

PART C

Agency Budget Statements

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DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

(DFAT)

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Department contributes to Australia's security, supports Australia's economic and trade performance, and strengthens international cooperation in ways that advance Australia's interests. It assists the increasing number of Australian travellers and Australians overseas, and projects a positive image of Australia internationally. The Department's work towards its three outcomes is carried out by staff serving at its network of overseas posts as well as in Canberra and in State, Territory and regional capitals.

In 2001-02 the Department will contribute to Australia's security by working with other countries to promote a stable regional and global security environment and maintaining strong defence and intelligence links with Australia's allies. The Department will continue to encourage the implementation of international arms control agreements and to combat threats to global security from terrorism, organised illegal movement of people, and international crime. To improve its capacity to satisfy these objectives, the Department will upgrade the secure communications system, which protects sensitive Government information.

The Department will promote trade and investment through bilateral activities, and assist Austrade and EFIC in providing information and assistance to Australian business. The Department will work to overcome market barriers to Australian exports of goods and services through bilateral negotiations, active participation in the World Trade Organization (WTO) and regional forums such as the Asia-Pacific Economic Cooperation (APEC) grouping, and through exploring free trade agreements or closer economic partnerships with key partners. A major priority will be supporting the launch of a new round of multilateral trade negotiations at the Qatar WTO Ministerial meeting in November 2001. Working through multilateral institutions, the Department will enhance international cooperation and economic development by supporting efforts to address global environmental issues, wider application of universal human rights standards, democratic principles, good governance and strengthened rule of law. Key priorities during the year include preparations for the Commonwealth Heads of Government Meeting in Brisbane in October 2001, continuing negotiations on climate change and reform of the United Nations, including the High Level Diplomatic Initiative on the Human Rights Treaty Body system.

The Department will provide high quality consular and passport services to Australians travelling overseas, as well as their families in Australia, through the network of posts and honorary consulates, the 24-hour Consular Operations Centre

and consular cooperation arrangements with other countries. Client access to passport services will remain a priority.

Building on the impact of the Sydney 2000 Olympics, the Department will continue to increase international awareness of Australia, including its record of innovation, its strengths as a knowledge-based economy and its artistic and cultural assets. The ongoing promotion of Australian business exports of goods, services and investment remains a priority. The Department will continue consulting the community as part of its policy formulation and provide Australians with information about Australia's foreign and trade policy and, in particular, promoting the benefits of trade to all Australians.

In support of these contributions to Australian interests, the Department's corporate services are designed to maintain a professional and motivated workforce and to maximise the benefit to the Australian community of the Government's public service reform agenda. Management of departmental resources will continue to focus on maintaining high standards of ethical and personal conduct, promoting flexibility, adaptability and sensitivity, and on the acquisition and maintenance of relevant policy, technical and language skills.

The performance information framework ensures clear linkages between the main stages of the accountability process: the Appropriation Bills, the Portfolio Budget Statements, the Portfolio Additional Estimates Statements and the Annual Report. For 2001-02 the Department has refined this framework further to provide simpler, more generic and timeless indicators which will make it easier to compare performance across work units within the Department and from year to year. (Consistent with Department of Finance and Administration guidelines, corporate services are distributed across the Department's outputs for performance information and pricing purposes and are not given a separate profile in the Department's Budget Statements.)

In 2000-01, the Department, with the Department of Finance and Administration, completed an Output Pricing Review of outputs contributing to Outcome 1 ("Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation") and Outcome 3 ("Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally"). (Reviews of passport and consular services, which together comprise Outcome 2, were concluded in 1999 and early 2000 respectively). The review concluded that these outputs are of an appropriate price, quality and quantity, and that effective and flexible management strategies were in place to ensure the delivery of quality outputs.

APPROPRIATIONS

The total appropriation for the Department of Foreign Affairs and Trade in the 2001-02 Budget is \$805.0 million.

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Table 1.1 on the following page shows the total appropriations for the Department of Foreign Affairs and Trade for 2001-02 by the three Government outcomes, by administered expenses, price of output appropriation and administered capital, departmental equity injections and loans.

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Department of Foreign Affairs and Trade — Appropriations 2001-02

Table 1.1: Appropriations and other revenue (\$'000)

Outcome	Departmental (price of outputs)					Administered			
	Revenue from Government (appropriations)		Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special approps ⁽⁵⁾	Total administered appropriations	Total appropriations	
	Bill No. 1 (A)	Special approps (B) (C = A+B)	(D)	(E = C+D)	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) ⁽²⁾ (G)	(H)	(I = F+G+H)	(J=C+I)
Outcome 1: Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	472,501	472,501 (C1) *88.81%	59,510	532,011 (E1)	119,004			119,004 (I1)	591,505
Outcome 2: Australians informed about and provided access to consular and passport services in Australia and overseas	133,099	133,099 (C2) *97.11%	3,967	137,066 (E2)	200			200 (I2)	133,299
Outcome 3: Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	59,895	59,895 (C3) *95.77%	2,645	62,540 (E3)	4,297			4,297 (I3)	64,192
Total	665,495	665,495 (K1)	66,122	**731,617	123,501			123,501 (K2)	788,996
								Departmental capital (equity injections and loans) (K3)	16,034
								Administered capital (K4)	0
								Total appropriations	805,030

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1. Note: C1, E1 and I1 refer to information provided in Table 2.1.1. Amounts K1 and K2 refer to Budgeted Statement of Financial Performance, and amounts K2 and K3 refer to Capital Budget.
 2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
 3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.
 4. Revenue from other sources includes other revenue from government (eg resources free of charge) and revenue from other sources (eg sales of goods and services by agencies such as the Australian Bureau of Statistics (ABS) or the Australian Broadcasting Corporation (ABC)). Non-appropriated departmental and administered revenues are detailed in Appendix 1.
 5. Estimated expenses from individual Special Appropriations are shown in Appendix 2.
- * Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.
- ** Included in the Price of Outputs is \$26.3 million arising as a result of an accounting entry to transfer the balance of the North American Pension Scheme liability as at 1 July 2001 to the administered accounts.

BUDGET MEASURES — DEPARTMENT OF FOREIGN AFFAIRS AND TRADE SUMMARY

Table 1.2: Summary of Measures disclosed in the 2001-02 Budget

			(\$'000)			(\$'000)			(\$'000)			(\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
	1	All		2,217	2,217		1,716	1,716		1,756	1,756		1,915	1,915
Opening of Australian Consulate-General in Chicago	2	All		624	624		483	483		495	495		539	539
	3	All		281	281		217	217		222	222		243	243
Total				3,122	3,122		2,416	2,416		2,473	2,473		2,697	2,697

ADMINISTERED CAPITAL, DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Department of Foreign Affairs and Trade will receive an equity injection of \$16.034 million in 2001-02 as indicated in Table 1.1. Of this amount \$16.000 million will be used to contribute to the replacement of the secure diplomatic communications network. The equity injection is the first of three to be provided over three years to meet implementation costs for the Secure Australian Telecommunications and Information Network (SATIN). The remaining \$0.034 million is ongoing funding for the establishment of new diplomatic missions in Dili, East Timor, and Lisbon, Portugal, new measures introduced in the 1999-2000 Budget. The Department will not be receiving any funding through loans or administered capital in 2001-02.¹

¹ The financial information in this paragraph is provided to three decimal places to allow the division of the capital injection between new and ongoing funding measures to be reflected.

Section 2: Outcomes and outputs information

The charts and tables on the following pages provide information on the three outcomes and the contributing outputs for the Department of Foreign Affairs and Trade.

Information on the division of administered and departmental appropriations between the Department's three outcomes appears in Chart 1 (Administered appropriation by outcome, p 15) and Chart 2 (Departmental appropriation by outcome, p 15).

The relationship between the three outcomes and the contributing outputs for the Department is shown in Chart 3 (Outcomes and outputs, p 16).

The relationship between the three outcomes and the contributing sub-outputs (under each output) for the Department is shown in Charts 4.1 (Outcome 1 – Contributing Sub-outputs, p 17), 4.2 (Outcome 2 – Contributing Sub-outputs, p 18) and 4.3 (Outcome 3 – Contributing Sub-outputs, p 19).

Financial details for **Outcome 1** by outputs appear in Table 2.1.1 (Total Resources for Outcome 1, p 25) while non-financial information for Outcome 1 appears in Table 2.2.1 (Performance Information for Outcome 1, pp 26-29).

Financial details for **Outcome 2** by outputs appear in Table 2.1.2 (Total Resources for Outcome 2, p 32) while non-financial information for Outcome 2 appears in Table 2.2.2 (Performance Information for Outcome 2, p 33).

