

**Australian Agency for International  
Development  
(AusAID)**

**Part C: Agency Budget Statements — AusAID**

## AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT

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

#### OVERVIEW

AusAID has a single outcome: *Australia's national interest advanced by assistance to developing countries to reduce poverty and achieve sustainable development.* Two departmental outputs contribute to this outcome: policy and programme management.

AusAID provides policy advice to, and manages development programmes for the Government aimed at reducing poverty and achieving sustainable development, especially in the Asia Pacific region. Development in the region advances Australia's national interest by promoting growth and stability, and expanding trade and investment opportunities for Australia.

Australia's development assistance also addresses international challenges such as HIV/AIDS, the environment and debt relief. The programme allows the Government to respond promptly to humanitarian and emergency needs. The aid programme increasingly focuses on governance issues which recognise the importance of developing policy and institutional frameworks for improved economic performance and social stability. AusAID involves the Australian community in the delivery of aid activities, through Non-Government Organisations and support for the role of volunteers.

#### APPROPRIATIONS

The total appropriation for the Agency in the 2002-03 Budget is \$1,363.5 million<sup>2</sup>.

Table 1.1 shows the total appropriations for AusAID for 2002-03 by the one outcome, by administered expenses, price of output appropriation and, where appropriate, special appropriations, administered capital and departmental equity injections.

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<sup>2</sup> This amount relates to Appropriation Bill No. 1 (Departmental and Administered). In addition to this are Administered Capital Injection and Special Appropriation cash drawdowns without corresponding expenses totalling \$223.6 million (see Table 1.1).

Part C: Agency Budget Statements — AusAID

Australian Agency for International Development — 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 <sup>(4)</sup> | Price of outputs <sup>(3)</sup> | Annual appropriations (\$'000)   | Special appropriations <sup>(5)</sup> | Total administered appropriations                 | Total appropriations |   |                               |
|  | Bill No. 1<br>(A)                        | Special approps <sup>(5)</sup><br>(B) | Total<br>(C = A+B)<br>(C1) <sup>(1)</sup> | (D)                             | (E = C+D)<br>(E1) <sup>(1)</sup> | Bill No. 1<br>(F)                     | Bill No. 2<br>(SPPs & NAOs) <sup>(2)</sup><br>(G) | (H)                  | (I = F+G+H)<br>(I1) <sup>(1)</sup>  | (J=C+I)                       |
| <b>Outcome 1 -</b>   |  |                                       |   |                                 |                                  |                                       |   |                      |   |                               |
| Australia's national interest advanced by assistance to developing countries to reduce poverty and achieve sustainable development | 67,144                                   | -                                     | 67,144                                    | 563                             | 67,707                           | 1,296,402                             | -   | -                    | 1,296,402   | 1,363,546                     |
| <b>Total</b>   | <b>67,144</b>                            | <b>-</b>                              | <b>67,144</b><br>(K1) <sup>(1)</sup>      | <b>563</b>                      | <b>67,707</b>                    | <b>1,296,402</b>                      | <b>-</b>  | <b>-</b>             | <b>1,296,402</b><br>(K2) <sup>(1)</sup>                                   | <b>1,363,546</b>              |
|  |  |                                       |   |                                 |                                  |                                       |   |                      | Departmental capital (equity injections and loans)<br>(K3) <sup>(1)</sup> | -                             |
|  |  |                                       |   |                                 |                                  |                                       |   |                      | Administered Capital Injection (cash) <sup>5</sup><br>(K4) <sup>(1)</sup> | 207,670                       |
|  |  |                                       |   |                                 |                                  |                                       |   |                      | Administered Special Appropriation (cash) <sup>5</sup>                    | 15,917                        |

- Cells C1, E1 and I1 refer to information provided in Table 2.1.1. Amounts K1, K2 to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.
  - Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
  - Refer to Budgeted Departmental Statement of Financial Performance for application of AusAID revenue.
  - Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services, interest earned on bank accounts). Non-appropriated departmental and administered revenues are detailed in Appendix 1.
  - Administered Capital Injection and Special Appropriation pertaining to the aid programme relate to expenses incurred prior to the introduction of accrual budgeting. Estimated cash required for the Capital Injection is shown in Table 3.9 and for the Special Appropriation in Appendix 2.
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

