

**AUSTRALIA-JAPAN FOUNDATION**

**(AJF)**



## AUSTRALIA-JAPAN FOUNDATION

### Section 1: Overview, appropriations and budget measures summary

#### OVERVIEW

The Australia-Japan Foundation is a Commonwealth Statutory Authority and *Financial Management and Accountability Act 1997* Agency established by the *Australia-Japan Foundation Act 1976* with the role of encouraging a closer relationship between the peoples of Australia and Japan.

The Foundation supports portfolio objectives by promoting and expanding the bilateral relationship by initiating and facilitating self-sustaining interaction through targeted projects. It works with Australian and Japanese allies and stakeholders to create a broad-based, informed, constituency to assist access of Australian interests, services and products in Japan. The Foundation also explores new opportunities in the relationship through market research and monitoring of Japanese societal changes and trends to ensure maximised impact. In April 2001 the Foundation provided support for a conference on the Australia-Japan relationship. It has also commissioned academic papers researching cultural interaction to be published in June 2001. Both these activities reinforce the importance of the relationship as well as identifying new partners and opportunities.

The Foundation's priority in 2001-02 will be developing and reinvigorating networks, especially among emerging leaders (including young professionals), which will build alliances for the future.

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

#### APPROPRIATIONS

Total appropriations for the Australia-Japan Foundation in the 2001-02 Budget are \$2.8 million. These include appropriation of the previous year's accrued revenue of \$0.2 million relating to foreign exchange losses and rebasing from prior years.

Table 1.1 shows the total appropriations for the Foundation's departmental appropriation and includes funding for the Australia-Japan Reserve, for which it is responsible. It receives some revenue from other sources through investment, bank interest and sponsorship of projects (where appropriate).

The Department of Foreign Affairs and Trade provides two staff and office space for the Foundation's Canberra secretariat free of charge, which are reflected in Table 3.1 (Budgeted Departmental Statement of Financial Performance).

The Foundation does not receive any administered appropriations.

Part C: Agency Budget Statements — Australia-Japan Foundation

**Australia-Japan Foundation — Appropriations 2001-02**

Outcome	Departmental (price of outputs)					Administered				
	Revenue from Government (appropriations)			Revenue from other sources	Price of outputs	Annual appropriations (\$'000)		Special approps	Total administered appropriations	Total 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)
<b>Outcome 1</b> <i>Advancement of Japanese perceptions of Australia as an internationally competitive and sophisticated society</i>	1,672	-	1,672 89%	211 11%	1,883	-	-	-	-	1,672
			<b>(C1)</b>		<b>(E1)</b>					
<b>Outcome 2</b> <i>Creation of an informed constituency in Japan for Australia and the Australia-Japan relationship</i>	900	-	900 89%	114 11%	1,014	-	-	-	-	900
			<b>(C2)</b>		<b>(E2)</b>					
<b>Total</b>	<b>2,572</b>	-	<b>2,572</b>	<b>325</b>	<b>2,897</b>	-	-	-	-	<b>2,572</b>
									Departmental capital (Appropriation of the previous year accrued revenue)	<b>(K1) 185</b>
									Administered capital	-
									Total appropriations	<b>2,757</b>

Note: C1 and E1 refer to information provided in Table 2.1.1, C2 and E2 to Table 2.1.2 and K1 to Table 3.4.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

The charts and tables on the following pages provide information on the two outcomes and the contributing outputs for the Australia-Japan Foundation.

Information on the division of the departmental appropriation by outcome appears in Chart 1 (Departmental appropriation by outcome, p 166).

The relationship between the two outcomes and contributing outputs for the Australia-Japan Foundation is shown in Chart 2 (Outcomes and output groups, p 167).

Chart 3 (Outcome 1 – Contributing outputs, p 168) and Chart 4 (Outcome 2 – Contributing outputs, p 169) show the relationship between each of the two outcomes and the contributing outputs for the Australia-Japan Foundation.

Financial details for **Outcome 1** by outputs appear in Table 2.1.1 (Total resources for Outcome 1, p 172) while non-financial information for Outcome 1 is combined with similar information for Outcome 2 and appears in Table 2.2.1/2 (Performance information for Outcome 1 and 2, p 176).