Financial details for **Outcome 3** by outputs appear in Table 2.1.3 (Total Resources for Outcome 3, p 36) while non-financial information for Outcome 3 appears in Table 2.2.3 (Performance Information for Outcome 3, p 37).

OUTCOMES AND OUTPUTS

Chart 1: Administered appropriation by outcome

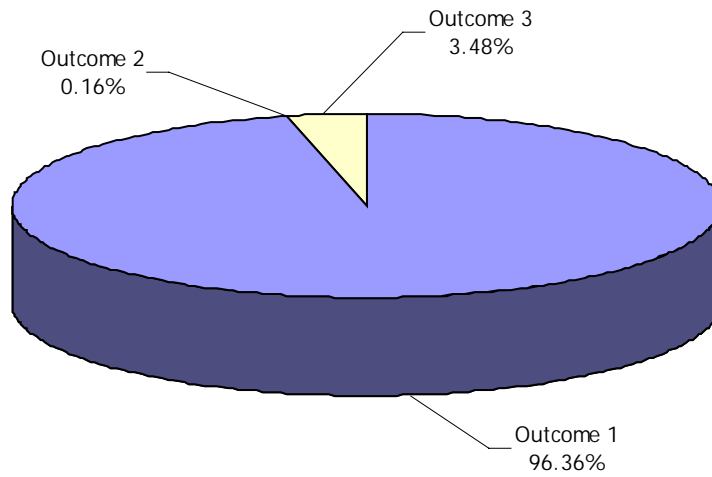
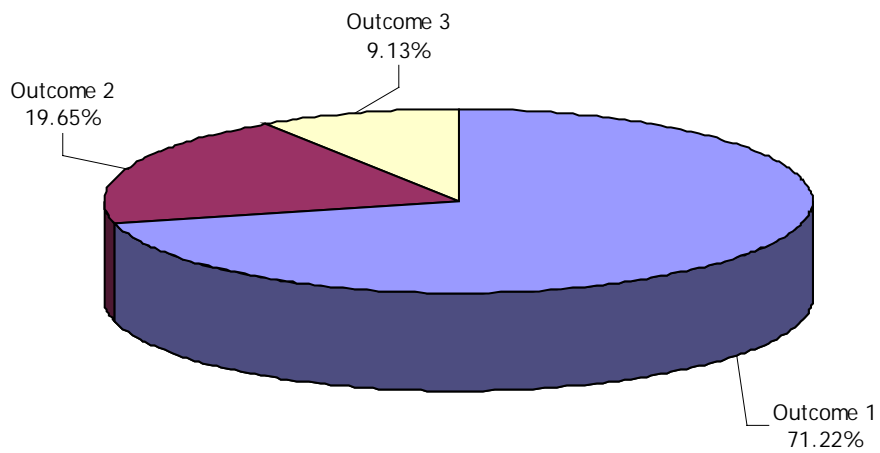
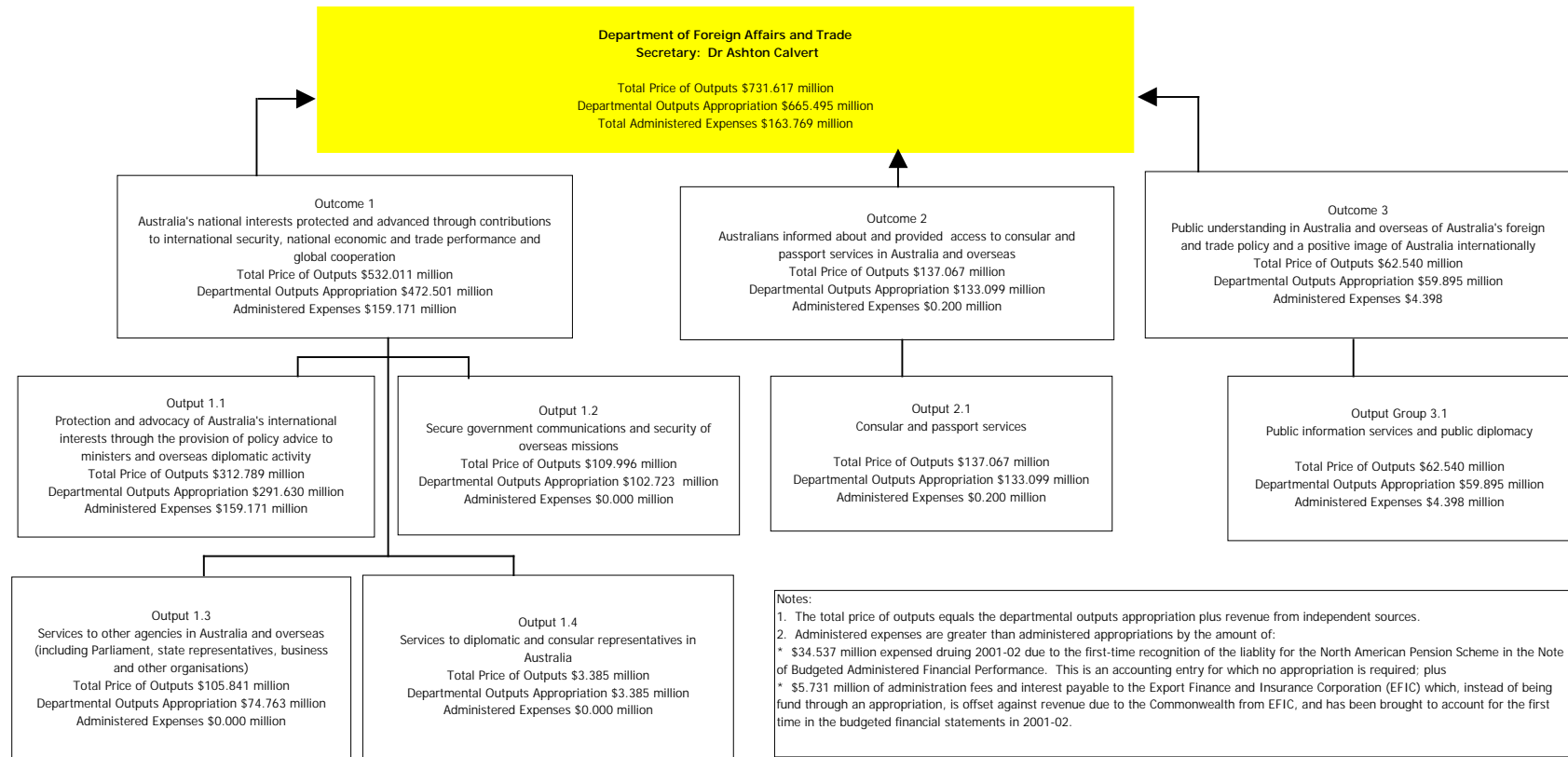