## MEASURES — AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT SUMMARY

Table 1.2: Summary of measures disclosed in the 2002-03 Budget

| Measure   | Outcome | Output affected | Appropriations budget |              |       | Appropriations forward estimate 2003-04 |              |       | Appropriations forward estimate 2004-05 |              |       | Appropriations forward estimate 2005-06 |              |       |
|---|---------|-----------------|-----------------------|--------------|-------|---|--------------|-------|---|--------------|-------|---|--------------|-------|
|   |         |                 | 2002-03 (\$'000)      |              |       | 2003-04 (\$'000)                        |              |       | 2004-05 (\$'000)                        |              |       | 2005-06 (\$'000)                        |              |       |
|   |         |                 | Admin expenses        | Dept outputs | Total | Admin expenses                          | Dept outputs | Total | Admin expenses                          | Dept outputs | Total | Admin expenses                          | Dept outputs | Total |
| Funding under the Memorandum of Understanding with Nauru to address unauthorised arrivals | 1       | nil             | 6,800                 | 200          | 7,000 | -                                       | -            | -     | -                                       | -            | -     | -                                       | -            | -     |
| Australia's contribution to the Heavily Indebted Poor Countries (HIPC) Initiative         | 1       | nil             | -                     | -            | -     | -                                       | -            | -     | -                                       | -            | -     | -                                       | -            | -     |

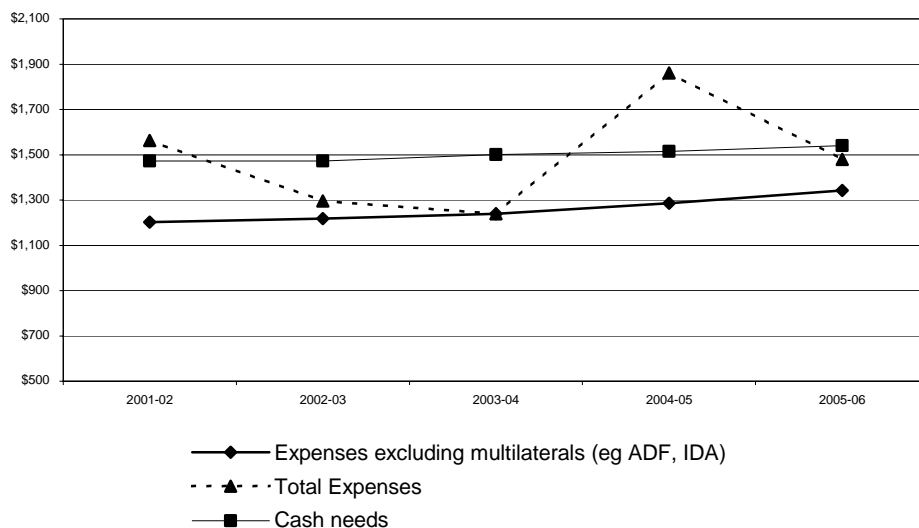
## ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

In 2002-03 the aid budget will have a negative equity position for administered items, due to multiyear commitments entered into prior to the introduction of accrual budgeting in 1999-2000. These commitments relate to agreements to fund multilateral development institutions, such as the International Development Association (the World Bank's soft loan arm) and the Asian Development Fund (controlled by the Asian Development Bank). These agreements are a significant part of the Australian aid programme contributing to Outcome 1.

AusAID will receive an administered capital cash injection of \$207.7 million and a Special Appropriation cash injection of \$15.9 million to extinguish the multiyear liabilities that were in existence prior to the change to accrual budgeting, as indicated in Table 1.1 (K4) and Appendix 2.

Under current accounting treatment, these commitments are recorded as an expense (and liability) in the year the agreement is entered into, not when the cash payments fall due, which can be spread over a period of up to ten years. This means that in any given year the relationship between AusAID's cash needs, which are predicted to remain steady, and its expenses appropriation can vary considerably. This is shown in Chart 1 below.

