

AUSTRALIA-JAPAN FOUNDATION (AJF)

SECTION 1

STATUTORY AUTHORITY OVERVIEW, APPROPRIATIONS SUMMARY

THE AUSTRALIA-JAPAN FOUNDATION'S OVERVIEW

The Australia-Japan Foundation is a Commonwealth Statutory Authority and FMA Agency established in 1976 with the role of encouraging a closer relationship between the peoples of Australia and Japan.

The Foundation promotes Australia's interests in the Australia-Japan relationship by identifying new areas of focus and initiating and facilitating self-sustaining interaction through targeted projects. The Foundation works with Australian and Japanese allies and stakeholders to expand and refresh strategic networks and to create a broad-based, informed, constituency that works to facilitate the access of Australian interests, services and products in Japan. It also explores new opportunities in the relationship through market research and monitoring of Japanese societal changes and trends to ensure maximise impact.

The Foundation consists of a Chairman/Chief Executive and board members, appointed by the Minister for Foreign Affairs, who bring a diverse range of knowledge and experience of Japan to the Foundation's work. It develops its own programs, sometimes in partnership with other bodies.

APPROPRIATIONS

The total appropriation for the Foundation in the 2000-01 Budget is \$2.390 million.

Table 1.1 shows the total appropriations for the Foundation for that year against the two Government Outcomes, by price of output.

The Foundation's departmental appropriation includes funding for the Australia Japan Fund, for which it is responsible. It receives some revenue from other sources through investment, bank interest and sponsorship from projects (where appropriate).

The Department of Foreign Affairs and Trade provides two staff for the Foundation's Canberra secretariat as services free of charge.

The Foundation does not receive administered funds.

AUSTRALIA-JAPAN FOUNDATION - APPROPRIATIONS 2000-2001

Table 1.1: Appropriations and Other Revenue (\$'000)

Outcomes	Departmental (Price of Outputs)					Administered				Total Appropriations
	Revenue from Government (Appropriations)			Revenue from other sources	Price of Outputs	Annual Appropriations		Special Approps	Total Administered Appropriations	
	Bill No 1	Special Approps	Total			Bill No 1	Bill No 2 (SPPs & NAOs)			
	(A)	(B)	(C=A+B)	(D)	(E= C+D)	(F)	(G)	(H)	(I=F+G+H)	(J=C+I)
Outcome 1 — Advancement of Japanese perceptions of Australia as an internationally competitive and sophisticated society	1,553	-	1,553 (C1)	59	1,612 (E1)	-	-	-	-	1,553
Outcome 2 — Creation of an informed constituency in Japan for Australia and the Australia-Japan relationship	837	-	837 (C2)	31	868 (E2)	-	-	-	-	837
Total	2,390	-	2,390	90	2,480	-	-	-	-	2,390
Departmental Capital (Equity Injections and Loans)										
Administered Capital										
Total Appropriations										2,390

The amounts in shading are included in annual appropriation bills

Note: Cells C1 and E1 refer to information provided in Table 2.1.1

Cells C2 and E2 refer to information provided in Table 2.2.2

.ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Australia -Japan Foundation will not be appropriated for any administered capital or departmental equity injections and loans in 2000-01.

SECTION 2

OUTCOMES AND OUTPUTS INFORMATION

The chart on the following page shows the relationship between the two agreed Outcomes, the contributing outputs for the Foundation, presented as output groups, and the price against total costs.

Financial details for **Outcome 1** by outputs and output groups appears in table 2.1.1 (Total Resources for Outcome 1), page 179 while non-financial information for Outcome 1 appears in table 2.3 (Performance Information for Outcome 1) page 181. Financial details for **Outcome 2** by outputs and output groups appears in table 2.2.2 (Total Resources for Outcome 1), page 180 while non-financial information for Outcome 1 appears in table 2.3 (Performance Information for Outcome 1) page 181.

