# Standard Parameters



Fact Sheet

30 June 2024

# for use in financial statements for the financial reporting period ending 30 June 2024

The following standard parameters should be used by Commonwealth entities[[1]](#endnote-2) in the preparation of their 2023-24 financial statements. Entities should carefully consider the nature and type of an accounting calculation before selecting a discount rate to be used.

|  |  |  |
| --- | --- | --- |
| **Parameter** | **Value** | **Website** |
| **Consumer Price Index**  Forecasts at 30 June 2024  (per 2024-25 Budget)  2023-24  2024-25  2025-26  2026-27  2027-28 | 3.50%  2.75%  2.75%  2.50%  2.50% | Available on [budget.gov.au](https://budget.gov.au/) in:  Budget Paper No. 1 - Budget Strategy and Outlook  Statement 1, Table 1.1: Major economic parameters(page 6)[[2]](#endnote-3) |
| **Wage Price Index[[3]](#endnote-4)**  Forecasts at 30 June 2024  (per 2024-25 Budget)  2023-24  2024-25  2025-26  2026-27  2027-28 | 4.00%  3.25%  3.25%  3.50%  3.50% | Available on [budget.gov.au](https://budget.gov.au/) in:  Budget Paper No. 1 - Budget Strategy and Outlook  Statement 1, Table 1.1: Major economic parameters(page 6)[[4]](#endnote-5) |
| **Real Gross Domestic Product[[5]](#endnote-6)**  Forecasts at 30 June 2024  (per 2024-25 Budget)  2023-24  2024-25  2025-26  2026-27  2027-28 | 1.75%  2.00%  2.25%  2.50%  2.75% | Available on [budget.gov.au](https://budget.gov.au/) in:  Budget Paper No. 1 - Budget Strategy and Outlook  Statement 1, Table 1.1: Major economic parameters(page 6)[[6]](#endnote-7) |

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| **Parameter** | **Value** | **Website** |
| **Commonwealth Government**  **Bonds (yields) at 30 June 2024**  Short term   1. years 2. years   5 years  Long term  10 years[[7]](#endnote-8)  Longest dated Treasury Bond at 30 June 2024 (Jun 2054)[[8]](#endnote-9)  Rate from Long-term Cost  Report(for budget purposes) | 4.15%  4.07%  4.08%  4.31%  4.64%  5.0% | <https://www.rba.gov.au/statistics/tables/#interest-rates>  (table: *Capital Market Yields – Government Bonds – Daily – F2*)    <https://www.rba.gov.au/statistics/tables/#interest-rates>  (table: *Indicative Mid Rates of Australian Government Securities – F16*)  P*SS and CSS Long Term Cost Report 2020* [[9]](#endnote-10) |
| **Group of 100 Discount Rate[[10]](#endnote-11)**  (used by for-profit Corporate  entities only) | See website | [Discount Rate – June 2024 – Group of 100 (group100.com.au)](https://group100.com.au/product/discount-rate-june-2024)  The 30 June 2024 Group of 100 discount rate is available to purchase for ($220 GST inclusive) |
| **Exchange Rates**    RBA/XE.com – 30 June 2024 rates  Canadian dollar  Chinese renminbi  European euro  Hong Kong dollar  Indian rupee  Indonesian rupiah  Japanese yen  Malaysian ringgit  New Taiwan dollar  New Zealand dollar  Papua New Guinea kina  Singapore dollar  South Korean won  Swiss franc  Thai baht  UK pound sterling  United States dollar  Vietnamese dong    **Trade-weighted Index (4pm)**  Special Drawing Right | 0.9094 4.8143 0.6196  5.1711  55.29 10863  106.61  3.1272  21.50  1.0927  2.5661  0.8997  920.29  0.6000  24.42  0.5244  0.6624  16855  **63.30**  0.5038 | <https://www.rba.gov.au/statistics/historical-data.html#exchange-rates> (F11.1 Exchange Rates: 2023 to Current)  and  <https://www.xe.com/currencytables/> (XE.com historical rate tables at 30 June 2024 – for South Korean Won, Swiss franc and Papua New Guinea kina only) |
| **Parameter** | **Value** | **Website** | |
| **Rates for Market Sensitivity**  **Analysis[[11]](#endnote-12)**  Interest Rate sensitivity analysis standardised rate  (**IRSA rate**)  Foreign Exchange sensitivity analysis standardised rate  (**FXSA rate**) | 1.36%      8.28% | Not applicable.  Not applicable. | |

**Long Service Leave (LSL) – Shorthand method standard factors for calculating LSL entitlements transfers**

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The following factors can be used in the calculation of LSL entitlement transfers of Australian Public Service (APS) staff between Commonwealth entities[[12]](#endnote-13) within human resource management information systems. The Salary Growth Rate (SGR) chosen should reflect each entity’s expected long-term (10 year) salary growth rate for its staff. These factors are not appropriate for use by private sector or state/territory government entities. There are separate probability factors contained within the 2024 LSL shorthand model.

