

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 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 initiating and facilitating interaction between the two countries to expand and promote the relationship. It works with Australian and Japanese allies and stakeholders to create a broad-based, informed, constituency which assists access for 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.

The Foundation's priority in 2002-03 will be expansion of material available in Japanese about Australia in schools, universities and on the internet in order to increase knowledge of Australia and update perceptions. The Foundation will continue its Issue Forum series, which provides an ongoing platform for discussion of issues of mutual concern. Occasional papers produced in conjunction with the forums, and independently, will stimulate ongoing research and dialogue. The Foundation will continue to facilitate and encourage interaction between Australian and Japanese organisations, especially among professional bodies, in order to build alliances for the future.

The Foundation consists of a Chairman/Chief Executive and members, appointed by the Minister for Foreign Affairs, who bring a diverse range of knowledge and experience of Japan to the Foundation's work. It has a proactive and targeted approach to its activities.

APPROPRIATIONS

Total appropriations for the Australia-Japan Foundation in the 2002-03 Budget are \$2.690 m.

Table 1.1 shows the total appropriations for the Foundation's departmental appropriation including 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 as resources free of charge. These are reflected in the Budgeted Statement of Financial Performance at Table 3.1.

The Foundation does not receive any administered appropriation.

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Australia-Japan Foundation — Appropriations 2002-03

Table 1.1: Appropriations and other revenue ('000)

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)				Total appropriations (\$'000)
	Revenue from Government (appropriations)			Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)		Special appropriations ⁽⁵⁾	Total administered appropriation	
	Bill No. 1	Special approps ⁽⁵⁾	Total			Bill No. 1	Bill No. 2 (SPPs & NA Os) ⁽²⁾			
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	(J=C+I)
Outcome 1 <i>Advancement of Japanese perceptions of Australia as an internationally competitive and sophisticated society</i>	1,749	-	1,749 87%	267 13%	2,016 (E1)	-	-	-	-	1,749
Outcome 2 <i>Creation of an informed constituency in Japan for Australia and the Australia-Japan relationship</i>	941	-	941 87%	143 13%	1,084 (E2)	-	-	-	-	941
Total	2,690	-	2,690 (K1) ⁽¹⁾	410	3,100	-	-	-	-	2,690
					Departmental capital (equity injections and loans)					-
									Administered capital	-
									Total appropriations	2,690

Note: C1 and E1 refer to information provided in Table 2.1.1 and C2 and E2 to Table 2.2.1.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUTS

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 2002-03, p 204).

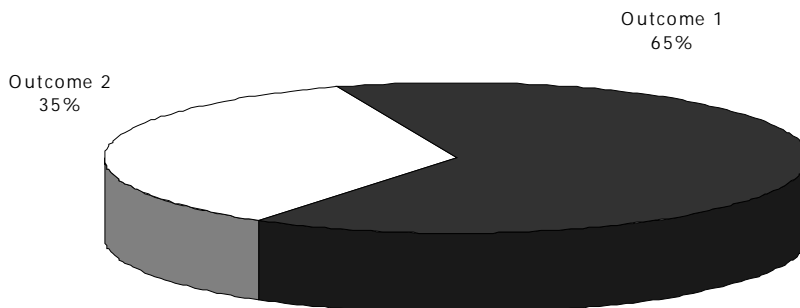
The relationship between the two outcomes and contributing outputs for the Australia-Japan Foundation is shown in Chart 2 (Outcomes and outputs, p 205).

Chart 3 (Outcome 1 – Contributing outputs, p 206) and Chart 4 (Outcome 2 – Contributing outputs, p 207) 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 210) while non-financial information for Outcome 1 is combined with similar information for Outcome 2 and appear in Table 2.2.1/2 (Performance information for Outcome 1 and 2, p 214).