Graph 2.1 - Total Appropriations by Outcome 2000-01

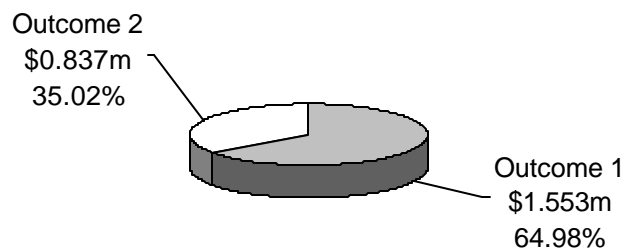
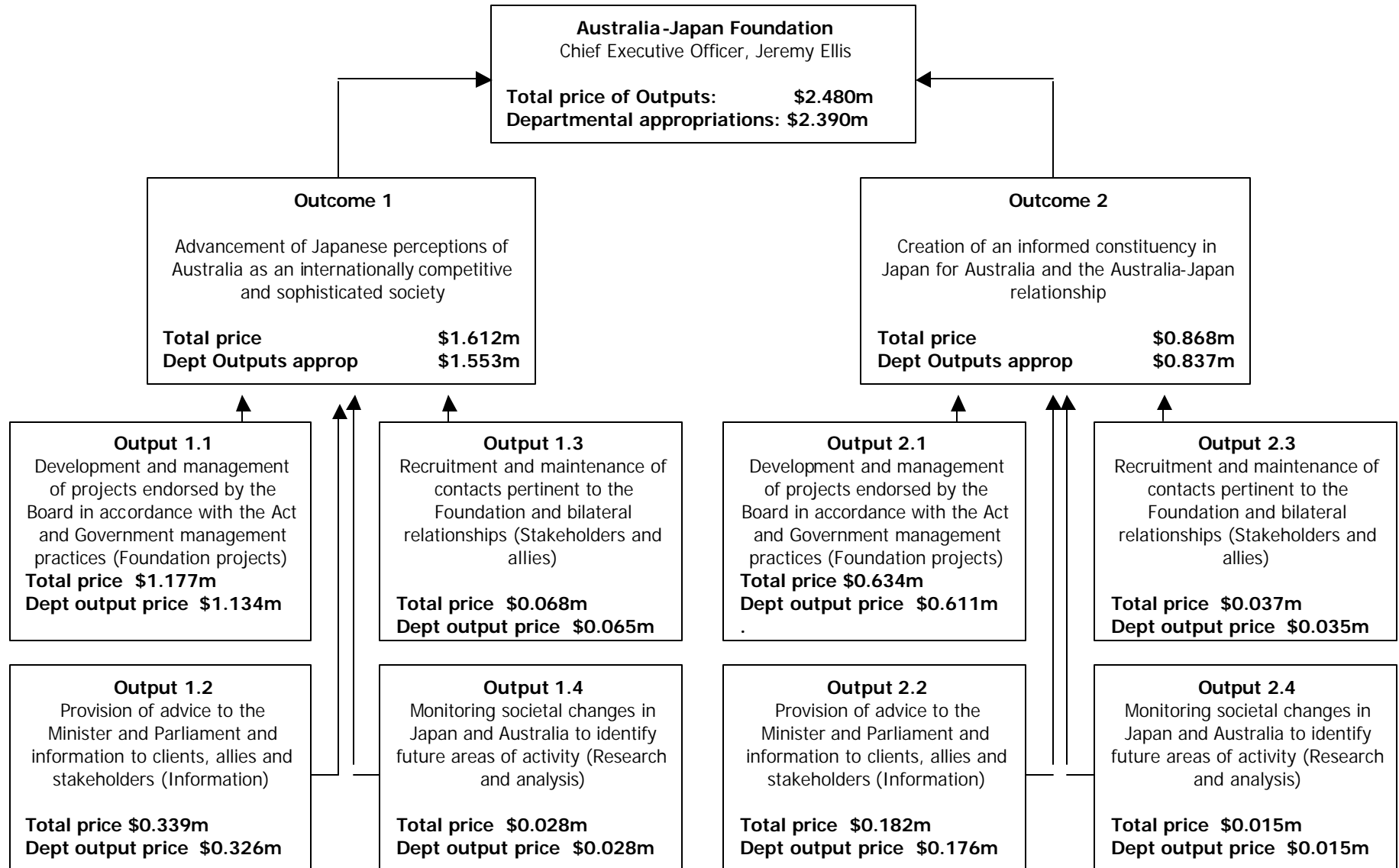