Financial details for **Outcome 2** by outputs appear in Table 2.1.2 (Total resources for Outcome 2, p 174) while non-financial information for Outcome 2 is combined with similar information for Outcome 1 and appears in Table 2.2.1/2 (Performance information for Outcome 1 and 2, p 176).

Chart 1: Departmental appropriation by outcome

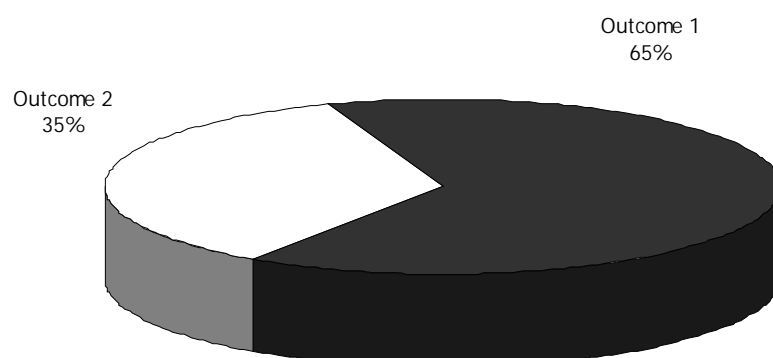
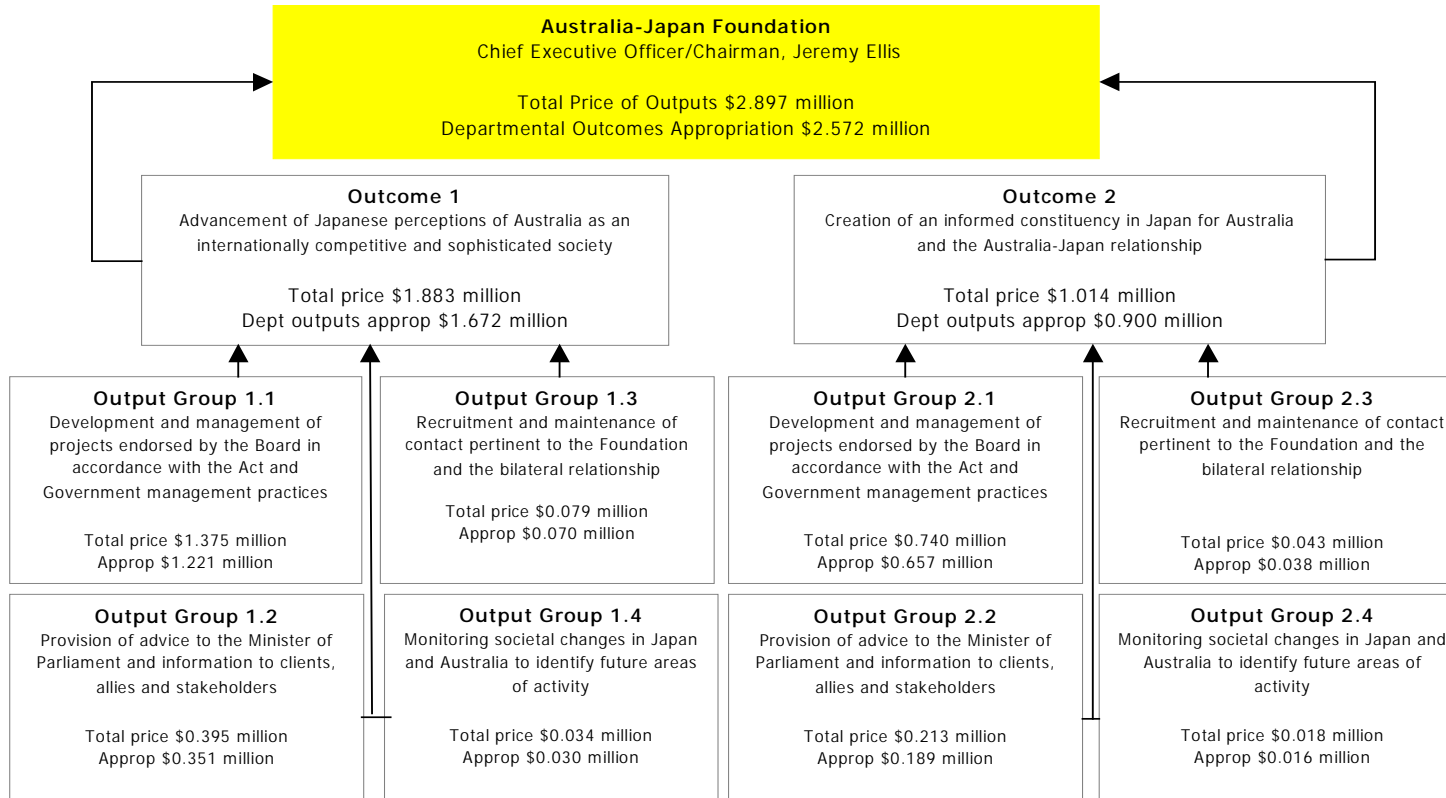