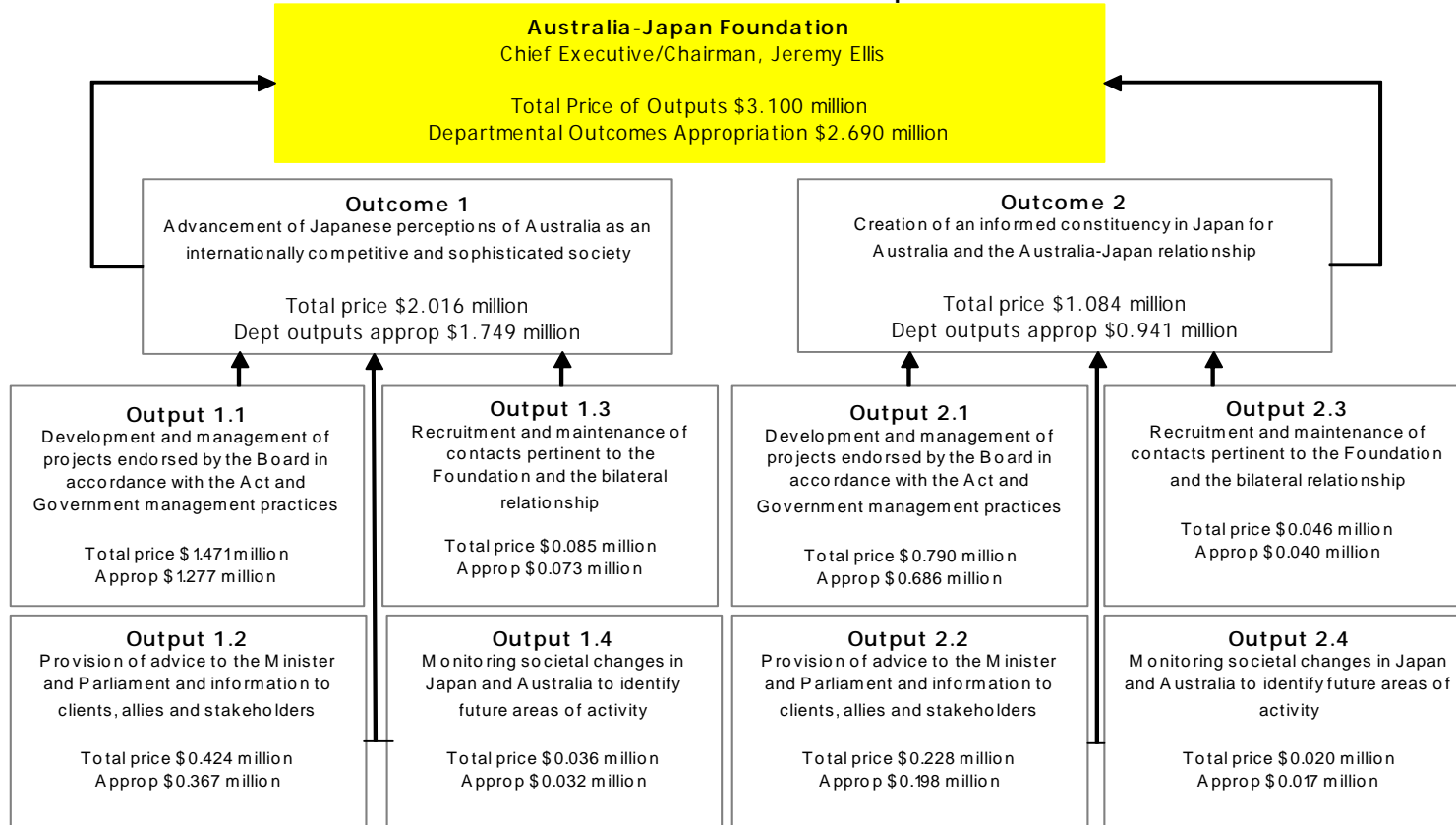
Financial details for **Outcome 2** by outputs appear in Table 2.1.2 (Total resources for Outcome 2, p 212) while non-financial information for Outcome 2 is combined with similar information for Outcome 1 and appear in Table 2.2.1/2 (Performance information for Outcome 1 and 2, p 214).

Chart 1: Departmental appropriation by outcome 2002-03



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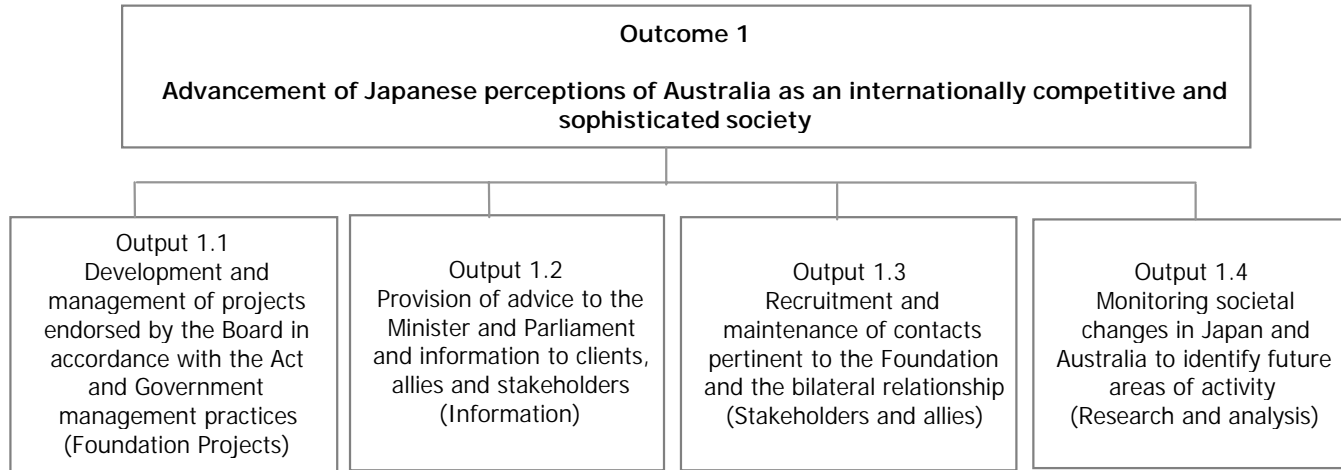
Chart 2: Outcomes and outputs