Chart 2.1 – Outcomes and Output Groups for the Australia-Japan Foundation

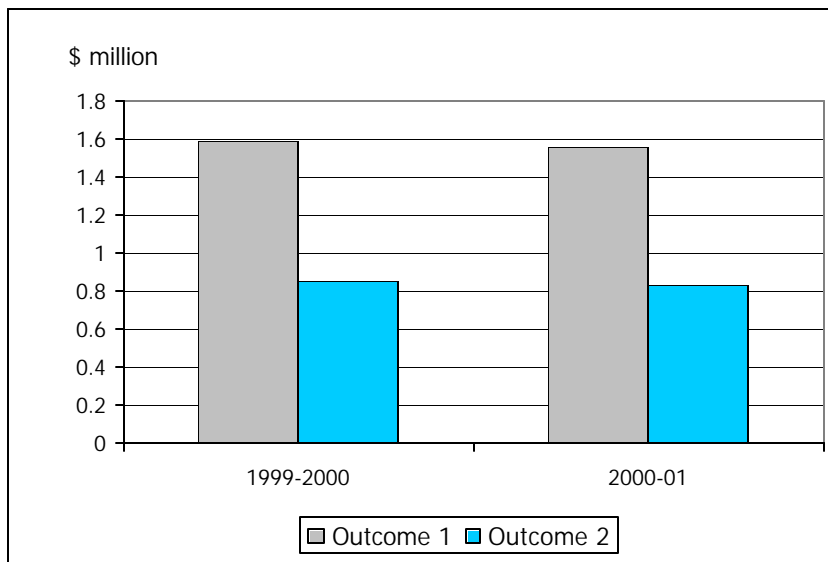


CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to Outcome/Output structures since the previous Portfolio Budget Statement. However, for reasons of clarity, Chart 2.1 has been redesigned and links to tables more clearly defined. Increases represent funding adjustments rather than new measures.

TRENDS IN RESOURCING ACROSS OUTCOMES

Graph 2.2 - Trends in appropriations for all Outcomes



Note: Only two years' appropriations have been provided in this graph for comparative purposes, as accrual budgeting commenced in 1999-2000

DESCRIPTION OF OUTCOMES

The Foundation's goals and program objectives derive from its functions as prescribed under the *Australia-Japan Foundation Act 1976* : to encourage a closer relationship between the peoples of Australia and Japan and to further the mutual knowledge and understanding of those peoples.

The Foundation has two Outcomes, listed below. Both Outcomes are achieved through the same sets of outputs. These outputs, which are delivered by secretariat offices in Australia and Japan, support Australian interests in Japan and complement and broaden other activity in the Australia-Japan relationship.

OUTCOME 1 - DESCRIPTION

OUTCOME 1 - ADVANCEMENT OF JAPANESE PERCEPTIONS OF AUSTRALIA AS AN INTERNATIONALLY COMPETITIVE AND SOPHISTICATED SOCIETY

The Foundation delivers targeted and innovative projects through the Australia - Japan Fund and undertakes a variety of activities, frequently in partnership with key stakeholders in Japan and Australia, that focus on increasing Australia's profile in Japan and advancing perceptions of contemporary Australia. Its current projects, with a focus on youth, seek to engage the interest of decision-makers of the future in Australia and deepen their understanding of Australian society and enterprise. The Foundation's self-initiated projects encourage partnership and mutual benefit and seek out opportunities intervention.

MEASURES AFFECTING OUTCOME 1

There are no new measures in the 2000-01 Budget that affect Outcome 1.

OUTCOME 1 - RESOURCING

Table 2.1.1 Total Resources for Outcome 1

	Estimated Actual 1999-2000 \$'000	Budget Estimate 2000-01 \$'000
ADMINISTERED APPROPRIATIONS		
The Foundation receives no administered expenses	0	0
DEPARTMENTAL APPROPRIATIONS		
Output Group 1.1: Development and management projects endorsed by the Board in accordance with the Act and Government management practices (Foundation Projects)	1,164	1,134
Output Group 1.2: Provision of advice to the Minister and Parliament and information to clients, allies and stakeholders (Information)	334	326
Output Group 1.3: Recruitment and maintenance of contacts pertinent to the Foundation and the bilateral relationship (Stakeholders and allies)	66	65
Output Group 1.4: Monitoring societal changes in Japan and Australia to identify future areas of activity (Research and analysis)	28	28
Total revenue from Government (Appropriations)	1,592	1,553
Revenue from other sources		
Interest – Trust	23	23
Interest – Administration	23	23
Sales of goods and services	195	13
Total revenue from other sources	241	59
TOTAL PRICE OF DEPARTMENTAL OUTPUTS FOR OUTCOME 1	1,833	1,612
AVERAGE STAFFING LEVELS (NUMBER) (65%)	1999-2000	2000-01
	4.6	4.2

Note: 2000-01 prices do not include foreign exchange adjustments

OUTCOME 2 - DESCRIPTION

OUTCOME 2 – CREATION OF AN INFORMED CONSTITUENCY IN JAPAN FOR AUSTRALIA AND THE AUSTRALIA-JAPAN RELATIONSHIP

The Foundation works with Australian and Japanese partners to expand and continuously refresh strategic networks. Market research and monitoring of Japanese societal trends and changes also help it identify new interlocutors. The Foundation actively facilitates Australia's interests in, and access to, Japan by nurturing an informed, engaged, constituency. Two core activities – the Japanese/English language Australia Web supported by key Australian organisations and companies; and a public access Australian Resource Centre – not only cross-link all of the Foundation's projects but expand its ability to inform through advanced technology.