|  |  |
| --- | --- |
| **LSL – Table of Probability Factors** | |
| **Completed years of service** | **Probability weights** |
| 0 | 55.0% |
| 1 | 65.0% |
| 2 | 70.0% |
| 3 | 75.0% |
| 4 | 80.0% |
| 5 | 85.0% |
| 6 | 90.0% |
| 7 | 90.0% |
| 8 | 95.0% |
| 9 | 100.0% |
| 10+ | 100.0% |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **LSL - 10 Year Commonwealth Bond (Discount) Yield per annum – at 30 June 2024** | | | | | | | | | | | | | | | | | |
| **Salary Growth Rate** | **1.00%** | **1.25%** | **1.50%** | **1.75%** | **2.00%** | **2.25%** | **2.50%** | **2.75%** | **3.00%** | **3.25%** | **3.50%** | **3.75%** | **4.00%** | **4.25%** | **4.50%** | **4.75%** | **5.00%** |
| **1.00%** | 100.0% | 98.1% | 96.2% | 94.4% | 92.7% | 91.0% | 89.3% | 87.8% | 86.3% | 84.8% | 83.4% | 82.0% | 80.6% | 79.3% | 78.1% | 76.9% | 75.7% |
| **1.50%** | 104.1% | 102.0% | 100.0% | 98.1% | 96.2% | 94.4% | 92.7% | 91.0% | 89.4% | 87.8% | 86.3% | 84.8% | 83.4% | 82.0% | 80.7% | 79.4% | 78.2% |
| **2.00%** | 108.5% | 106.2% | 104.1% | 102.0% | 100.0% | 98.1% | 96.3% | 94.5% | 92.7% | 91.1% | 89.4% | 87.9% | 86.4% | 84.9% | 83.5% | 82.1% | 80.8% |
| **2.50%** | 113.1% | 110.7% | 108.4% | 106.2% | 104.1% | 102.0% | 100.0% | 98.1% | 96.3% | 94.5% | 92.8% | 91.1% | 89.5% | 87.9% | 86.4% | 85.0% | 83.6% |
| **3.00%** | 118.1% | 115.5% | 113.1% | 110.7% | 108.4% | 106.2% | 104.1% | 102.0% | 100.0% | 98.1% | 96.3% | 94.5% | 92.8% | 91.1% | 89.5% | 88.0% | 86.5% |
| **3.50%** | 123.4% | 120.7% | 118.0% | 115.4% | 113.0% | 110.6% | 108.3% | 106.2% | 104.0% | 102.0% | 100.0% | 98.1% | 96.3% | 94.5% | 92.8% | 91.2% | 89.6% |
| **4.00%** | 129.1% | 126.2% | 123.3% | 120.5% | 117.9% | 115.4% | 112.9% | 110.6% | 108.3% | 106.1% | 104.0% | 102.0% | 100.0% | 98.1% | 96.3% | 94.6% | 92.9% |
| **4.50%** | 135.3% | 132.1% | 129.0% | 126.0% | 123.2% | 120.4% | 117.8% | 115.3% | 112.9% | 110.5% | 108.3% | 106.1% | 104.0% | 102.0% | 100.0% | 98.2% | 96.3% |
| **5.00%** | 141.8% | 138.4% | 135.0% | 131.9% | 128.8% | 125.9% | 123.0% | 120.3% | 117.7% | 115.2% | 112.8% | 110.5% | 108.2% | 106.1% | 104.0% | 102.0% | 100.0% |

1. <https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/pgpa-act-flipchart-and-list> [↑](#endnote-ref-2)
2. <https://budget.gov.au/content/bp1/index.htm> [↑](#endnote-ref-3)
3. Seasonally adjusted, through-the-year growth to the June quarter. [↑](#endnote-ref-4)
4. <https://budget.gov.au/content/bp1/index.htm> [↑](#endnote-ref-5)
5. Real rates are nominal rates adjusted for inflation. [↑](#endnote-ref-6)
6. <https://budget.gov.au/content/bp1/index.htm> [↑](#endnote-ref-7)
7. The Long Service Leave shorthand model uses the 10 year Treasury bond rate. [↑](#endnote-ref-8)
8. Only to be used where the longest dated government bond is appropriate under accounting standards, that is, it is a close match to the expected average maturity of a liability. [↑](#endnote-ref-9)
9. <https://www.finance.gov.au/government/superannuation/superannuation-costs-and-reports/pss-and-css-long-term-cost-reports>. [↑](#endnote-ref-10)
10. For-profit entities, that use a corporate bond yield, will also be required to prepare calculations using a government bond yield for the purpose of preparing Australian Government Consolidated Financial Statements, which is collected in the supplementary reporting pack. [↑](#endnote-ref-11)
11. Standard rates are required by subsection 16(8) of the [*Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*](https://www.legislation.gov.au/Series/F2015L00131) – market risk sensitivity analysis. These rates are issued by the Department of Finance and are based on Reserve Bank of Australia data. [↑](#endnote-ref-12)
12. <https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/pgpa-act-flipchart-and-list> [↑](#endnote-ref-13)