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

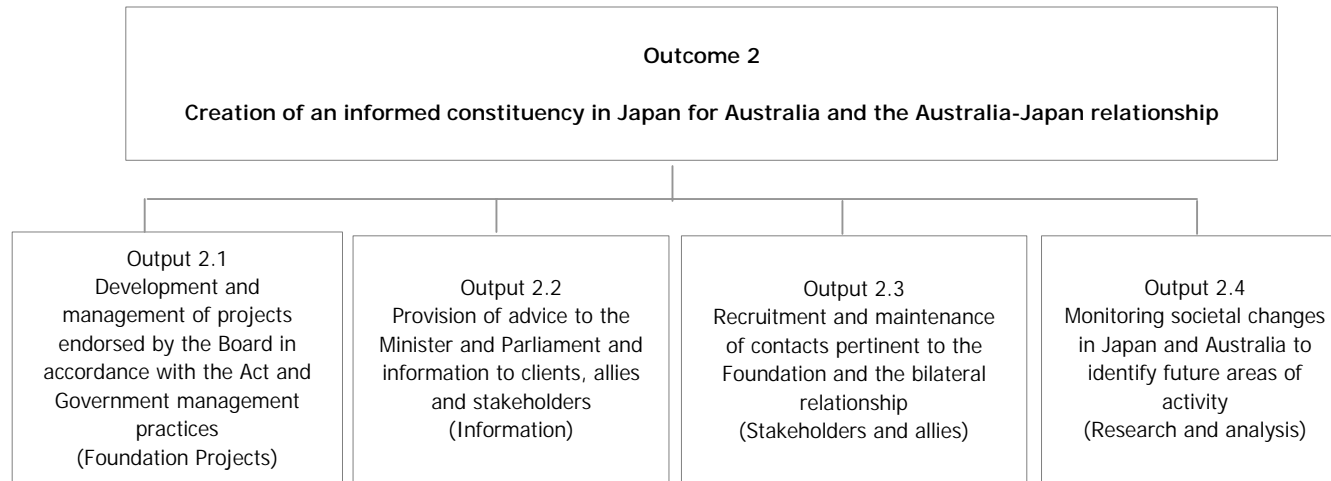
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Chart 3: Outcome 1 - Contributing outputs



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Chart 4: Outcome 2 - Contributing outputs

