

**Australian Office of
Financial Management**

**Annual Report
2004-05**

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Australian Government
Australian Office of Financial Management

10 October 2005

Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

I have pleasure in presenting the Annual Report of the Australia Office of Financial Management for the year ending 30 June 2005 for presentation to the Parliament.

The Report has been prepared in accordance with guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit. These guidelines provide that a copy of the Annual Report is to be laid before each House of the Parliament on or before 31 October.

Yours sincerely

Neil Hyden
Chief Executive Officer

AOFM

**AOFM
OBJECTIVE**

The AOFM aims to manage the Commonwealth net debt portfolio at least cost over the medium-term, subject to the government's policies and risk preferences.

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AOFM Annual Report 2003-04 correction

In the AOFM's Annual Report for 2003-04 the Review item on Foreign Currency Debt included an estimate that foreign currency swaps, and the forward exchange contracts used in unwinding them, generate a total economic benefit to the Commonwealth of \$783.7 million over the lifetime of the foreign currency swaps between 1988 and 2004. An error was subsequently identified in the calculation of this estimate. The corrected estimate is \$771.8 million.

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