Chart 2: Outcomes and output groups



Note: Total price includes revenue from independent sources (resources provided free of charge, interest and miscellaneous income).

Chart 3: Outcome 1 - Contributing outputs

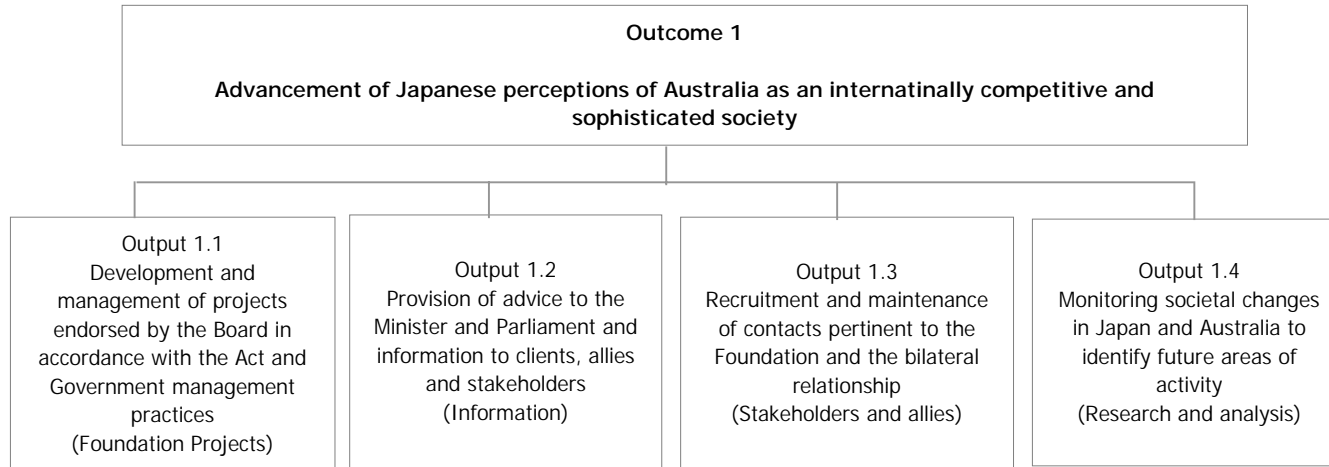
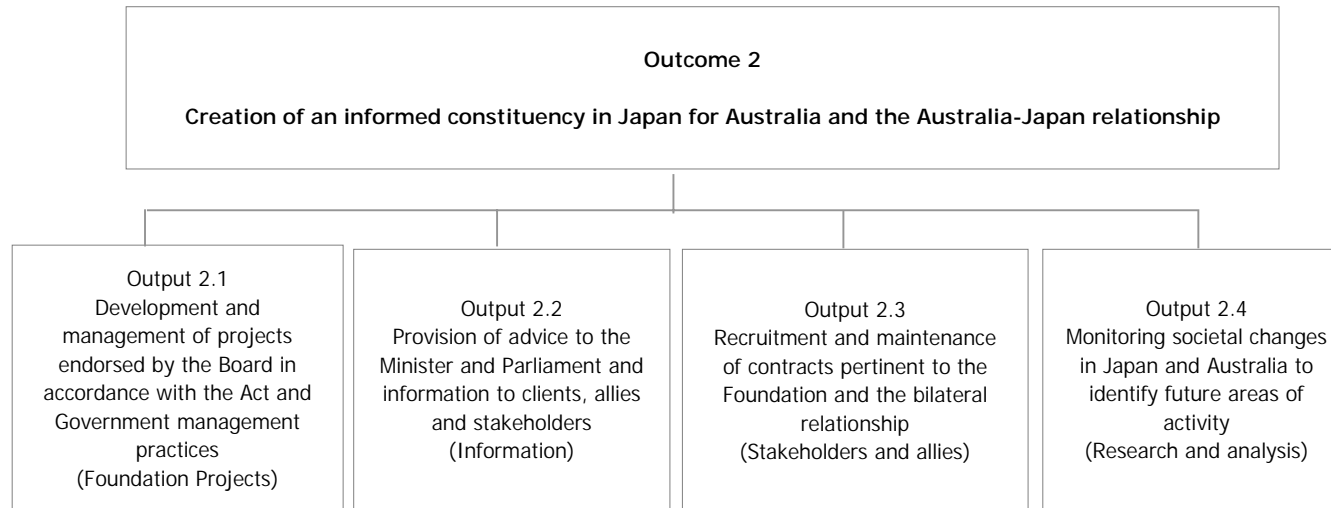