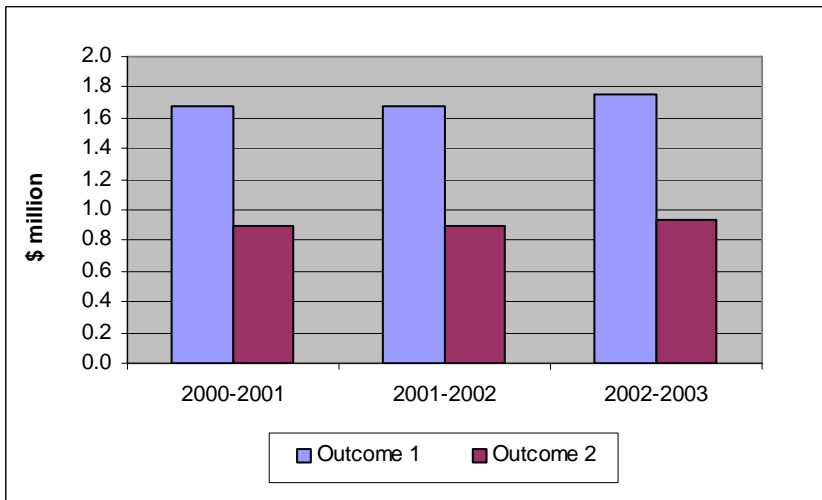


CHANGES TO OUTCOMES AND OUTPUTS

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 programme 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 AN INTERNATIONALLY COMPETITIVE AND 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.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2002-03 appropriations translate to total resourcing for outcome 1, including revenue from government (appropriation), revenue from other sources and the total price of outputs. Cell 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 2001-02 \$'000	Budget estimate 2002-03 \$'000
Departmental appropriations		
Output 1.1	1,221	1,277
Output 1.2	351	367
Output 1.3	70	73
Output 1.4	30	32
Subtotal Outputs	1,672	1,749
Total revenue from government (appropriations)	1,672	1,749
Contributing to price of departmental outputs	86%	87%
Revenue from other sources		(C1)
Resources received free of charge	195	201
Sales of goods and services	9	10
Interest	59	56
Total revenue from other sources	263	267
Total price from departmental outputs	1,935	2,016
(Total revenue from government and from other sources)		(E1)
Total estimated resourcing for Outcome 1		
(Total price of outputs)	1,935	2,016
	2001-02	2002-03
Average staffing level (number)	3.5	3.5

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.

OUTCOME 2 — RESOURCING

Table 2.2.1 shows how the 2002-03 appropriations translate to total resourcing for outcome 2, including revenue from government (appropriation), revenue from other sources and the total price of outputs. Cell references C2 and E2 show the links back to table 1.1, the appropriation table.

Table 2.2.1: Total resources for outcome 2 (\$'000)

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000
Departmental appropriations		
Output 2.1	658	686
Output 2.2	189	198
Output 2.3	38	40
Output 2.4	16	17
Subtotal Outputs	901	941
Total revenue from government (appropriations)	901	941
Contributing to price of departmental outputs	87%	87%
Revenue from other sources		(C1)
Resources received free of charge	104	108
Sales of goods and services	5	5
Interest	31	30
Total revenue from other sources	140	143
Total price from departmental outputs	1,041	1,084
(Total revenue from government and from other sources)		(E1)
Total estimated resourcing for Outcome 2		
(Total price of outputs)	1,041	1,084
	2001-02	2002-03
Average staffing level (number)	2.0	2.0

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 2002-03. Information shown is both quantitative and qualitative.

Achievement of planned performance will be reported in the Australia-Japan Foundation's 2002-03 annual report.

Table 2.2.1/2 Performance information for outcomes 1 and 2

<p>Effectiveness - Overall achievement of the outcomes - (Measures, indicators and targets used as appropriate)</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 relationship</p>	
<p>Performance information for departmental outputs</p>	
<p>Outputs 1.1 and 2.1 - Development and management of projects endorsed by the Board in accordance with the Act and Government management practices (Foundation Projects)</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) \$1.471 m Outcome 2 (2.1) \$0.790 m 73 per cent of total output costs</p>
<p>Outputs 1.2 and 2.2 - Provision of advice to the Minister and Parliament and information, to clients, allies and stakeholders (Information)</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) \$0.424 m Outcome 2 (2.2) \$0.228 m 21 per cent of total output costs</p>
<p>Outputs 1.3 and 2.3 - Recruitment and maintenance of contacts pertinent to the Foundation and the bilateral relationship (Stakeholders and Allies)</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) \$0.085 m Outcome 2 (2.3) \$0.046 m 4.2 per cent of total output costs</p>
<p>Outputs 1.4 and 2.4 - Monitoring societal changes in Japan and Australia to identify future areas of activity (Research and Analysis)</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) \$0.036 m Outcome 2 (2.4) \$0.020 m 1.8 per cent of total output costs</p>

Note: Both outcomes are achieved through identical sets of outputs.

EVALUATION

The Foundation monitors its operations at its three regular board meetings to ensure that activities are achieving outcomes against performance indicators. The Chairman, who is also the Chief Executive, visits the secretariat's Tokyo Office every 12-18 months, and the Canberra Office, once or twice a year during which he assesses operations.

The Foundation, through its Chairman and members, also conducts periodic assessments (every 12-18 months) of its directions and strategies during which it reviews activities and the opportunities emerging trends may provide for expanded interaction. The last overview of Foundation strategies took place in December 2001.

An Audit Committee consisting of three members of the Foundation, chaired by the Deputy Chairman, regularly reviews Foundation activities. 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 restricted tender, on a regular basis.