Chart 2: Departmental appropriation by outcome



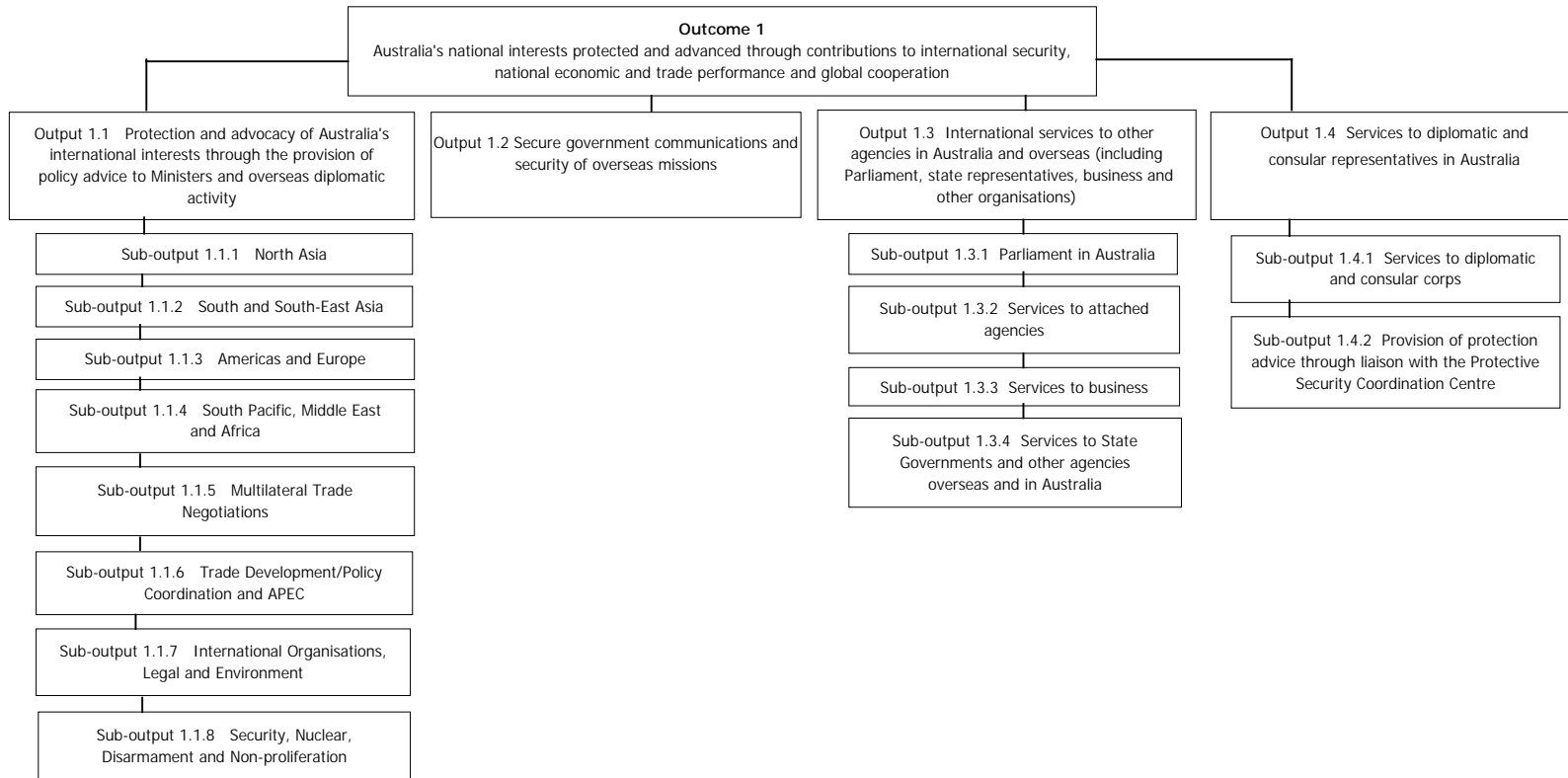
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Chart 3: Outcomes and outputs



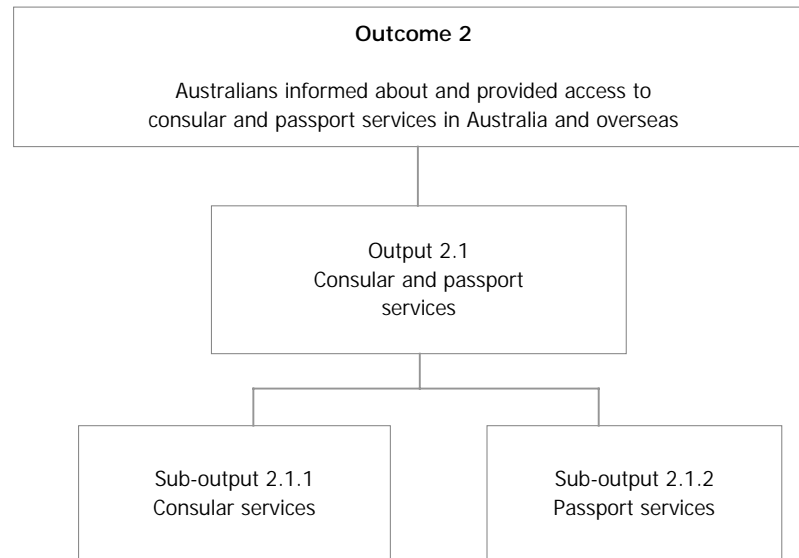
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Chart 4.1 Outcome 1 - Contributing Sub-outputs



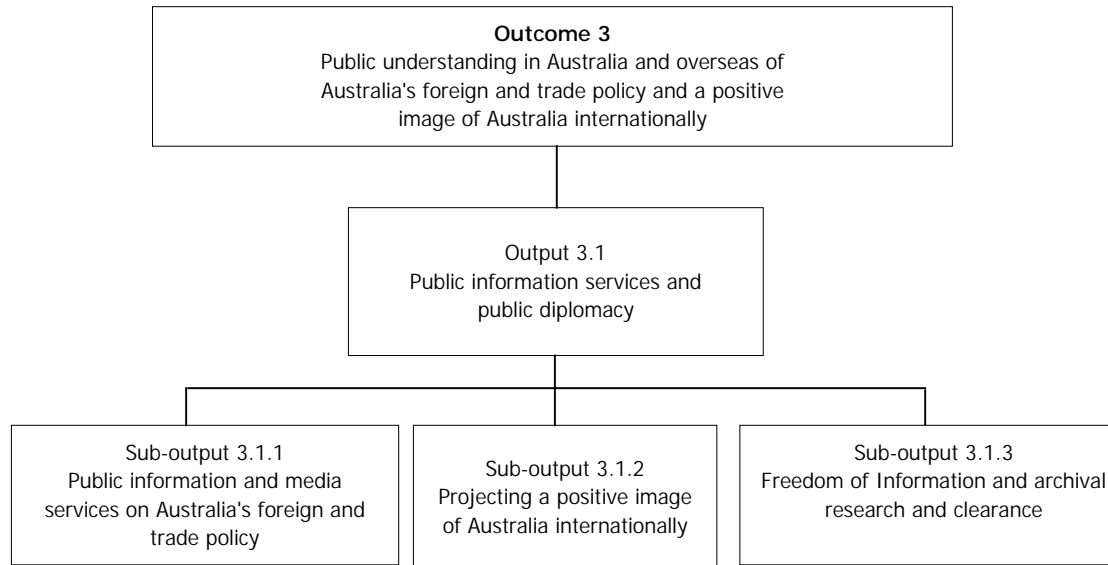
Note: Revenue from Government (Appropriations) contributes 88.81 per cent to the total price of outputs for Outcome 1 for 2001-02.

Chart 4.2 Outcome 2 - Contributing Sub-outputs



Note: Revenue from Government (Appropriations) contributes 97.11 per cent to the total price of outputs for Outcome 2 for 2001-02.

Chart 4.3 Outcome 3 - Contributing outputs



Note: Revenue from Government (Appropriations) contributes 95.77 per cent to the total price of outputs for Outcome 3 for 2001-02.

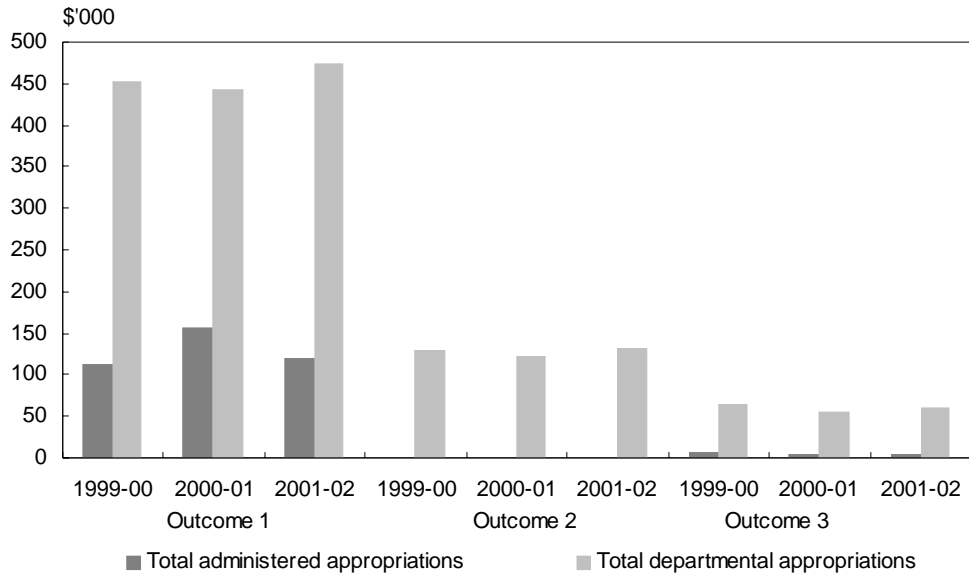
CHANGES TO OUTCOMES AND OUTPUTS

The Department's contribution to the overall achievement of Government outcomes is measured by effectiveness indicators, while the Department's performance in producing outputs is measured in terms of quantity, quality and price. A number of changes have been made to the Department's outcomes and outputs structure disclosed in the 2000-2001 Portfolio Budget Statements. These are explained below:

- The number of effectiveness indicators for the Department's three outcomes has been reduced to eight, to make them more timeless and generic and to provide work units in the Department with a common basis for measuring their performance. This approach is consistent with advice from the Department of Finance and Administration (DOFA). The previous framework with over 100 highly specific effectiveness indicators was found to be somewhat inflexible and could not always accommodate changes in the international environment during a reporting year.
- As part of the above rationalisation, effectiveness indicators concerning secure government communications and security of overseas missions; services to other agencies; and services to diplomatic and consular representatives in Australia, previously provided under Outcome 1 have been deleted. These activities are now reported on fully at the output level in terms of quantity, quality and price.
- The previous Output 1.1 'Protection and advancement of Australia's international interests through the diplomatic network and Canberra-based activity' and Output 1.2 'Provision of policy advice and analysis to Portfolio Ministers' have been combined. This decision enables the Department to convey more accurately its core business. It also reflects the fact that policy advice and analysis, and the Department's work through the diplomatic network and Canberra-based activity, are closely interlinked, and cannot sensibly be separated for reporting purposes. The new Output 1.1 is 'Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity'.
- The remaining outputs under Outcome 1 have been renumbered to reflect the above change to the outcome and output framework.
- The quality and quantity indicators at the output level have been updated to reflect the combining of the previous Outputs 1.1 and 1.2. References to activities that no longer receive funding (such as the Olympics and Expo 2000) have also been deleted.