Chart 4: Outcome 2 - Contributing outputs

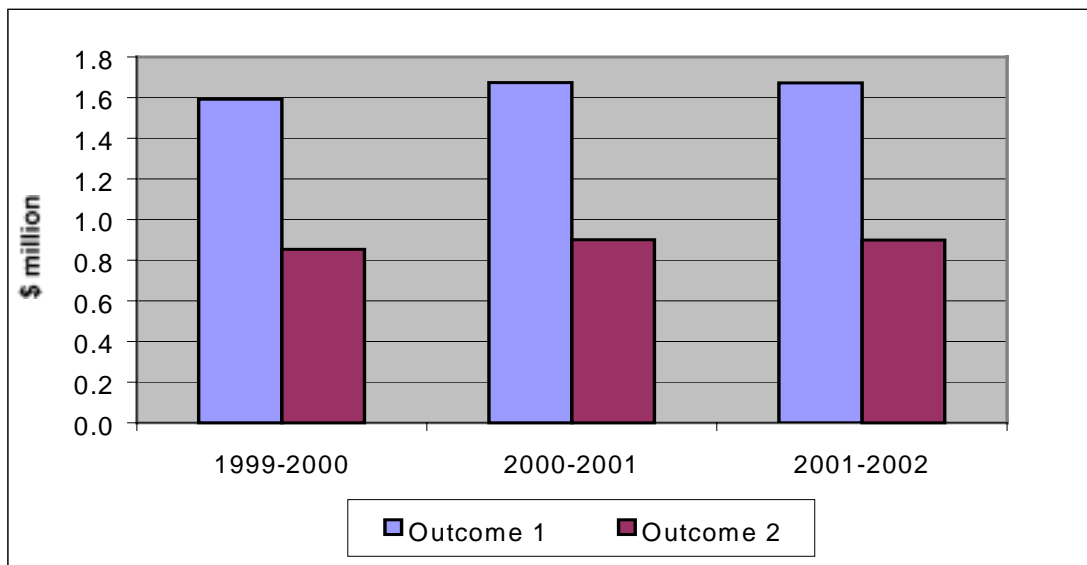


## CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to outcome/output structures since the previous Portfolio Budget Statement.

## TRENDS IN RESOURCING ACROSS OUTCOMES

Chart 5: Trends in appropriations for all Outcomes



## 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 interaction between the two countries.

### OUTCOME 1 — DESCRIPTION

#### **Advancement of Japanese perceptions of Australia as a sophisticated society**

The Foundation delivers targeted and innovative projects through the Australia-Japan Reserve 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 for intervention.

#### **Measures affecting Outcome 1**

There are no new measures in the 2001-02 Budget that affect Outcome 1.

## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2001-02 appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), revenue from other sources and the total price of outputs. References C1 and E1 show the links back to table 1.1, the appropriation table.