MEASURES AFFECTING OUTCOME 2

There are no new measures in the 2000-01 Budget that affect Outcome 2.

OUTCOME 2 - RESOURCING

Table 2.2.2 Total Resources for Outcome 2 (\$'000)

	Estimated Actual 1999- 2000 \$'000	Budget Estimate 2000-01 \$'000
ADMINISTERED EXPENSES		
The Foundation receives no administered expenses	0	0
DEPARTMENTAL APPROPRIATIONS		
Output Group 2.1: Development and management projects endorsed by the Board in accordance with the Act and Government management practices (Foundation Projects)	621	611
Output Group 2.2: Provision of advice to the Minister and Parliament and information to clients, allies and stakeholders (Information)	180	176
Output Group 2.3: Recruitment and maintenance of contacts pertinent to the Foundation and the bilateral relationship (Stakeholders and allies)	37	35
Output Group 2.4: Monitoring societal changes in Japan and Australia to identify future areas of activity (Research and analysis)	15	15
Total revenue from Government (Appropriations)	853	837
Revenue from other sources		
Interest – Trust	12	12
Interest – Administration	12	12
Sales of goods and services	105	7
Total revenue from other sources	129	31
TOTAL PRICE OF DEPARTMENTAL OUTPUTS FOR OUTCOME 2	982	868
TOTAL PRICE OF DEPARTMENTAL OUTPUTS FOR OUTCOME 1	1,833	1,612
TOTAL PRICE OF DEPARTMENTAL OUTPUTS	2,815	2,480
AVERAGE STAFFING LEVEL (NUMBERS) (35%)	1999-2000	2000-01
	2.4	2.3

Note: 2000-01 prices do not include foreign exchange adjustments

CONTRIBUTION OF OUTPUTS

The Australia-Japan Foundation's outputs of targeted projects, delivery of contemporary material about Australia, recruitment and maintenance of pertinent allies and stakeholders in the bilateral relationship and research and analysis of societal changes in Japan contribute to promoting Australia's interests in a key bilateral relationship.

PERFORMANCE INFORMATION FOR OUTCOMES 1 AND 2

Table 2.3 Performance Information for Outputs

(Note: Both outcomes are achieved through identical outputs)

Effectiveness - Overall Achievement of the Outcome (Measures, indicators and targets used as appropriate)	
Output 1.1 and 1.2 - Development and management of projects endorsed by the Board in accordance with the Act and Government management practices (Foundation Projects)	
Quality	Extent to which projects make a positive contribution to the Australia-Japan relationship
Quantity	Percentage of projects implemented on time and within Commonwealth procurement guidelines and contractual arrangements
Price	Outcome 1 \$1.177m Outcome 2 \$0.634m 73% of total output costs
Output 1.2 and 2.2 - Provision of advice to Minister and Parliament and information to clients, allies and stakeholders (Information)	
Quality	Satisfaction of Parliament and clients with information provided in a timely manner
Quantity	Scope and composition of information provided
Price	Outcome 1 \$0.339m Outcome 2 \$0.182m 21% of total output costs
Output 1.3 and 2.3 - Recruitment and maintenance of contacts pertinent to the Foundation and the bilateral relationship (Stakeholders and Allies)	
Quality	Level of influence of allies and stakeholders recruited and focus given to Foundation activities
Quantity	Expansion of contact data base and number of new projects attracting resources of allies and stakeholders
Price	Outcome 1 \$0.068m Outcome 2 \$0.037m 4.2% of total output costs

Output 1.4 and 2.4 - Monitoring societal changes in Japan and Australia to identify future areas of activity (Research and Analysis)	
Quality	Effectiveness of research in identifying trends for incorporation into project activity
Quantity	Level of expansion of research in identifying trends for incorporation into project activity
Price	Outcome 1 \$0.028m Outcome 2 \$0.015m 1.8% of total output costs

Table 2.2 above, lists the performance information that the Australia-Japan Foundation will use to assess the level of its achievement of Outcomes during 1999-2000. Information shown is both quantitative and qualitative

Achievement of planned performance will be reported in the Australia-Japan Foundation's 1999-2000 annual report.