TRENDS IN RESOURCING ACROSS OUTCOMES

Chart 5: Trends in appropriations for all outcomes



OUTCOME 1 — DESCRIPTION

Outcome 1- Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation

Output 1.1: Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity

The Department's network of 84 missions overseas together with Canberra-based staff and staff in state and regional capitals supports the Government's foreign and trade policies through dialogue, representations and negotiations with foreign governments and international organisations. Drawing from this activity and consultations with other Australian government agencies, state governments, business, non-government organisations and community groups, the Department provides policy advice and analysis to portfolio Ministers on all aspects of foreign and trade policy. The Department also facilitates visits overseas by Government Ministers and senior officials.

In 2001-02 the Department will continue to pursue bilateral, regional and multilateral initiatives to promote Australia's interests. The Department will work with other countries to promote a stable regional and global security environment and it will contribute to the maintenance of strong defence and intelligence links with Australia's allies. A key priority will be overcoming market barriers to Australian exports of goods and services through bilateral negotiations, active participation in the World Trade Organization (WTO) and regional forums such as the Asia-Pacific Economic Cooperation (APEC) grouping, and through exploring free trade agreements or closer economic partnerships with key partners. Working through multilateral institutions, the Department will enhance international cooperation and economic development by supporting efforts to address global environmental issues, wider application of universal human rights standards, democratic principles, good governance and strengthened rule of law. The Department will contribute to the maintenance and strengthening of international arms control regimes.

Output 1.2: Secure government communications and security of overseas missions

The Department provides secure and reliable communications services for Ministers and Australian Government agencies. It also ensures the security of Australian missions overseas and plans against contingencies that might threaten the integrity and security of the communications network.

In 2001-02 the Department will commence an upgrade of the whole-of-government secure communications network. DFAT will provide \$54.0 million from its existing budget over the next four years towards this initiative in addition to funding provided under a new measure described below.

Output 1.3: Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)

The Department provides international services to parliamentarians with respect to their visits overseas and those of their overseas counterparts to Australia. Services to attached agencies overseas are provided under a common administrative services agreement. Business, other community groups and state and federal government agencies are supported through the provision of information about Australia's international interests and obligations and through representations to foreign governments.

Output 1.4: Services to diplomatic and consular representatives in Australia

The Department provides services to, and facilitates the operations, of foreign diplomatic and consular missions in Australia in accordance with Australia's responsibilities under the Vienna Conventions on Diplomatic and Consular Relations, and consistent with Australia's foreign and trade policy objectives.

Measures affecting Outcome 1

OPENING OF AUSTRALIAN CONSULATE-GENERAL IN CHICAGO

Budget Measure Purpose: The Government will fund the establishment of an Australian Consulate-General in Chicago, USA, which will include representation from the Australian Trade Commission.

Impact of the Measure: The Government will provide \$13.6 million over four years to establish an Australian Consulate-General in Chicago, USA, which will include representation from the Australian Trade Commission.

The Consulate-General will enhance Australia's interaction with economic and political decision-makers in the region, and support Australian business in identifying and developing trade and investment opportunities in a region which generates nearly one third of the gross domestic product (GDP) of the largest economy in the world. It will also improve consular service delivery for Australians in the United States.

Financial Impact: Outcome 1 will receive the following amounts under Appropriation Bill (No 1) - \$2.2 million in 2001-02; \$1.7 million in 2002-2003; \$1.8 million in 2003-2004; and \$1.9 million in 2004-2005 and future years. (Outcomes 2 and 3 will also receive funding under this measure).

REPLACEMENT OF SECURE DIPLOMATIC COMMUNICATIONS NETWORK

Budget Measure Purpose: The Government will provide, through an equity injection, additional funding of \$35.9 million over three years to contribute to the replacement of the secure diplomatic communications network. This equity injection will fund the

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Department of Foreign Affairs and Trade for the implementation costs for the Secure Australian Telecommunications and Information Network (SATIN).

Impact of the Measure: The Government will provide additional funding of \$35.9 million over three years to contribute to the replacement of the secure diplomatic communications network. This measure will fund software and infrastructure costs for the Secure Australian Telecommunications and Information Network.

The network will support secure messaging, office automation and network services between Australia (covering 12 Commonwealth agencies) and Australian Government posts overseas.

Financial Impact: Outcome 1 will receive the following amounts as a capital injection under Appropriation Bill (No 2) - \$16.0 million in 2001-02; \$14.0 million in 2002-2003; and \$5.9 million in 2003-2004.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2001-02 appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. References **C1**, **E1** and **I1** show the links back to Table 1.1, the appropriations table.

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Administered appropriations		
Contributions to International Organisations	136,130	100,444
Export Finance and Insurance Corporation - payments in respect of national interest business	19,500	15,500
Compensation for detriment caused by defective administration	54	54
Payment of rates on behalf of foreign government missions	0	250
Payment of pensions under the North American Pension Scheme established for locally engaged staff	0	2,756
Total administered appropriations	155,684	119,004
		(11)
Departmental appropriations		
Output 1.1		
Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity	273,202	291,630
Output 1.2		
Secure government communications and security of overseas missions	92,382	102,723
Output 1.3		
Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)	70,328	74,763
Output 1.4		
Services to diplomatic and consular representatives in Australia	3,450	3,385
Total revenue from government (appropriations)	439,362	472,501
Contributing to price of departmental outputs	89.97%	88.81%
		(C1)
Revenue from other sources	49,006	59,510
Total revenue from other sources	49,006	59,510
Total price from departmental outputs	488,368	532,011
(Total revenue from Government and from other sources)		(E1)
Total estimated resourcing for outcome 1 (Total price of outputs and admin expenses)	644,052	651,015
	2000-01	2001-02
Average staffing level (number)	2384	2321

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

Table 2.2.1 Performance information for Outcome 1

Effectiveness - Overall achievement of the outcome	
Enhancement of Australia's security	<p>Contribution to national, regional and international efforts to promote a more stable regional and global security environment.</p> <p>Strengthened and/or well-maintained security links with our allies; strengthened and/or well-maintained security-related dialogue and cooperation with other countries both bilaterally and in regional forums.</p> <p>Contribution to the development and implementation of international arms control agreements to counter the spread of weapons of mass destruction.</p>
Contribution to national prosperity	<p>Improved access to overseas markets for Australian exports and investment pursued through bilateral, regional and multilateral means.</p> <p>Contribution to efforts to maintain and strengthen the multilateral trading system and effective use of the WTO to protect and pursue Australia's trade interests.</p> <p>Effective participation in APEC and other regional forums to build support for freer trade, make practical improvements in the business environment and encourage economic reform in the Asia-Pacific region.</p>
Contribution to strengthening global cooperation in ways that advance Australia's interests	<p>Effective participation in multilateral organisations such as the United Nations and the Organisation for Economic Co-operation and Development and in related multilateral and regional cooperation mechanisms.</p> <p>Promotion of outcomes to international deliberations on global environmental issues consistent with Australian policy positions.</p> <p>Contribution to the development of a strong international legal framework.</p> <p>Encouragement of wider international application of universal human rights standards, democratic principles and good governance.</p>