**Table 2.1.1: Total resources for Outcome 1 (\$'000)**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
<b>Departmental appropriations</b>		
Output Group 1.1	1,223	1,221
Output Group 1.2	351	351
Output Group 1.3	70	70
Output Group 1.4	30	30
<b>Subtotal output group</b>	<b>1,674</b>	<b>1,672</b>
<b>Total revenue from government (appropriations)</b>	<b>1,674</b>	<b>1,672</b>
<b>Contributing to price of departmental outputs</b>	<b>85%</b>	<b>89%</b>
		<b>(C1)</b>
<i>Revenue from other sources</i>		
Resources received free of charge	153	153
Sales of goods and services	41	13
Interest	77	46
Other	16	-
<b>Total revenue from other sources</b>	<b>288</b>	<b>211</b>
Total price from departmental outputs (Total revenue from Government and from other sources)	1,962	1,883
		<b>(E1)</b>
<b>Total estimated resourcing for outcome 1</b> (Total price of outputs)	<b>1,962</b>	<b>1,883</b>
	2000-01	2001-02
<b>Average staffing level (number)</b>	4.2	4.2

## **OUTCOME 2 — DESCRIPTION**

### **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 - its Japanese/English language web presence and public access Australian Resource Centre - not only cross-link all of the Foundation's projects but also expand its ability to inform through advanced technology.

### **Measures affecting Outcome 2**

There are no new measures in the 2001-02 Budget that affect Outcome 2.

## OUTCOME 2 — RESOURCING

Table 2.2.1 shows how the 2001-02 appropriations translate to total resourcing for Outcome 2, including revenue from government (appropriation), revenue from other sources and the total price of outputs. References C2 and E2 show the links back to table 1.1, the appropriation table.

Table 2.1.2: Total resources for Outcome 2 (\$'000)

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
<b>Departmental appropriations</b>		
Output Group 2.1	658	657
Output Group 2.2	189	189
Output Group 2.3	38	38
Output Group 2.4	16	16
<b>Subtotal output group</b>	<b>901</b>	<b>900</b>
<b>Total revenue from government (appropriations)</b>	<b>901</b>	<b>900</b>
<b>Contributing to price of departmental outputs</b>	<b>85%</b>	<b>89%</b>
		<b>(C2)</b>
<i>Revenue from other sources</i>		
Resources received free of charge	83	82
Sales of goods and services	21	7
Interest	42	25
Other	10	-
<b>Total revenue from other sources</b>	<b>155</b>	<b>114</b>
Total price from departmental outputs (Total revenue from Government and from other sources)	1,056	1,014 <b>(E2)</b>
<b>Total estimated resourcing for outcome 2</b> (Total price of outputs)	<b>1,056</b>	<b>1,014</b>
	2000-01	2001-02
<b>Average staffing level (number)</b>	2.3	2.3

## **OUTCOME 1 AND 2— CONTRIBUTION OF OUTPUTS**

The Australia-Japan Foundation's outputs of targeted projects, delivery of contemporary material about Australia in Japan, 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.

Table 2.3.1 lists the performance information that the Australia-Japan Foundation will use to assess the level of its achievement of Outcomes during 2001-02. Information shown is both quantitative and qualitative.

Achievement of planned performance will be reported in the Australia-Japan Foundation's 2001-02 annual report.

**Table 2.1.1/2 Performance information for Outcome 1 and 2**

<p><b>Effectiveness - Overall achievement of the outcomes - (Measures, indicators and targets used as appropriate)</b></p> <p>Outcome 1 - Advancement of Japanese Perceptions of Australia as an internationally competitive and sophisticated society Outcome 2 - Creation of an informed constituency in Japan for Australia and the Australia-Japan and the Australia-Japan relationship</p> <p><b>Performance information for departmental outputs</b></p> <p><b>Outputs 1.1 and 2.1 - Development and management of projects endorsed by the Board in accordance with its Act and Government management practices (Foundation Projects)</b></p> <p>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 (1.1) \$1.375 m Outcome 2 (2.1) \$0.740 m 73% of total output costs</p> <p><b>Outputs 1.2 and 2.2 - Provision of advice to the Minister and Parliament and information, to clients, allies and stakeholders (Information)</b></p> <p>Quality: Satisfaction of Parliament and clients with information provided in a timely manner Quantity: Scope and composition of information provided Price: Outcome 1 (1.2) \$0.395 m Outcome 2 (2.2) \$0.213 m 21% of total input costs</p> <p><b>Outputs 1.3 and 2.3 - Recruitment and maintenance of contracts pertinent to the Foundation and the bilateral relationship (Stakeholders and Allies)</b></p> <p>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 (1.3) \$0.079 m Outcome 2 (2.3) \$0.043 m 4.2% of total output costs</p> <p><b>Outputs 1.4 and 2.4 - Monitoring societal changes in Japan and Australia to identify s future areas of activity (Research and Analysis)</b></p> <p>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 (1.4) \$0.034 m Outcome 2 (2.4) \$0.018 m 1.8% of total output costs</p>	
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Note: Both outcomes are achieved through identical sets of outputs

