deliver the objectives and targets set out in our Corporate Plan.

In support of this approach, we:

- ▶ conduct annual reviews of the remuneration framework, including the performance measures, to ensure alignment with our evolving mandate and corporate objectives
- ▶ consider market remuneration practices
- ▶ ensure performance gateways are achieved by individuals before any remuneration increases are applied.

2022–23 remuneration structure

Board Directors' remuneration

Our Board of Directors is appointed by the Australian Government through our Minister. Our Board is established and governed by the provisions of the EFIC Act.

Fees for Board Directors (other than the Government member) are set and paid according to the determination of the Remuneration Tribunal (Tribunal). We have no role in determining the level of Board Director fees.

Statutory superannuation is paid in addition to the fees set by the Tribunal.

Executive remuneration

For 2022–23, the Executive remuneration framework is a fixed remuneration framework only.

The Fixed Annual Remuneration (FAR) for our Managing Director & CEO is determined by the Tribunal. The Managing Director & CEO role is classified as a Principal Executive Officer (PEO) Band E. Under the current PEO classification, the Total Remuneration Reference Rate (TRRR) does not include any variable pay elements, following the 2021–22 transition away from these for the whole organisation.

Our Board has the discretion to determine total remuneration within the range from 10 per cent below to five per cent above the TRRR. Our Board determines any remuneration increases of our Managing Director & CEO based on performance and against agreed key performance indicators.

For Executives and other highly paid employees, their expertise, relevant government policies and industry benchmarks will influence the setting of the FAR.

FAR is comprised of base salary, superannuation contributions and any non-cash benefits.

Factors considered when setting the appropriate FAR for any Executive include:

- ▶ market data for comparable roles
- ▶ complexity of the role
- ▶ internal relativities
- ▶ an individual's skills and experience
- ▶ individual performance assessments.

We use the Finance Institutions Remuneration Group system to provide independent benchmarking in determining appropriate remuneration for roles across the organisation.

Remuneration benchmarking aims to position total

remuneration competitively against comparable organisations. The guiding principle is to position total remuneration within a target range, with reference towards the mid-point of the benchmark for comparable roles in the Australian market. To ensure we consider government policies, individual and organisation performance and market conditions, the Board reviews remuneration levels of each Executive annually.

In 2022–23, each Executive and other highly paid employees needed to meet performance gateways that described the minimum behaviours required to be eligible for a fixed remuneration review at year end. These were:

- ▶ proactive management of operational risk and compliance
- ▶ consistent demonstration of our desired cultural behaviours.

Remuneration governance arrangements

Management

Management, which includes our Executive, is accountable for ensuring it responsibly rewards employees having regard to our organisation's performance, individual performance, as well as statutory and regulatory requirements.

In reference to remuneration decisions, management achieves this by:

- ▶ our Managing Director & CEO making recommendations to our Board for individual Executive remuneration based on a performance assessment for each Executive
- ▶ Executives making remuneration recommendations for all individuals within their respective department, including other highly paid employees on FAR, which are endorsed by our Managing Director & CEO
- ▶ implementing performance management and remuneration policies and practices, as agreed.

Board

Our Board is responsible for ensuring that we have coherent policies and practices that fairly and responsibly manage the performance and remuneration arrangements for our Managing Director & CEO and Executives. They achieve this by:

- › monitoring management's performance against our annual Corporate Plan
- › assessing the performance and setting the remuneration of our Managing Director & CEO consistent with the Government's remuneration policy framework
- › reviewing and approving the Executive remuneration policy framework and outcomes
- › providing guidance to our Managing Director & CEO on matters concerning the appointment and evaluation of Executives.

To inform decision making in 2022–23, our Board sought advice on performance and remuneration-related matters from our Managing Director & CEO, Executives and other management throughout the year.

Financial remuneration information

The following tables detail the fees paid to Board Directors and the remuneration received by KMP in 2022–23.

Table 17: Information about remuneration for key management personnel

Name	Position title	Salary	Annual leave adjustment	Short-term benefits			Super-annuation and contributions	Long service leave	Other long-term benefits	Termination benefits	Total remuneration
				Base salary	Variable remuneration	Other benefits and allowances ¹					
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
John Hopkins	Managing Director & CEO and Executive ²	771,742	21,511	793,253	-	-	26,183	16,124	-	-	835,560
Swati Dave ³	Managing Director & CEO	110,898	5,925	116,823	-	-	4,546	1,610	-	-	122,978
Sonia Kammel	Executive	497,744	3,589	501,333	-	-	27,758	11,818	-	-	540,909
Amanda Copping	Executive	484,662	26,620	511,282	-	-	50,945	12,045	-	-	574,272
Gregory Caisley	Executive	429,796	18,282	411,514	-	-	45,178	10,681	-	-	467,373
Nicholas Frankham ³	Executive	76,962	5,436	82,398	-	-	8,081	1,477	-	-	91,956
Victoria Doherty	Executive	347,494	2,063	349,557	-	535	36,583	8,636	-	-	395,311
Felicity Shaw ³	Executive	293,443	19,148	312,591	-	-	30,812	7,198	-	-	350,601
Emmanuel Arabatzis ³	Executive	94,975	7,382	102,357	-	-	9,972	2,006	-	-	114,335
Kirri Stone	Executive	351,431	12,207	363,638	-	-	36,946	8,000	-	-	408,584
John Pacey ³	Executive	354,454	1,840	352,614	-	-	37,268	8,182	-	-	398,064
Subtotal				3,897,359	-	535	314,272	87,776	-	-	4,299,942

¹ Refers to First Aid Officer Allowance.