Chart 1: Estimated expense and cash needs for administered items in the aid programme (\$'000)



AusAID will not receive a departmental equity injection or loan in 2002-03.

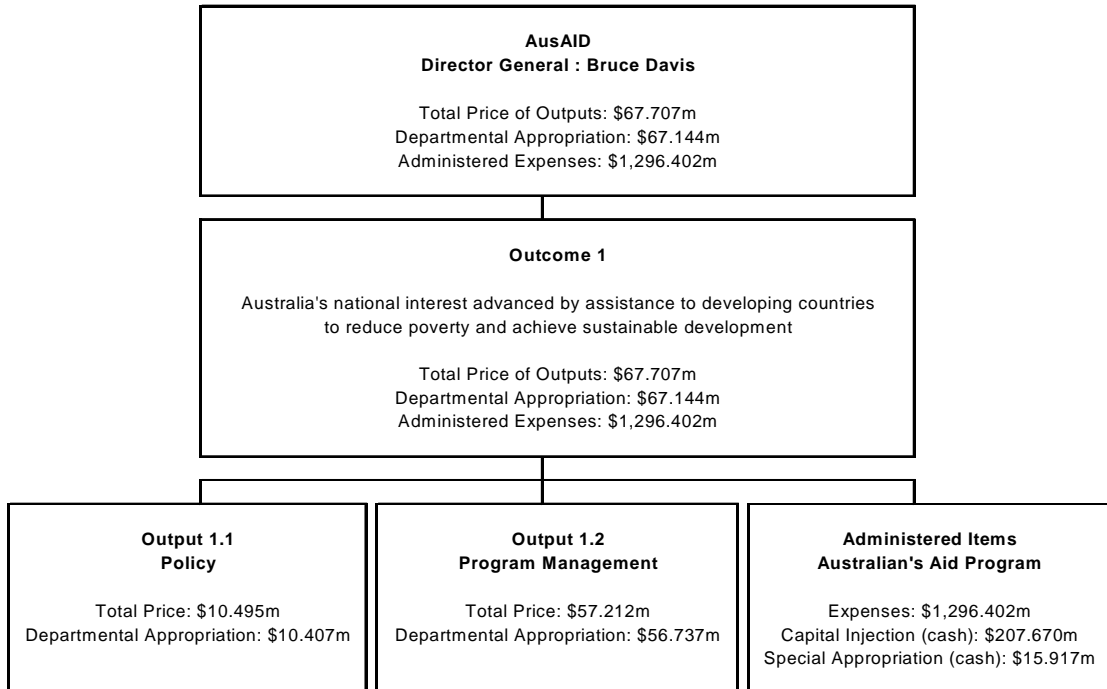
## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

The map below shows the relationship between AusAID’s outcome and the contributing outputs for AusAID, presented here as outputs.

Financial details for Outcome 1 by outputs appear in Table 2.1.1 (Total resources for Outcome 1, p 132) while non-financial performance information for Outcome 1 appears in Table 2.2.1. (Performance information for Outcome 1, p 134).

Map 1: Outcomes and outputs



## CHANGES TO OUTCOMES AND OUTPUTS

There are no changes to outcomes or outputs from the previous year.

### OUTCOME 1 — DESCRIPTION

**Outcome 1 – Australia’s national interest advanced by assistance to developing countries to reduce poverty and achieve sustainable development**

Promotion of sustainable development and poverty reduction in developing countries, particularly in the Asia Pacific region, is a key objective of Government. The core business of AusAID is to manage programmes that assist developing countries to reduce poverty and achieve sustainable development. The Agency also provides policy advice and analysis to the Government across all aspects of international development policy.

#### Measures affecting Outcome 1

#### **FUNDING UNDER THE MEMORANDUM OF UNDERSTANDING WITH NAURU TO ADDRESS UNAUTHORISED ARRIVALS**

**Budget Measure Purpose:** The Government will provide additional development assistance to Nauru.

**Impact of Measure:** The Government will provide \$10 million (including \$3 million in 2001-02) to fund the development assistance package covered by a Memorandum of Understanding (MOU) with Nauru to address unauthorised arrivals. The assistance will be directed towards health, education and infrastructure development and to assist Nauru’s economic reform programme.