## **Evaluations**

The Board of the Foundation reviews operations of the Foundation at its three regular board meetings and the Chairman, who is also the Chief Executive Officer, reviews Tokyo operations, at firsthand, 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 overview of Foundation activities took place in June 2000.

The Foundation is audited on an annual 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, through limited tender, on a three yearly basis.

## Section 3: Budgeted Financial Statements

### DEPARTMENTAL STATEMENTS

#### **Budgeted Departmental Statement of Financial Performance**

This statement provides a picture of the expected financial results for the Foundation by identifying full accrual expenses, revenues and capital use charge, which highlights whether the Foundation is operating at a sustainable level.

#### **Budgeted Departmental Statement of Financial Position**

This statement shows the financial position of the Foundation. It helps decision-makers to track the management of the Foundation's assets and liabilities.

#### **Budgeted Departmental Statement of Cash Flows**

Budgeted cash flows, as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

#### **Departmental Capital Budget Statement**

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded either through capital appropriations for additional equity or borrowings, or from funds from internal sources.

#### **Departmental Non-financial Assets – Summary of Movement**

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

**Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June 2002**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>					
Revenue from government	2,575	2,572	2,533	2,592	2,592
Sales of goods and services	63	20	20	20	20
Interest	119	70	70	70	70
Other					
Resources provided free of charge	261	235	235	235	235
<b>Total revenues from ordinary activities</b>	<b>3,018</b>	<b>2,897</b>	<b>2,858</b>	<b>2,917</b>	<b>2,917</b>
<b>Expenses from ordinary activities</b>					
Employees	871	899	919	955	955
Suppliers	2,093	1,876	1,837	1,870	1,880
Depreciation and amortisation	158	120	100	90	80
Net losses from sales of assets	81	-	-	-	-
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>3,203</b>	<b>2,895</b>	<b>2,856</b>	<b>2,915</b>	<b>2,915</b>
<b>Net surplus or deficit from ordinary activities</b>	<b>(185)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Capital use charge	71	2	2	2	2
<b>Net surplus or deficit after capital use charge</b>	<b>(256)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at 30 June 2002**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	100	313	413	483	533
Receivables	225	40	20	20	20
Other	10	10	10	10	10
<b>Total financial assets</b>	<b>335</b>	<b>363</b>	<b>443</b>	<b>513</b>	<b>563</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	422	334	284	244	194
<b>Total non-financial assets</b>	<b>422</b>	<b>334</b>	<b>284</b>	<b>244</b>	<b>194</b>
<b>Total assets</b>	<b>757</b>	<b>697</b>	<b>727</b>	<b>757</b>	<b>757</b>
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Employees	516	476	506	536	566
Suppliers	165	216	216	216	186
Other	71	-	-	-	-
<b>Total provisions and payables</b>	<b>752</b>	<b>692</b>	<b>722</b>	<b>752</b>	<b>752</b>
<b>Total liabilities</b>	<b>752</b>	<b>692</b>	<b>722</b>	<b>752</b>	<b>752</b>
<b>EQUITY</b>					
Accumulated surpluses or deficits	5	5	5	5	5
<b>Total equity</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Current liabilities</b>	<b>365</b>	<b>335</b>	<b>343</b>	<b>350</b>	<b>328</b>
<b>Non-current liabilities</b>	<b>387</b>	<b>357</b>	<b>379</b>	<b>402</b>	<b>424</b>
<b>Current assets</b>	<b>335</b>	<b>363</b>	<b>443</b>	<b>513</b>	<b>563</b>
<b>Non-current assets</b>	<b>422</b>	<b>334</b>	<b>284</b>	<b>244</b>	<b>194</b>