EVALUATIONS

The Board of the Foundation reviews operations of the Foundation at its three regular board meetings and the Chairman/CEO reviews Tokyo operations during yearly visits.

The Board also conducts periodic assessments of its directions and strategies, currently in June each year, during which it reviews projects and considers potential niches and opportunities which take into account emerging trends. The last review of directions and strategies took place on 6/7 June 1999.

The Foundation is audited on a yearly basis by the Australian National Audit Office and presents an annual report to Parliament.

COMPETITIVE TENDERING AND CONTRACTING

The Foundation outsources projects requiring specialised input. These are advertised nationally, as required, and contractors selected through competitive processes. It outsources accountancy services on an ongoing basis and it will proceed with a CTC process in July 1999 for a new three year contract.

SECTION 3

BUDGETED FINANCIAL STATEMENTS

Table 3.1 Accrual Operating Statement (for period ended 30 June 2000)

	Estimated Actual 1999/00 \$'000s	Budget Estimate 2000/01 \$'000s	Forward Estimate 2001/02 \$'000s	Forward Estimate 2002/03 \$'000s	Forward Estimate 2003/04 \$'000s
Operating Revenue					
Revenues from Government (incl CUC)	2,445	2,390	2,403	2,436	2,477
Sales of Goods and Services	300	20	20	20	20
Interest - Trust	35	35	35	35	35
Interest - Admin	35	35	35	35	35
Resources free of charge	200	200	200	200	200
Net gains from sales of assets	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Other	-	-	-	-	-
Total Operating Revenues (before abnormal items)	3,015	2,680	2,693	2,726	2,767
Operating Expenses					
Employees	700	711	719	718	729
Suppliers	990	872	892	892	908
Projects	862	865	870	884	898
Depreciation	200	120	100	120	120
Write-down of assets	161	10	10	10	10
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total Operating Expenses	2,913	2,578	2,591	2,624	2,665
Operating Surplus or deficit before abnormal and extraordinary items	102	102	102	102	102
Abnormal and extraordinary items	-	-	-	-	-
Operating Surplus or deficit after abnormal and extraordinary items	102	102	102	102	102
Aggregate of amounts transferred to/from reserves	-	-	-	-	-
Capital user charge paid	102	102	102	102	102
Operating Surplus or deficit after abnormal and extraordinary items and CUC	-	-	-	-	-

Table 3.2 Balance Sheet(as at 30 June 2000)

	Estimated Actual 1999/00 \$'000s	Budget Estimate 2000/01 \$'000s	Forward Estimate 2001/02 \$'000s	Forward Estimate 2002/03 \$'000s	Forward Estimate 2003/04 \$'000s
Assets					
Financial Assets					
Cash	393	523	403	532	521
Receivables	6	6	6	6	6
Investments	-	-	-	-	-
Accrued Revenues	-	-	-	-	-
Other	-	-	-	-	-
Total Financial Assets	399	529	409	538	527
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, Plant and equipment	728	618	758	648	678
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Other	10	10	10	10	10
Total Non-financial Assets	738	628	768	658	688
Total Assets	1,137	1,157	1,177	1,196	1,215
Liabilities					
Debt					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total debt	-	-	-	-	-
Provisions and payables					
Employees	302	322	342	361	380
Suppliers	50	50	50	50	50
Grants	-	-	-	-	-
Other	-	-	-	-	-
Total provisions and payables	352	372	392	411	430
Total liabilities	352	372	392	411	430
Equity					
Accumulated surpluses or deficits	785	785	785	785	785
Total equity	785	785	785	785	785
Total liabilities and equity	1,137	1,157	1,177	1,196	1,215
Current liabilities	126	131	136	140	145
Non-current liabilities	226	241	256	271	285
Current assets	409	539	419	548	537
Non-current assets	728	618	758	648	678

Table 3.3 Budgeted Cashflow Statement (for the period ended 30 June 2000)