**Financial Impact:** Outcome 1 will receive \$7 million in 2002-03 under Appropriation Bill No. 1.

**AUSTRALIA'S CONTRIBUTION TO THE HEAVILY INDEBTED POOR COUNTRIES (HIPC) INITIATIVE**

**Budget Measure Purpose:** The Government will commit additional funding to the enhanced Heavily Indebted Poor Countries (HIPC) initiative in 2001-02.

**Impact of Measure:** The Government will commit an additional \$18 million in 2001-02 to the enhanced Heavily Indebted Poor Countries (HIPC) initiative. Cash payments of \$6 million will be made over the next three years, from 2002-03 to 2004-05. The full expense is recognised as accruing in 2001-02.

The HIPC initiative is a multilateral plan to provide debt relief to the world's poorest countries who are pursuing sound adjustment and reform programmes supported by the International Monetary Fund (IMF) and the World Bank. The Government recognises that international debt is a serious problem and supports the HIPC initiative as part of a solution to this.

**Financial Impact:** Outcome 1 will receive \$10 million in 2001-02.

## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2002-03 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. Cell references **C1**, **E1** and **I1** show the links back to Table 1.1, the Appropriations Table.

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

|   | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 |
|---|--|---|
| <b>Administered appropriations</b>  | 1,563,178                                | 1,296,402                               |
| <b>Total Administered expenses (I1) <sup>1</sup></b>  | <b>1,563,178</b>                         | <b>1,296,402</b>                        |
| <b>Departmental appropriations</b>  |  |   |
| Output 1.1 - Policy   | 10,445                                   | 10,407                                  |
| <b>Subtotal Output 1.1</b>  | <b>10,445</b>                            | <b>10,407</b>                           |
| <b>Departmental appropriations</b>  |  |   |
| Output 1.2 - Program Management   | 57,643                                   | 56,737                                  |
| <b>Subtotal Output 1.2</b>  | <b>57,643</b>                            | <b>56,737</b>                           |
| <b>Total revenue from government (appropriations) (C1) <sup>1</sup></b>                                     | <b>68,088</b>                            | <b>67,144</b>                           |
| <b>Contributing to price of Departmental outputs</b>  | <b>98.9%</b>                             | <b>99.2%</b>                            |
| <b>Revenue from other sources</b>   |  |   |
| Sales of Goods and Services   | 375                                      | 316                                     |
| Interest  | 251                                      | 150                                     |
| Resources received free of charge   | 105                                      | 97                                      |
| <b>Total revenue from other sources</b>   | <b>731</b>                               | <b>563</b>                              |
| <b>Total price from Departmental outputs</b>  |  |   |
| (Total revenue from government and from other sources) (E1) <sup>1</sup>                                    | <b>68,819</b>                            | <b>67,707</b>                           |
| <b>Total estimated resourcing for Outcome 1</b><br>(Total price of outputs and administered appropriations) | <b>1,631,997</b>                         | <b>1,364,109</b>                        |
| Administered Capital Injection (cash)   | 232,580                                  | 207,670                                 |
| Special Appropriations (cash)   | 27,264                                   | 15,917                                  |
|   | 2001-02                                  | 2002-03                                 |
| <b>Average staffing level (number)</b>  | <b>550</b>                               | <b>530</b>                              |

1. See Table 1.1

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

AusAID's outputs of policy and programme management reflect the Government's decision to provide effective assistance in partnership with developing countries to reduce poverty and achieve sustainable development. AusAID manages, monitors and provides advice on the types of programmes that are implemented and the impact these programmes have on development.

Outputs contributing towards the achievement of planned Outcome 1 are described in Table 2.2.1 below. This table provides information on the strategies chosen to deliver Outcome 1, and shows the links between outputs and the outcome.

## PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1: Performance information for Outcome 1

| <b>Effectiveness - Overall achievement of the Outcome -<br/>(Measures, indicators and targets used as appropriate)</b>   |  |
|--|--|
| <p>AusAID's administered expenses will be allocated to activities aimed at reducing poverty and achieving sustainable development. The key result areas, which are used to plan, prioritise and measure performance, centre around the need to build effective partnerships and deliver Australia's aid program with excellence while focusing on:</p> <ul style="list-style-type: none"> <li>- effective governance</li> <li>- access to and quality of education</li> <li>- health</li> <li>- agriculture and rural development</li> <li>- essential infrastructure</li> <li>- humanitarian and emergency assistance</li> <li>- environmental sustainability</li> <li>- gender equity</li> </ul> <p>Quality: 75% of activities receiving a quality rating of satisfactory overall or higher.<br/>Quantity: significant activity outputs in key result areas.</p> |  |
| <b>Performance information for administered items (including third party outputs)</b>  |  |
| Country and Regional Programs  | <p>Quality: 75% of activities in key result areas receive quality ratings of satisfactory or higher.<br/>Quantity: significant activity outputs in key result areas.</p>   |
| Multilateral Organisation Programs   | <p>Quality: 75% of organisations receive a rating of satisfactory overall or higher in terms of efficiency, effectiveness and relevance to Australian Government priorities.<br/>Quantity: significant activity outputs in key result areas.</p> |
| Emergency, Humanitarian, and Refugee Programs  | <p>Quality: 75% of humanitarian and emergency activities receive a quality rating of satisfactory overall or higher.<br/>Quantity: significant activity outputs in key result areas.</p>   |

**Table 2.2.1 Performance information for Outcome 1 (continued)**

|   |  |
|---|--|
| NGO and Volunteer Programs                              | <p>Quality: 75% of activities in the key result areas receive a quality rating of satisfactory overall or higher.</p> <p>Quantity: significant activity outputs in key result areas.</p>   |
| Information, Education and Communication Programs       | <p>Quality: effective programs which ensure the aid program remains identifiably Australian, supports the government's communications on aid with the Parliament and community and enhances community understanding of the aid program.</p> <p>Quantity: - significant activity outputs in key result areas</p> <ul style="list-style-type: none"> <li>- number of teachers participating in development education training</li> <li>- number of curriculum documents purchased by target groups</li> <li>- average monthly number of hits on the internet sites.</li> </ul> |
| <b>Performance information for departmental outputs</b> |  |
| <b>Output group 1.1 Policy</b>                          |  |
| Output 1.1  | <p>Quality: Ministerial/Parliamentary Secretary satisfaction.</p> <p>Quantity: number of submissions, briefs, questions on notice, PPQs, submissions to Parliamentary Committees, correspondence, press releases, speeches.</p> <p>Price: \$10.495m</p>  |
| <b>Output group 1.2 Program Management</b>              |  |
| Output 1.2  | <p>Quality: all major programs carried out in partnership with key stakeholders.</p> <p>Quality: continuous improvement of tools and processes to ensure management of a high quality program that reflects Government priorities.</p> <p>Quality: feedback on quality of tender information; number of contracts terminated or subject to litigation or serious dispute</p> <p>Quantity: number of programs, number of activities, number of new contracts signed and ongoing contracts managed.</p> <p>Price: \$57.212m</p>  |

Table 2.2.1, above, lists the performance information that AusAID will use to assess the level of its contribution to the achievement of Outcome 1 during 2002-03. It will also measure the efficiency of outputs in contributing to Outcome 1, including targets for performance as applicable and appropriate. Achievement of planned performance will be reported in AusAID's Annual Report.

## EVALUATIONS

The evaluation programme aims to improve the quality and impact of the aid programme. In 2002-03 the focus will be on increased assessment of quality, and the dissemination of good practices and lessons of experience to the rest of the Agency.

Key tasks will include:

- A review of quality at entry to provide an updated assessment of overall portfolio quality;
- Undertaking a number of evaluations assessing the effectiveness and impact of key sector programmes including a review of institutional strengthening programmes;
- Evaluations of programme effectiveness including priority country programmes; and
- Evaluation of programme management systems and processes, including the effectiveness of changes to systems and procedures introduced as part of the strategic plan, such as peer reviews, and new approaches to programme delivery.