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
for the period ended 30 June 2002**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	2,461	2,757	2,533	2,592	2,592
Sales of goods and services	63	20	40	20	20
Interest	119	70	70	70	70
Other	22	-	-	-	-
<b>Total cash received</b>	<b>2,665</b>	<b>2,847</b>	<b>2,643</b>	<b>2,682</b>	<b>2,682</b>
<b>Cash used</b>					
Employees	557	704	654	690	690
Suppliers	2,217	1,825	1,837	1,870	1,910
<b>Total cash used</b>	<b>2,774</b>	<b>2,529</b>	<b>2,491</b>	<b>2,560</b>	<b>2,600</b>
<b>Net cash (used by) from operating activities</b>	<b>(109)</b>	<b>318</b>	<b>152</b>	<b>122</b>	<b>82</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	18	32	50	50	30
<b>Total cash used</b>	<b>18</b>	<b>32</b>	<b>50</b>	<b>50</b>	<b>30</b>
<b>Net cash used by investing activities</b>	<b>18</b>	<b>32</b>	<b>50</b>	<b>50</b>	<b>30</b>
<b>FINANCIAL ACTIVITIES</b>					
<b>Cash used</b>					
Capital use and dividends paid	-	73	2	2	2
<b>Total cash used</b>	<b>-</b>	<b>73</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Net cash used by financing activities</b>	<b>-</b>	<b>73</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Net (decrease) increase in cash held</b>	<b>(127)</b>	<b>213</b>	<b>100</b>	<b>70</b>	<b>50</b>
Cash at the beginning of the reporting period	227	100	313	413	483
Cash at the end of the reporting period	<b>100</b>	<b>313</b>	<b>413</b>	<b>483</b>	<b>533</b>

Part C: Agency Budget Statements — Australia-Japan Foundation

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Appropriation of the previous year accrued revenue	-	185 (K1)	-	-	-
<b>Represented by:</b>					
Other	-	185	-	-	-
<b>PURCHASE OF NON-CURRENT ASSETS</b>					
Funded internally by Foundation resources	18	32	50	50	30

Table 3.5: Departmental Non-financial Assets — Summary of Movement  
(Budget Year 2001-02)

	Other Infrastructure Plant and Equipment \$'000	Total \$'000
<b>GROSS VALUE</b>		
<i>As at 1 July 2001 (opening)</i>	1,065	1,065
Additions	32	32
<i>As at 30 June 2002 (closing)</i>	<b>1,097</b>	<b>1,097</b>
<b>ACCUMULATED DEPRECIATION</b>		
<i>As at 1 July 2001 (opening)</i>	643	643
Disposals		
Charge for the reporting period	120	120
<i>As at 30 June 2002 (closing)</i>	763	763
<b>Net book value</b>		
<b>As at 30 June 2002</b>		
<b>(closing book value)</b>	<b>334</b>	<b>334</b>
<b>Net book value</b>		
<b>as at 1 July 2001</b>		
<b>opening book value)</b>	<b>422</b>	<b>422</b>
<b>TOTAL ADDITIONS</b>		
Self funded	32	32
<b>Total</b>	<b>32</b>	<b>32</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Departmental appropriation

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/work-stations in the Canberra office. The amount involved has been estimated at \$0.2 million per annum.
2. From 2001-02 onwards it is anticipated that the Foundation will operate on a break-even basis. The estimated losses in 2000-01 are partly as a result of the write off of intangible assets following the transfer of management of the Foundation's web-site to the Australian Embassy in 1999-00. 2000-01 figures do not include the valuation of the Foundation's URL. Subject to ANAO approval, this will be recognised in the 2000-2001 end of year financial statements as an asset and as revenue. Early indications are that the URL will be valued at some \$0.1 m.
3. A Capital-Use Charge is levied on agencies and authorities to reflect the cost of the Commonwealth's investment in those entities. It is levied on those agencies closing Departmental net assets (equity) at a rate of 11 per cent. Funding for the Capital-Use Charge is included in agencies and authorities Departmental price of outputs appropriations. The Capital-Use Charge is accounted for as a 'below Operating Result line' dividend payment.

## 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 2001-02.

Appendix 1

Non-appropriated Departmental Revenue

	Estimated Revenue	Estimated Revenue
	2000-01	2001-02
	\$'000	\$'000
Miscellaneous sponsorship	20	20
<b>Total estimated revenue</b>	<b>20</b>	<b>20</b>