² Change of KMP role during year. Numbers reflect both roles.

³ Became or ceased to be KMP during year. Numbers reflect time as KMP only.

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration	
		Board fee	Board Audit & Risk Committee fee	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions			Long service leave
		\$	\$	\$	\$	\$	\$	\$	\$	
James Millar	Board Chair	122,460	-	122,460	-	-	12,858	-	-	135,318
David Bennett	Board Deputy Chair	91,850	-	91,850	-	-	9,644	-	-	101,494
Jodie Baker	Board & Board Audit Chair	61,230	16,770	78,000	-	-	8,190	-	-	86,190
Rob Chapman	Board & Board Audit	61,230	8,390	69,620	-	-	7,310	-	-	76,930
James Douglas	Board & Board Audit	61,230	8,390	69,620	-	-	7,310	-	-	76,930
James Wilson	Board & Board Audit	61,230	8,390	69,620	-	-	7,310	-	-	76,930
Catherine Walter	Board Member	61,230	-	61,230	-	-	6,429	-	-	67,659
Subtotal				562,400	-	-	59,051	-	-	621,451
TOTAL				4,459,759	-	535	373,323	87,776	-	4,921,393

Table 18: Information about remuneration for other highly paid staff

Remuneration band	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average variable remuneration	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
		\$	\$	\$	\$	\$	\$	\$	\$
\$240000 – \$245000	2	216,400	-	-	22,844	5,289	-	-	244,534
\$245001 – \$270000	6	224,280	-	97	27,148	5,458	-	-	256,982
\$270001 – \$295000	10	248,234	-	52	30,374	4,938	-	-	283,598
\$295001 – \$320000	4	268,238	-	156	32,924	6,586	-	-	307,904
\$320001 – \$345000	2	226,818	-	-	44,269	5,696	-	61,870	338,653
\$345001 – \$370000	1	309,325	-	-	32,575	7,576	-	-	349,476
\$370001 – \$395000	3	331,878	-	-	37,029	8,073	-	-	376,979
\$395001 – \$420000	2	271,899	-	-	48,084	6,808	-	88,795	415,586
	30								

Appendix E: Abbreviations and acronyms

Table 19: Abbreviations and acronyms

A\$ / \$ / AUD	Australian dollar
ACEP	Acorn Capital Expansion Platform
ADB	Asian Development Bank
ADI	Authorised deposit-taking institution
AFL	Airports Fiji PTE Limited
AIFFP	Australian Infrastructure Financing Facility for the Pacific
ANAO	Australian National Audit Office
ANZ Fiji	Australia and New Zealand Banking Group Limited – Fiji Branch
AO	Officer of the Order of Australia
APRA	Australian Prudential Regulation Authority
APS	Australian Public Service
Basel Committee	Basel Committee on Banking Supervision
CA	Commercial Account
CO ₂ -e	Carbon Dioxide Equivalent
COVID-19 Facility	COVID-19 Export Capital Facility
CSA	Credit support annexure
Cuba	Republic of Cuba
DEC	Defence Export Controls
DFAT	Department of Foreign Affairs and Trade
DIFF	Development Import Finance Facility
DISR	Department of Industry, Science and Resources
DPRK	Democratic People's Republic of Korea
E&S Policy	Policy for Environmental and Social Review of Transactions
E&S Procedure	Procedure for Environmental and Social Review of Transactions
EAP	Employee assistance program
ECA	Export credit agency
ECP	Euro Commercial Paper
EEO	Equal Employment Opportunity
EFIC Act	Export Finance and Insurance Corporation Act 1991
EPA	Environmental Protection Authority
EPBC Act	Environment Protection and Biodiversity Conservation Act 1999
ERS	Export Finance Australia Rating System
ESD	Ecologically sustainable development
ESG	Environmental, social and governance

EY	Ernst & Young
FAR	Fixed Annual Remuneration
FBT	Fringe benefits tax
GST	Goods and services tax
IBA	Indigenous Business Australia
IECS	Indigenous Entrepreneurs Capital Scheme
IFC Performance Standards	International Finance Corporation Performance Standards on Environmental and Social Sustainability
IMF	International Monetary Fund
JBIC	Japanese Bank for International Cooperation
JCPAA	Joint Committee of Public Accounts and Audit
KMP	Key management personnel
LIBOR	London Inter-bank Offered Rate
Minister	Responsible Minister, the Minister for Trade and Tourism, Senator the Hon Don Farrell
MOU	Memorandum of understanding
NAB	National Australia Bank
NAIF	Northern Australia Infrastructure Facility
NHFIC	National Housing Finance and Investment Corporation
NIA	National Interest Account
NRFC	National Reconstruction Fund Corporation
NSW	New South Wales
OECD	Organisation for Economic Co-operation and Development
PCAF	Partnership for Carbon Accounting Financials
PEO	Principal Executive Officer
PGPA Act	Public Governance, Performance and Accountability Act 2013
PID Act	Public Interest Disclosure Act 2013
PNG	Papua New Guinea
PSF	Project and structured finance
PSM	Public Service Medal
RAP	Reconciliation Action Plan
SME	Small and medium-sized enterprise
SOE	Statement of Expectations
The Common Approaches	Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence
TIP	Trilateral Infrastructure Partnership
Tribunal	Remuneration Tribunal
TRRR	Total Remuneration Reference Rate
US\$ / USD	United States dollar
VinFast	VinFast Trading and Production Joint Stock
Westpac	Westpac Banking Corporation
WHS	Work Health and Safety
WHS Act	Work Health and Safety Act 2011
WiBF	Women in Banking and Finance Mentoring Program

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