Table 2.2.1 Performance information for Outcome 1 continued

Performance information for departmental outputs	
Output 1.1: Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity	
Quality	<p>Satisfaction of portfolio ministers with the Department's policy advice, analysis, speeches and briefings, including the Department's contribution to the development of policies of other Commonwealth agencies which have an international dimension.</p> <p>Satisfaction of portfolio ministers with the protection and advancement of Australia's international interests, including the conduct and timeliness of bilateral and multilateral negotiations, effective advocacy and representations, post reporting and the organisation of official programs.</p> <p>Strong capacity to assess, analyse and advise on responses to international developments.</p>
Quantity	<p>Scope and composition of the DFAT-managed diplomatic network.</p> <p>Number of units of policy advice delivered, including ministerial and cabinet submissions, ministerial correspondence, and speeches and briefings including parliamentary briefings.</p> <p>Number of consultations conducted with other Commonwealth agencies, state and territory governments, business and non-government organisations in the context of the Department's development of foreign and trade policy advice.</p> <p>Number of representations made to other governments and international organisations in support of Australia's international interests.</p> <p>Number of international meetings or negotiations attended, including on behalf of other Commonwealth agencies.</p> <p>Number of official programs prepared for DFAT ministers and senior officials.</p> <p>Number of official programs prepared for the Prime Minister, other Commonwealth ministers and senior officials.</p> <p>Number of reporting cables produced by our overseas missions.</p> <p>Number of occasions on which the Department has contributed to the development of policies by other Commonwealth agencies.</p> <p>Number of Foreign Affairs Council and Trade Policy Advisory Council meetings organised.</p>
Price	\$312.789 million

Table 2.2.1 Performance information for Outcome 1 continued

Output 1.2: Secure government communications and security of overseas missions	
Quality	<p>Client satisfaction with the secure communications network and secure telecommunication infrastructure.</p> <p>Availability to clients, and reliability, of communications through the secure network (including cable delivery).</p> <p>Client satisfaction with the level of physical security at overseas chanceries and residences, including responsiveness to unexpected events.</p>
Quantity	<p>Number of posts and Commonwealth entities with access to the secure communications network and secure telecommunications infrastructure.</p> <p>Number of clients serviced, types of services provided and volume of traffic handled.</p> <p>Number of overseas missions for which security services are provided, including security review services.</p> <p>Number of security clearances and reviews processed.</p>
Price	\$109.996 million
Output 1.3: Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)	
Quality	Client satisfaction with briefing, administrative, visit facilitation, communications and other services provided.
Quantity	<p>Scope and composition of administrative services provided to other agencies overseas.</p> <p>Number of official programs organised for members of the Commonwealth Parliament (excluding the Prime Minister or ministers) and parliamentary delegations.</p> <p>Number of services provided to parliamentary committees.</p> <p>Number of overseas visits by representatives of state or territory governments, and by state and territory parliamentarians, supported by the Department.</p> <p>Number of Australian companies supported by the Department with advice on market conditions, access to government and private sector contacts, and through representations directly connected with their particular interests.</p>
Price	\$105.841 million
Output 1.4: Services to diplomatic and consular representatives in Australia	
Quality	Client satisfaction with the provision of services to diplomatic and consular representatives.
Quantity	<p>Number of diplomatic and consular representatives for whom the Department provides services.</p> <p>Number and category of services provided.</p>
Price	\$3.385 million

Table 2.2.1 Performance information for Outcome 1 continued

Performance Information for Administered Items	
Contributions to international organisations	
Quality	Efficiency and timeliness of administration of contributions paid in accordance with the requirements of relevant organisations.
Quantity	Number of international organisations to which Australia contributes.
Price	\$100.444 million
Export Finance and Insurance Corporation National Interest Account	
Quality	National interest payments and receipts managed in accordance with the national interest provisions of the <i>Export Finance and Insurance Corporation Act 1991</i> .
Quantity	Value of exports supported on EFIC's National Interest Account; value of claims paid on National Interest Account business.
Price	\$15.500 million
Compensation for detriment caused by defective administration	
Quality	Efficiency and timeliness of case management, where necessary.
Quantity	Where necessary, number of cases successfully managed.
Price	\$0.054 million

Table 2.2.1, above, lists the performance information that the Department of Foreign Affairs and Trade will use to assess the level of its contribution to the achievement of Outcome 1 during 2001-02. DFAT will also measure the efficiency of outputs contributing to Outcome 1, including targets for performance as applicable and appropriate.

Achievement of planned performance will be reported in the Department of Foreign Affairs and Trade 2001-02 Annual Report.

Evaluations

In evaluating the Department's performance in the annual report, the Department expects to draw on a range of cyclical and periodic performance evaluation mechanisms. These include:

- Post Evaluation Reports;
- Divisional Evaluation Reviews;
- Office Evaluation Reports;
- Post Liaison Visits;
- Internal Audits;
- Australian National Audit Office reports; and
- Policy reviews.

Competitive tendering and contracting

The Department's market-testing and contracting activities are overseen by its Contract Policy and Market Testing Unit. The Unit, located within the Finance Management Branch, provides guidance to all areas of the Department in procurement and contracting matters. The Unit is responsible for the provision of high quality policy advice relating to all procurement, tendering and contract management as well as managing the strategic plan for the proposed market testing of corporate functions within the department. The Unit also assists operational areas in selecting providers and establishing contracts.

Major functions which are now performed by external providers include logistical and delivery services, mail processing, archival processing, aspects of recruitment and training, some legal services, provision of desk top hardware, mainframe computing services, cabling facilities management and receptionist and telephone services. The Department has identified further activities on which the market will be approached. These services include, but are not limited to, a variety of financial services and overseas property management services.

OUTCOME 2 — DESCRIPTION

Outcome 2 – Australians informed about and provided access to consular and passport services in Australia and overseas

Output 2.1: Consular and passport services

The Department provides 24-hour consular and passport services to Australians travelling overseas and their families in Australia through the network of overseas missions and honorary consulates, the Consular Operations Centre and consular cooperation arrangements with other countries. Australian travellers are kept informed about international developments, including potential trouble spots, and about the extent to which the Australian Government can assist them. The Department operates a registration service for Australian travellers at its missions overseas. Under the authority of the *Passports Act 1938*, the Department provides secure travel documents to eligible Australian citizens.

In addition to maintaining its consular and passport services, in 2001-02 the Department will continue to enhance its consular information program, through an upgraded consular travel advice system and the use of improved technology. Preparatory work is under way for the introduction of on-line passport services.

Measures affecting Outcome 2

OPENING OF AUSTRALIAN CONSULATE-GENERAL IN CHICAGO

Budget Measure Purpose: The Government will fund the establishment of an Australian Consulate-General in Chicago, USA, which will include representation from the Australian Trade Commission.

Impact of the Measure: The Government will provide \$13.6 million over four years to establish an Australian Consulate-General in Chicago, USA, which will include representation from the Australian Trade Commission.

The Consulate-General will enhance Australia's interaction with economic and political decision-makers in the region, and support Australian business in identifying and developing trade and investment opportunities in a region which generates nearly one third of the gross domestic product (GDP) of the largest economy in the world. It will also improve consular service delivery for Australians in the United States.

Financial Impact: Outcome 2 will receive the following amounts under Appropriation Bill (No 1) - \$0.6 million in 2001-02; \$0.5 million in 2002-2003; \$0.5 million in 2003-2004; and \$0.5 million in 2004-2005 and future years. (Outcomes 1 and 3 will also receive funding under this measure).

Part C: Agency Budget Statements — Department of Foreign Affairs and Trade

OUTCOME 2 — RESOURCING

Table 2.1.2 shows how the 2001-02 appropriations translate to total resourcing for Outcome 2, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. References **C2**, **E2** and **I2** show the links back to Table 1.1, the appropriations table.