Section 3: Budgeted financial statements

DEPARTMENTAL FINANCIAL 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 2003**

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
Revenues from ordinary activities					
Revenues from government	2,572	2,690	2,722	2,722	2,694
Sales of goods and services	14	15	16	18	18
Interest	90	85	80	80	80
Other					
Resources provided free of charge	300	310	312	315	318
Total revenues from ordinary activities	2,976	3,100	3,130	3,135	3,110
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	994	1,020	1,034	1,061	1,077
Suppliers	1,769	1,842	1,865	1,846	1,805
Depreciation and amortisation	108	125	118	115	115
Total expenses from ordinary activities (excluding borrowing costs expense)	2,871	2,987	3,017	3,022	2,997
Net surplus or deficit from ordinary activities	105	113	113	113	113
Capital use charge	35	113	113	113	113
Net surplus or deficit after capital use charge	70	-	-	-	-

Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June 2003

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
ASSETS					
Financial assets					
Cash	693	679	708	802	852
Receivables	18	20	22	25	25
Other	7	10	12	15	15
Total financial assets	718	709	742	842	892
Non-financial assets					
Infrastructure, plant and equipment	830	886	895	805	865
Intangibles	138	107	100	125	100
Total non-financial assets	968	993	995	930	965
Total assets	1,686	1,702	1,737	1,772	1,857
LIABILITIES					
Provisions and payables					
Employees	460	506	536	566	596
Suppliers	200	170	175	180	185
Total provisions and payables	660	676	711	746	781
Total liabilities	660	676	711	746	781
EQUITY					
Reserves	406	406	406	406	456
Accumulated surpluses or deficits	620	620	620	620	620
Total equity	1,026	1,026	1,026	1,026	1,076
Current liabilities	315	296	309	321	334
Non-current liabilities	345	380	402	425	447
Current assets	718	709	742	842	892
Non-current assets	968	993	995	930	965

**Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June 2003**

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	2,757	2,690	2,722	2,722	2,694
Sales of goods and services	14	15	16	18	18
Interest	90	85	80	80	80
Other	-	-	-	-	-
Total cash received	2,861	2,790	2,818	2,820	2,792
Cash used					
Employees	696	664	692	716	729
Suppliers	1,716	1,847	1,869	1,847	1,800
Total cash used	2,412	2,511	2,561	2,563	2,529
Net cash from operating activities	449	279	257	257	263
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	150	120	50	100
Total cash used	-	150	120	50	100
Net cash used by investing activities	-	(150)	(120)	(50)	(100)
FINANCING ACTIVITIES					
Cash used					
Capital use and dividends paid	43	143	108	113	113
Total cash used	43	143	108	113	113
Net cash used by financing activities	(43)	(143)	(108)	(113)	(113)
Net increase (decrease) in cash held					
Cash at the beginning of the reporting period	287	693	679	708	802
Cash at the end of the reporting period	693	679	708	802	852

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
CAPITAL APPROPRIATIONS					
Appropriation of the previous year accrued revenue	185	-	-	-	-
		(K3)1			
Represented by					
Other	185	-	-	-	-
Total	185	-	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded internally by					
Departmental resources	-	150	120	50	100

1 These two lines link to (K3) in Table 1.1

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Table 3.5: Departmental Non-financial Assets — Summary of Movement
(Budget year 2002-03)

	Other infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
Carrying amount at the start of year	830	138	968
Additions	150	-	150
Disposals	-	-	-
Revaluation increments	-	-	-
Recoverable amount write-downs	-	-	-
Net transfers free of charge	-	-	-
Depreciation/amortisation expense	(94)	(31)	(125)
Write-off of assets	-	-	-
Carrying amount at the end of year	886	107	993
Total additions			
Self funded	150	-	150
Total	150	-	150

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Table 3.6: Note to the Estimated Actual Column of the Departmental Statement of Financial Performance

Table not required.

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 approximately \$0.300 million per annum. The Department of Foreign Affairs and Trade provides office accommodation and utilities for the Canberra office and the Tokyo office of the Foundation in the Tokyo Embassy chancery building.
2. 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 Departmental price of outputs appropriations. The capital use charge is accounted for as a 'below Operating Result line' dividend payment.

Section 4: Purchaser/Provider

CROSS AGENCY OVERVIEW

It is not anticipated that the Australia-Japan Foundation will be a party to any purchaser/provider arrangements in 2002-2003.

Appendix 1

Non-appropriated Departmental Revenue

	Estimated Revenue 2001-02 \$'000	Estimated Revenue 2002-03 \$'000
Sales of goods and services	14	15
Interest	90	85
Other		
Resources received free of charge	300	310
Total estimated revenue	404	410