	Estimated Actual 1999/00 000s	Budget Estimate 2000/01 000s	Forward Estimate 2001/02 000s	Forward Estimate 2002/03 000s	Forward Estimate 2003/04 000s
Operating activities					
Cash received					
Appropriations for outputs	2,445	2,390	2,403	2,436	2,477
Sales of goods and services	309	20	20	20	20
Interest	70	70	70	70	70
Other					
Total cash received	2,824	2,480	2,493	2,526	2,567
Cash used					
Employees	546	491	499	498	509
Suppliers	1,278	872	892	893	909
Projects	862	865	870	884	898
Interest					
Capital user charge	102	102	102	102	102
Other (Projects - Trust Fund)					
Total cash used	2,788	2,330	2,363	2,377	2,418
Net cash from operating activities	36	150	130	149	149
Investing activities					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	0	0	0	0	0
Cash used					
Purchase of property, plant and equipment	50	20	250	20	160
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	50	20	250	20	160
Net cash from investing activities	(50)	(20)	(250)	(20)	(160)
Financial activities					
Cash received					
Proceeds from issuing equity instruments	-	-	-	-	-
Proceeds from debt	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	0	0	0	0	0
Cash used					
Repayments of debt	-	-	-	-	-
Capital use and dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	0	0	0	0	0
Net cash from financing activities	-	-	-	-	-
Net increase in cash held	(14)	130	(120)	129	(11)
Cash at beginning of period	407	393	523	403	532
Cash at end of the reporting period	393	523	403	532	521

Table 3.4 Non-financial Assets - Summary of Movement Budget year 2000-01

	Land	Buildings	Total Land and Buildings	Specialist Military Equipment	Other Infrastructure Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross value						
<i>as at 1 July 2000 (opening)</i>					998	998
Additions					10	10
Disposals						-
Other movements						-
<i>as at 30 June 2001 (closing)</i>					1,008	-1,008
ACCUMULATED DEPRECIATION						
<i>as at 1 July 2000 (opening)</i>					270	270
Disposals						-
Charge for reporting period					120	120
Other movements						-
<i>as at 30 June 2001 (closing)</i>					390	390
Net book value as at 30 June 2001 (closing book value)					618	618
Net book value as at 1 July 2000 (opening book value)					728	728
Total additions					10	10
Self funded					10	10
Appropriations						
Total					10	10

ASSUMPTIONS

1. It is assumed that resources provided free of charge by the Department of Foreign Affairs and Trade will be maintained over the next five years. This comprises - Departmental officers and computers/workstations in the Canberra office. The amount involved is approximately \$0.200 million per annum
2. It is assumed that exchange rates (AUD/JPY) will not alter over the period. Given that material amounts of expenditure are incurred in Japanese yen, an adverse movement in exchange rates would increase expenditure in Japan.
3. Sales of goods and services is comprised of:

	1999-2000	Outlying years
	\$'000	\$'000
WEB site	246	-
WHOLE office, Sydney	36	-
Miscellaneous	18	20
Total	300	20

4. It is assumed computers in Tokyo will be replaced every three years, based on 8 terminals at \$0.004 million each. The first replacement was in 98/99.
In 2000/02 there is a proposed resource centre and office fitout in Tokyo with a Cost of \$0.100 million.
In 2003/04 there is a proposed office and IT equipment upgrade in Tokyo with a cost of \$0.100.
5. Appropriation revenue has been inflation-adjusted based on WC16
6. Interest is calculated on an estimated bank balance of \$1.3 million earning an interest rate of 5.5% equalling \$70,000. This is then split between trust and running costs on a 50/50 basis.
7. Capital Use Charge has been assumed as 12% of the movement in net assets.
8. Employee leave provisions are based on employees having a recreation leave accrual of 30 days. It is assumed that the Director, Tokyo will take 3 months LSL in 99/00.
9. It is assumed all asset purchases take place on June 30 of the relevant year.

EXPLANATIONS

1. The Foundation's web site was handed over to the Department of Foreign Affairs and Trade in 99/00. The effect was to reduce sales of goods and services by \$0.265 million per annum in outlying years.

This also resulted in a write down of intangibles equal to \$0.151 in 99/000 and a reduction in depreciation expense of \$0.050 million per annum.

2. Movements in appropriation revenue are due to the effects of applying inflation indices to outlying years (WC16)

SECTION 4

PURCHASER/PROVIDER ARRANGEMENTS

CROSS AGENCY OVERVIEW

It is not anticipated that the Australia-Japan Foundation will be a party to any purchaser/provider arrangements in 2000/2001

APPENDIX 1

Non-appropriated Departmental Revenue

	Estimated Revenue 1999-2000 (\$'000)	Estimated Revenue 2000-2001 (\$'000)
Fees and advertising WHOLE Office Sydney	36	-
Australia Web – revenue and advertising	246	-
Miscellaneous sponsorship	18	20
TOTAL ESTIMATED REVENUE FROM OTHER SOURCES	300	20