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Administered appropriations		
Emergency advances to Australian travellers	200	200
Total administered appropriations	200	200
Departmental appropriations		(I2)
Output 2.1 Consular and passport services		
Sub-output 2.1.1 Consular services	35,738	39,390
Sub-output 2.1.2 Passport services	88,026	93,709
Subtotal Output 2.1	123,764	133,099
Total revenue from government (appropriations)	123,764	133,099
Contributing to price of departmental outputs	97.36%	97.11%
		(C2)
Revenue from other sources	3,267	3,967
Total revenue from other sources	3,267	3,967
Total price from departmental outputs (Total revenue from Government and from other sources)	127,031	137,066
		(E2)
Total estimated resourcing for outcome 2 (Total price of outputs and admin expenses)	127,231	137,266
	2000-01	2001-02
Average staffing level (number)	658	640

OUTCOME 2 — CONTRIBUTION OF OUTPUTS

Table 2.2.2 Performance information for Outcome 2

Effectiveness - Overall achievement of the outcome	
Delivery of comprehensive, responsive, high-quality consular and passport services.	
Effectiveness of activities to improve awareness among Australian travellers of potential trouble spots and an understanding of the extent of assistance that the Australian Government can provide.	
Responsiveness to international crises or natural disasters to help Australians affected by them.	
Performance Information for Departmental Outputs	
Output 2.1: Consular and passport services	
Consular services	
Quality	Satisfaction of the public and travel industry with consular services. Extent to which highly developed crisis management procedures are in place and tested. Client satisfaction with the suitability and effectiveness of contingency plans at overseas missions. Response time to consular issues.
Quantity	Number of Australians assisted overseas, including the number of public enquiries handled, notarial acts performed and travel advisories issued. Number of unexpected events or crises handled by the Department, number of associated Departmental Emergency Task Force/Inter-Departmental Emergency Task Force meetings held, and the duration of Crisis Centre operations.
Passport services	
Quality	Satisfaction of the public and travel industry with passport services. Turn-around time for passport issue, including urgent issues.
Quantity	Number of passport enquiries handled by the Australian Passport Information Service. Number of travel documents issued, including urgent issues.
Price	\$137.066 million
Performance Information for Administered Items	
Traveller's Emergency Loans	
Quality	Travellers' Emergency Loans granted to Australian travellers in accordance with the guidelines laid down in the Consular Instructions.
Quantity	Number of Australian travellers assisted by receipt of emergency loans. Success of debt recovery activities.
Price	\$0.200 million

Table 2.2.2, above, lists the performance information that the Department of Foreign Affairs and Trade will use to assess the level of its contribution to the achievement of Outcome 2 during 2001-02. It will also measure the efficiency of outputs contributing to Outcome 2, including targets for performance as applicable and appropriate.

Achievement of planned performance will be reported in the Department of Foreign Affairs and Trade 2001-02 Annual Report.

Evaluations

In evaluating the Department's performance in the annual report, the Department expects to draw on a range of cyclical and periodic performance evaluation mechanisms. These include:

- Post Evaluation Reports;
- Divisional Evaluation Reviews;
- Office Evaluation Reports;
- Post Liaison Visits;
- Internal Audits;
- Australian National Audit Office reports; and
- Policy reviews.

Competitive Tendering and Contracting

Over 50 per cent of passport production and processing is outsourced and further opportunities are being pursued as part of continuing efforts to improve client services. Currently over 80 per cent of the passport interview process is provided by Australia Post. Operation of the Australian Passport Information Service and the production of passport booklets, forms and laminates are fully outsourced.

See also Competitive Tendering and Contracting under Outcome 1, p 30.

OUTCOME 3 — DESCRIPTION

Outcome 3 – Public understanding in Australia and overseas of Australia’s foreign and trade policy and a positive image of Australia internationally

Output 3.1: Public information services and public diplomacy

The Department provides information services overseas and in Australia aimed at promoting a positive image of Australia internationally and increasing public understanding of Australia’s foreign and trade policies. The Department operates a 24-hour media inquiries service and comprehensive websites, conducts regular media briefings and issues media releases.

In 2001-02 priority areas of the Government’s public diplomacy will be promoting greater awareness of portfolio issues, including the importance to Australia of trade and open markets and conveying an accurate and contemporary image of the Australia, its economy and its people. The Department will use the positive impact of the Sydney Olympics to promote greater awareness of Australia - in particular its record of innovation, its strengths as a knowledge-based economy and its artistic and cultural assets - and to advance portfolio interests where possible.

Measures affecting Outcome 3

OPENING OF AUSTRALIAN CONSULATE-GENERAL IN CHICAGO

Budget Measure Purpose: The Government will fund the establishment of an Australian Consulate-General in Chicago, USA, which will include representation from the Australian Trade Commission.

Impact of the Measure: The Government will provide \$13.6 million over four years to establish an Australian Consulate-General in Chicago, USA, which will include representation from the Australian Trade Commission.

The Consulate-General will enhance Australia's interaction with economic and political decision-makers in the region, and support Australian business in identifying and developing trade and investment opportunities in a region which generates nearly one third of the gross domestic product (GDP) of the largest economy in the world. It will also improve consular service delivery for Australians in the United States.

Financial Impact: Outcome 3 will receive the following amounts under Appropriation Bill (No 1) - \$0.3 million in 2001-02; \$0.2 million in 2002-2003; \$0.2 million in 2003-2004; and \$0.2 million in 2004-2005 and future years. (Outcomes 1 and 2 will also receive funding under this measure).

OUTCOME 3 — RESOURCING

Table 2.1.3 shows how the 2001-02 appropriations translate to total resourcing for Outcome 3, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. References **C3**, **E3** and **I3** show the links back to Table 1.1, the appropriations table.

Table 2.1.3: Total resources for Outcome 3 (\$'000)

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Administered appropriations		
Grants and contributions	3,547	4,297
Participation at Expo 2000, Germany	750	0
Total administered appropriations	4,297	4,297
Departmental appropriations		(13)
Output 3.1		
Public information services and public diplomacy	55,693	59,895
	55,693	59,895
Total revenue from government (appropriations)	55,693	59,895
Contributing to price of departmental outputs	96.24%	95.77%
		(C3)
Revenue from other sources	2,178	2,645
Total revenue from other sources	2,178	2,645
Total price from departmental outputs (Total revenue from Government and from other sources)	57,871	62,540
		(E3)
Total estimated resourcing for outcome 3 (Total price of outputs and admin expenses)	62,168	66,837
	2000-01	2001-02
Average staffing level (number)	306	298

OUTCOME 3 — CONTRIBUTION OF OUTPUTS

Table 2.2.3 Performance information for Outcome 3

Effectiveness - Overall achievement of the outcome	
Australians provided with comprehensive, relevant, up-to-date information on Australia's foreign and trade policy.	
Effective promotion of accurate and positive perceptions of Australia overseas.	
Performance Information for Departmental Outputs	
Output 3.1: Public information services and public diplomacy	
Quality	<p>Satisfaction, particularly of Ministers, with the provision and impact of public diplomacy and information activities in Australia and the degree to which a positive image of Australia is projected internationally and Australia's profile raised.</p> <p>Timeliness and relevance of cultural and media activities and publications.</p> <p>Number of departmentally processed Freedom of Information and Archives requests not subject to requests for review and appeal.</p>
Quantity	<p>Number of Australian performing groups, artists, exhibitors and other cultural visitors supported.</p> <p>Number of public briefings given by DFAT staff in Australia and overseas.</p> <p>Number of other public diplomacy/cultural activities organised.</p> <p>Number of media-related enquiries handled by the media liaison section.</p> <p>Number of visits organised under the International Media and Special Visits Programs and the Cultural Award Scheme.</p> <p>Number of publications produced and number of copies distributed.</p> <p>Number of statistical services provided to external clients.</p> <p>Number of treaties maintained on, and added to, the international treaties database.</p> <p>Number of Freedom of Information requests processed.</p> <p>Number of records assessed for international relations sensitivities before release under the <i>Archives Act 1983</i> and number of completed requests for archival information.</p>
Price	\$62.540 million
Performance Information for Administered Items	
Grants	
Quality	Grants administered in accordance with Commonwealth guidelines on the administration of the Discretionary Grants Programme.
Quantity	Number of grants.
Price	\$4.297 million

Table 2.2.3, above, lists the performance information that the Department of Foreign Affairs and Trade will use to assess the level of its contribution to the achievement of Outcome 3 during 2001-02. It will also measure the efficiency of outputs contributing to Outcome 3, including targets for performance as applicable and appropriate.

Achievement of planned performance will be reported in the Department of Foreign Affairs and Trade 2001-02 Annual Report.

Evaluations

In evaluating the Department's performance in the annual report, the Department expects to draw on a range of cyclical and periodic performance evaluation mechanisms. These include:

- Post Evaluation Reports;
- Divisional Evaluation Reviews;
- Office Evaluation Reports;
- Post Liaison Visits;
- Internal Audits;
- Australian National Audit Office reports; and
- Policy reviews.

Competitive Tendering and Contracting

See Competitive Tendering and Contracting under Outcome 1, p 30.

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 Department by identifying full accrual expenses, revenues and capital use charge, which highlights whether the Department is operating at a sustainable level.

Budgeted Departmental Statement of Financial Position

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

Budgeted Departmental Statement of Cash Flows

Budgeted cash flows, as reflected in the statement of cash flows, provide 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

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

Departmental Non-financial Assets – Summary of Movement

This statement shows budgeted acquisitions and disposals of non-financial assets during the budget year.

ADMINISTERED NOTES

Details of transactions administered by the Department on behalf of the Commonwealth are shown in the following notes to the financial statements.

Note of Budgeted Administered Financial Performance

This note identifies the main revenues and expenses administered on behalf of the Government. It also discloses administered revenues from Government and Transfers to the Official Public Account.

Note of Budgeted Administered Financial Position

This note shows the assets and liabilities administered on behalf of the Government.

Note of Budgeted Administered Cash Flows

This note shows cash flows administered on behalf of the Government.

Part C: Agency Budget Statements — Department of Foreign Affairs and Trade

**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
Revenues from ordinary activities					
Appropriation	618,818	665,495	661,817	690,023	691,715
Resources received free of charge	205	205	205	205	205
Sales of goods and services	43,149	37,713	36,409	40,084	40,084
Interest	3,302	1,881	1,881	1,881	1,881
Net gains from sales of assets	0	0	0	0	0
Other	0	*26323	0	0	0
Total revenues from ordinary activities	665,474	731,617	700,312	732,193	733,885
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	282,837	286,571	279,420	282,132	282,842
Suppliers	336,306	366,748	363,251	390,569	391,546
Depreciation and amortisation	33,777	35,800	39,911	41,116	41,121
Net losses from sales of assets	0	0	0	0	0
Other	20	20	20	20	20
Total expenses from ordinary activities (excluding borrowing costs expense)	652,940	689,139	682,602	713,837	715,529
Borrowing cost expense	60	60	60	60	60
Net surplus or deficit from ordinary activities	12,474	42,418	17,650	18,296	18,296
Gain or loss on extraordinary items	0	0	0	0	0
Net surplus or deficit	12,474	42,418	17,650	18,296	18,296
Capital use charge	12,474	16,095	17,650	18,296	18,296
Net surplus or deficit after capital use charge	0	*26323	0	0	0

* \$26.3 million Other departmental revenue arises as a result of an accounting entry to transfer the balance of the North American Pension Scheme liability as at 1 July 2001 to the administered accounts. A net surplus of the same amount results from the same accounting entry.

Part C: Agency Budget Statements — Department of Foreign Affairs and Trade

**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
ASSETS					
Financial assets					
Cash	14,377	16,746	23,836	32,719	41,792
Receivables	5,700	5,868	6,030	6,188	6,188
Total financial assets	20,077	22,614	29,866	38,907	47,980
Non-financial assets					
Land and buildings	84,915	84,803	83,176	83,979	83,542
Infrastructure, plant and equipment	63,563	79,183	89,053	85,552	77,132
Inventories	2,524	2,524	2,524	2,524	2,524
Intangibles	10,388	10,636	12,544	12,188	11,986
Other	58,838	58,838	58,838	58,838	58,838
Total non-financial assets	220,228	235,984	246,135	243,081	234,022
Total assets	240,305	258,598	276,001	281,988	282,002
LIABILITIES					
Debt					
Leases	2,996	2,996	2,996	2,996	2,996
Other	364	364	364	364	364
Total debt	3,360	3,360	3,360	3,360	3,360
Provisions and payables					
Employees	113,031	*88,988	91,697	91,817	91,831
Suppliers	15,395	15,374	15,919	15,919	15,919
Other	4,566	4,566	4,566	4,566	4,566
Total provisions and payables	132,992	108,928	112,182	112,302	112,316
Total liabilities	136,352	112,288	115,542	115,662	115,676
EQUITY					
Capital	13,761	29,795	43,944	49,811	49,811
Reserves	51,275	51,275	51,275	51,275	51,275
Accumulated surpluses or deficits	38,917	*65,240	65,240	65,240	65,240
Total equity	103,953	146,310	160,459	166,326	166,326
Current liabilities	67,702	67,000	68,329	68,450	68,456
Non-current liabilities	68,650	45,288	47,213	47,212	47,220
Current assets	81,439	83,976	91,228	100,269	109,342
Non-current assets	158,866	174,622	184,773	181,719	172,660

* The provisions and payables balance for employees has been reduced by, and the accumulated surpluses increased by \$26.3 million, being the balance of the North American Pension Scheme transferred to the administered accounts with effect 1 July 2001.

**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
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	618,818	665,495	661,817	690,024	691,716
Sales of goods and services	43,149	37,713	36,409	40,084	40,084
Interest	3,302	1,881	1,881	1,881	1,881
GST input credits	8,000	11,864	12,076	12,084	12,242
Total cash received	673,269	716,953	712,183	744,073	745,923
Cash used					
Employees	280,947	284,291	276,710	282,012	282,828
Suppliers	336,339	366,564	362,502	390,365	391,342
Interest	60	60	60	60	60
GST payments	10,000	12,032	12,238	12,242	12,242
Other	20	20	20	20	20
Total cash used	627,366	662,967	651,530	684,699	686,492
Net cash from operating activities	45,903	53,986	60,653	59,374	59,431
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,857	2,100	2,361	2,361	2,361
Cash from Capital Injections	34	16,034	14,149	5,867	0
Total cash received	1,891	18,134	16,510	8,228	2,361
Cash used					
Purchase of property, plant and equipment	35,634	53,656	52,423	40,423	34,423
Total cash used	35,634	53,656	52,423	40,423	34,423
Net cash from investing activities	-33,743	-35,522	-35,913	-32,195	-32,062
FINANCIAL ACTIVITIES					
Cash received					
	0	0	0	0	0
Total cash received	0	0	0	0	0

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

Cash used					
Cash used for Dividends (CUC)	35,619	16,095	17,650	18,296	18,296
Total cash used	35,619	16,095	17,650	18,296	18,296
Net cash from financing activities	-35,619	-16,095	-17,650	-18,296	-18,296
Net increase in cash held	-23,459	2,369	7,090	8,883	9,073
Cash at the beginning of reporting period	37,836	14,377	16,746	23,836	32,719
Cash at the end of the reporting period	14,377	16,746	23,836	32,719	41,792

Part C: Agency Budget Statements — Department of Foreign Affairs and Trade

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
CAPITAL APPROPRIATIONS					
Total equity injections	34	16,034 *(K3)	14,149	5,867	0
Represented by:					
Purchase of non-current assets	34	16,034	14,149	5,867	0
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations	34	16,034	14,149	5,867	0
Funded internally by Departmental resources	35,600	37,622	38,274	34,556	34,423

*This line links to (K3) in Table 1.1 on page 11.

Part C: Agency Budget Statements — Department of Foreign Affairs and Trade

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

	Land	Buildings	Total Land and Buildings	Specialist Military Equipment	Other Infrastructure Plant and Equipment	Total Infrastructure Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROSS VALUE								
<i>As at 1 July 2001 (opening)</i>	150	102,924	103,074	0	83,428	83,428	29,285	215,787
Additions	0	12,130	12,130	0	39,451	39,451	2,075	53,656
Disposals	0	8,000	8,000	0	10,199	10,199	0	18,199
<i>As at 30 June 2002 (closing)</i>	150	107,054	107,204	0	112,680	112,680	31,360	251,244
ACCUMULATED DEPRECIATION								
<i>As at 1 July 2001 (opening)</i>	0	18,159	18,159	0	19,865	19,865	18,897	56,921
Disposals	0	8,000	8,000	0	8,099	8,099	0	16,099
Charge for the reporting period	0	12,242	12,242	0	21,731	21,731	1,827	35,800
<i>As at 30 June 2002 (closing)</i>	0	22,401	22,401	0	33,497	33,497	20,724	76,622
Net book value								
As at 30 June 2002 (closing book value)	150	84,653	84,803	0	79,183	79,183	10,636	174,622
Net book value								
as at 1 July 2001 opening book value)	150	84,765	84,915	0	63,563	63,563	10,388	158,866
TOTAL ADDITIONS								
Self funded			12,130			23,417	2,075	37,622
Appropriations			0			16,034	0	16,034
Total			12,130			39,451	2,075	53,656

Part C: Agency Budget Statements — Department of Foreign Affairs and Trade

**Table 3.6: Note of Budgeted Administered 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
REVENUES					
Total taxation	0	0	0	0	0
Non-taxation					
Revenues from government	160,181	123,501	121,402	121,017	121,235
Interest and dividends	33,504	29,682	30,682	30,682	30,682
Passport fees	134,925	136,457	127,525	126,685	129,761
Other sources of non-taxation revenue	37,003	34,851	35,429	35,529	35,529
Total non-taxation	365,613	324,491	315,038	313,913	317,207
Total revenues administered on behalf of the Government	365,613	324,491	315,038	313,913	317,207
EXPENSES					
Grants	133,484	99,728	99,728	99,728	99,728
Suppliers	250	250	250	250	250
Interest	16,160	13,231	11,000	10,600	10,600
Liabilities transferred from related entities	0	*34,537	0	0	0
Other	16,447	16,023	16,224	16,239	16,457
Total expenses administered on behalf of the Government	166,341	163,769	127,202	126,817	127,035
Extraordinary items	0	0	0	0	0

* The total Commonwealth liability for the North American Pension Scheme of \$34.5 million was transferred to the administered accounts with effect 1 July 2001. The amount of \$26.3 million was transferred from the DFAT departmental accounts. The remainder of the liability was transferred from other Commonwealth Government agencies with a locally engaged staff presence in North America.

Table 3.7: Note of Budgeted Administered 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
ASSETS					
Financial assets					
Cash	8,566	8,566	8,566	8,566	8,566
Receivables	795,827	795,943	795,968	795,993	796,018
Investments	323,240	323,240	323,240	323,240	323,240
Accrued revenues	545	545	545	545	545
Total financial assets	1,128,178	1,128,294	1,128,319	1,128,344	1,128,369
Total non-financial assets	0	0	0	0	0
Total assets administered on behalf of the Government	1,128,178	1,128,294	1,128,319	1,128,344	1,128,369
LIABILITIES					
Debt					
Other	114,085	114,085	114,085	114,085	114,085
Total debt	114,085	114,085	114,085	114,085	114,085
Provisions and payables					
Employees	0	*34,537	*34,537	*34,537	*34,537
Other	57,319	52,343	47,368	42,393	37,418
Total provisions and payables	57,319	86,880	81,905	76,930	71,955
Total liabilities administered on behalf of the Government	171,404	200,965	195,990	191,015	186,040
Current liabilities	13,435	15,752	15,362	14,972	14,582
Non-current liabilities	157,969	185,213	180,628	176,043	171,458
Current assets	15,716	15,717	15,717	15,718	15,718
Non-current assets	1,112,462	1,112,577	1,112,602	1,112,626	1,112,651

* The total Commonwealth liability for the North American Pension Scheme of \$34.5 million was transferred to the administered accounts with effect 1 July 2001. The amount of \$26.3 million was transferred from the DFAT departmental accounts. The remainder of the liability was transferred from other Commonwealth government agencies with a locally-engaged staff presence in North America.

Part C: Agency Budget Statements — Department of Foreign Affairs and Trade

**Table 3.8: Note of Budgeted Administered 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
OPERATING ACTIVITIES					
Cash received					
Appropriations	160,181	123,501	121,402	121,017	121,235
Sale of goods and services	134,925	136,457	127,525	126,685	129,761
Interest	19,182	19,182	19,182	19,182	19,182
Dividends	14,322	10,500	11,500	11,500	11,500
Other	26,305	25,212	25,802	25,902	25,538
Total cash received	354,915	314,852	305,411	304,286	307,216
Cash used					
Suppliers	4,083	1,534	1,524	1,524	1,160
Grants	133,484	99,728	99,728	99,728	99,728
Cash to Official Public Account	193,532	190,168	182,836	182,096	185,172
Other	23,816	23,422	21,323	20,938	21,156
Total cash used	354,915	314,852	305,411	304,286	307,216
Net cash from operating activities	0	0	0	0	0
INVESTING ACTIVITIES					
Net cash from investing activities	0	0	0	0	0
FINANCING ACTIVITIES					
Net cash from financing activities	0	0	0	0	0
Net increase in cash held	0	0	0	0	0
Cash at beginning of reporting period	8,566	8,566	8,566	8,566	8,566
Administered cash at end of reporting period	8,566	8,566	8,566	8,566	8,566

NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Notes on Administered Items

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

- Departmental assets, liabilities, revenues and expenses in relation to an agency or authority are those which are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities which are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.

Appropriations in the Accrual Budgeting Framework

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's purchase of outputs from agencies;
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies;
- Administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in administered equity through funding non-expense administered payments.

Special appropriations continue under the accrual appropriation framework, and fund the majority of payments from the Consolidated Revenue Fund.

Capital-Use Charge

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 DFAT's 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.

Asset valuation

Commonwealth agencies and authorities are required to value property, plant & equipment and other infrastructure assets using the deprival method of valuation. This essentially reflects the current cost the entity would face in replacing that asset.

Departmental profit for 2001-02

The Departmental Budgeted Statement of Financial Performance displays a profit of \$26.3 million for the 2001-02 year as a result of the transfer of the liability for the North American Pension Scheme (NAPS) from the Departmental Statement of Financial Position to the Administered Statement of Financial Position. The profit results from the application of Australian Accounting Standards which require the removal of a liability from the Statement of Financial Position to be reflected as a revenue in the Statement of Financial Performance.

Administered Expenses

In the Note of Budgeted Administered Performance for the 2001-02 year the Administered expenses are greater than Administered appropriations by the amount of:

- \$34.5 million expensed during 2001-02 due to the first-time recognition of the liability for the NAPS on the Note of Budgeted Administered Financial Position. The total Commonwealth liability for NAPS, consisting of balances from DFAT and other agency Departmental Statements of Financial Position, is to be reflected as an Administered liability from 2001-02; and
- \$5.7 million of expenses (administration fee) due to the Export Finance and Insurance Corporation (EFIC) which, instead of being paid for through an appropriation, is offset against revenue due to the Commonwealth from EFIC.

Section 4: Purchaser/Provider Arrangements

Cross agency overview

The Department of Foreign Affairs and Trade has a cross-agency arrangement, the Common Administrative Services (CAS) Agreement, under which it provides common administrative services to Australian Government agencies overseas. The CAS agreement is currently being renegotiated and while it is likely most agencies involved will continue receiving services from the Department this is yet to be finalised. For reference, in 2000-01, the Department provided services under the CAS agreement to:

- Australian Centre for International Agricultural Research;
- Australian Customs Service;
- Australian Federal Police;
- Australian Nuclear Science and Technology Organisation;
- Aboriginal and Torres Strait Islander Commission;
- Australian Security Intelligence Organisation;
- Australian Taxation Office;
- Australian Agency for International Development;
- Australian Trade Commission;
- Commonwealth Scientific and Industrial Research Organisation;
- Department of Agriculture, Fisheries and Forestry – Australia (including the Australian Quarantine Inspection Service);
- Department of Communications, Information Technology and the Arts;
- Department of Education, Training and Youth Affairs;
- Department of Defence;
- Department of Family and Community Services;
- Department of Health and Aged Care;
- Department of Immigration and Multicultural Affairs;
- Department of Industry, Science and Resources;
- Department of the Prime Minister and Cabinet;
- Department of Transport and Regional Services (including Airservices Australia);
- Department of the Treasury;
- Department of Veteran's Affairs;
- National Library of Australia; and
- Office of Australian War Graves.

The Department of Immigration and Multicultural Affairs, Department of Defence, Australian Trade Commission and Australian Agency for International Development are the main purchasers of services under the CAS agreement.

The Department also has purchaser/provider arrangements with Australian Government agencies that require international telecommunications services for staff at Australia's overseas missions. The Department provides international telecommunications services to the following agencies:

- Australian Centre for International Agricultural Research;
- Australian Customs Service;
- Australian Federal Police;
- Attorney-General's Department;
- Australian Agency for International Development;
- Australian Trade Commission;
- Department of Agriculture, Fisheries and Forestry – Australia (including the Australian Quarantine Inspection Service);
- Department of Education, Training and Youth Affairs;
- Department of Defence;
- Department of Family and Community Services;
- Department of Immigration and Multicultural Affairs;
- Department of Industry, Science and Resources;
- Department of the Treasury; and
- National Library of Australia.

Resourcing

Resourcing information for the provision of these services can be found under Output 1.3 'Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)' in Table 2.1.1 (Total Resources for Outcome 1) on page 25.

Performance against outcomes and outputs

Performance information for the provision of these services can be found under Output 1.3 'Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)' in Table 2.2.1 (Performance Information for Outcome 1) on page 28.

Appendix 1

Non-Appropriation Departmental and Administered Revenue

	Estimated Revenue 2000-01 \$'000	Estimated Revenue 2001-02 \$'000
Administered Revenue		
Passport fees	134,925	136,457
Interest and dividends	33,504	29,682
Other	37,003	34,851
Total administered estimated revenue from independent sources	205,432	200,990
Departmental Revenue		
Section 31 of the FMA Act 1997	46,451	39,594
Other	205	*26,528
Total departmental estimated revenue from independent sources	46,656	66,122

* \$26.323 million of other departmental revenue arises as a result of an accounting entry to transfer the balance of the North American Pension Scheme liability as at 1 July 2001 to the Administered accounts.