## COMPETITIVE TENDERING AND CONTRACTING

Delivery of the aid programme is entirely outsourced: consultants and contractors provide expertise at virtually all points of the bilateral programme's activity cycle (prefeasibility and design, appraisal, implementation, review and evaluation). The vast majority of this expertise is sourced through competitive and public tendering. For example, AusAID advertised 67 major tenders for activities in 17 countries during the course of 2001. AusAID also signed 61 contracts worth \$1 million or more with a combined value of over \$396 million.

AusAID has been implementing a structured programme of contracting reform to further increase the quality and impact of the aid programme, and its own public procurement. Reforms have included streamlining and simplifying tender and contract documentation (so that, amongst other things, new entrants are more likely to compete for and participate in delivery of the aid programme). Other reforms include expanding contract strategy choice, strengthening feedback to contractors and consultants and linking past performance to the capacity to win new work. The AusAID strategic plan envisages further reforms in the contracting environment, including trials of partnerships and alliance contracting, and greater capacity for devolution of contract management to the activity site.

## Section 3: Budgeted financial statements

Budgeted departmental and administered financial statements for AusAID are presented in this section. These statements will form the basis of the financial statements that will appear in AusAID's 2002-03 Annual Report, and form the basis for input into the Whole-of-Government Accounts.

### **DEPARTMENTAL FINANCIAL STATEMENTS**

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

This statement provides a picture of the expected financial results for AusAID by identifying full accrual expenses and revenues, which highlights whether AusAID is operating at a sustainable level in the short term.

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

This statement shows the expected financial position of AusAID. It enables decision makers to track the management of AusAID's assets and liabilities.

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

This statement shows budgeted cash flows, as reflected in the statement of cash flows, providing 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 capital expenditure on non-financial assets funded either through capital appropriation 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 agency on behalf of the Commonwealth are shown in the following notes to the financial statements.

### **Note of Budgeted Revenues and Expenses Administered on behalf of Government**

This note identifies the main revenues and expenses administered on behalf of the Government.

### **Note of Budgeted Assets and Liabilities Administered on behalf of Government**

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.

### **Note of Administered Capital Budget**

This note shows details of planned administered capital expenditure.

### **Note of Administered Non-financial Assets – Summary of Movement**

This note discloses details of movements in administered non-financial assets.

Part C: Agency Budget Statements — AusAID

Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June 2003

|  | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 | Forward<br>estimate<br>2003-04<br>\$'000 | Forward<br>estimate<br>2004-05<br>\$'000 | Forward<br>estimate<br>2005-06<br>\$'000 |
|--|--|---|--|--|--|
| <b>Revenues from ordinary activities</b>   |  |   |  |  |  |
| Revenues from government   | 68,088                                   | 67,144                                  | 68,368                                   | 68,371                                   | 69,051                                   |
| Sales of goods and services  | 375                                      | 316                                     | 316                                      | 316                                      | 316                                      |
| Interest   | 251                                      | 150                                     | 42                                       | 63                                       | 162                                      |
| Dividends  | -  | -                                       | -  | -  | -  |
| Proceeds from sales of assets  | -  | -                                       | -  | -  | -  |
| Net foreign exchange gains   | -  | -                                       | -  | -  | -  |
| Other  | 105                                      | 97                                      | 99                                       | 101                                      | 103                                      |
| <b>Total revenues from ordinary activities</b>                                     | <b>68,819</b>                            | <b>67,707</b>                           | <b>68,825</b>                            | <b>68,851</b>                            | <b>69,632</b>                            |
| <b>Expenses from ordinary activities (excluding borrowing costs expense)</b>       |  |   |  |  |  |
| Employees  | 40,722                                   | 43,372                                  | 43,481                                   | 43,240                                   | 43,217                                   |
| Suppliers  | 24,984                                   | 22,355                                  | 22,083                                   | 22,033                                   | 22,785                                   |
| Grants   | -  | -                                       | -  | -  | -  |
| Depreciation and amortisation  | 3,113                                    | 1,980                                   | 3,261                                    | 3,578                                    | 3,630                                    |
| Write-down of assets   | -  | -                                       | -  | -  | -  |
| Value of assets sold   | -  | -                                       | -  | -  | -  |
| Net foreign exchange losses  | -  | -                                       | -  | -  | -  |
| Other  | -  | -                                       | -  | -  | -  |
| <b>Total expenses from ordinary activities (excluding borrowing costs expense)</b> | <b>68,819</b>                            | <b>67,707</b>                           | <b>68,825</b>                            | <b>68,851</b>                            | <b>69,632</b>                            |
| Borrowing costs expense  | -  | -                                       | -  | -  | -  |
| <b>Net surplus or deficit from ordinary activities</b>                             | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| Gain or loss on extraordinary items  | -  | -                                       | -  | -  | -  |
| <b>Net surplus or deficit</b>  | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| Capital use charge   | -  | -                                       | -  | -  | -  |
| <b>Net surplus or deficit after capital use charge</b>                             | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |

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

|                                      | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 | Forward<br>estimate<br>2003-04<br>\$'000 | Forward<br>estimate<br>2004-05<br>\$'000 | Forward<br>estimate<br>2005-06<br>\$'000 |
|--------------------------------------|--|---|--|--|--|
| <b>ASSETS</b>                        |  |   |  |  |  |
| <b>Financial assets</b>              |  |   |  |  |  |
| Cash                                 | 5,529                                    | 1,206                                   | 178                                      | 2,233                                    | 5,096                                    |
| Receivables                          | 96                                       | 87                                      | 87                                       | 86                                       | 89                                       |
| Investments                          | -  | -                                       | -  | -  | -  |
| Accrued revenues                     | -  | -                                       | -  | -  | -  |
| Other                                | -  | -                                       | -  | -  | -  |
| <b>Total financial assets</b>        | <b>5,625</b>                             | <b>1,293</b>                            | <b>265</b>                               | <b>2,319</b>                             | <b>5,185</b>                             |
| <b>Non-financial assets</b>          |  |   |  |  |  |
| Land and buildings                   | -  | -                                       | -  | -  | -  |
| Infrastructure, plant and equipment  | 5,330                                    | 6,473                                   | 7,530                                    | 6,384                                    | 4,414                                    |
| Inventories                          | -  | -                                       | -  | -  | -  |
| Intangibles                          | 970                                      | 4,319                                   | 4,281                                    | 3,361                                    | 2,475                                    |
| Other                                | 1,485                                    | 1,485                                   | 1,485                                    | 1,485                                    | 1,485                                    |
| <b>Total non-financial assets</b>    | <b>7,785</b>                             | <b>12,277</b>                           | <b>13,296</b>                            | <b>11,230</b>                            | <b>8,374</b>                             |
| <b>Total assets</b>                  | <b>13,410</b>                            | <b>13,570</b>                           | <b>13,561</b>                            | <b>13,549</b>                            | <b>13,559</b>                            |
| <b>LIABILITIES</b>                   |  |   |  |  |  |
| <b>Debt</b>                          |  |   |  |  |  |
| Loans                                | -  | -                                       | -  | -  | -  |
| Leases                               | -  | -                                       | -  | -  | -  |
| Deposits                             | -  | -                                       | -  | -  | -  |
| Overdrafts                           | -  | -                                       | -  | -  | -  |
| Other                                | -  | -                                       | -  | -  | -  |
| <b>Total debt</b>                    | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Provisions and payables</b>       |  |   |  |  |  |
| Employees                            | 13,393                                   | 13,539                                  | 13,518                                   | 13,497                                   | 13,497                                   |
| Suppliers                            | 906                                      | 920                                     | 931                                      | 941                                      | 951                                      |
| Grants                               | -  | -                                       | -  | -  | -  |
| Other                                | -  | -                                       | -  | -  | -  |
| <b>Total provisions and payables</b> | <b>14,299</b>                            | <b>14,459</b>                           | <b>14,449</b>                            | <b>14,438</b>                            | <b>14,448</b>                            |
| <b>Total liabilities</b>             | <b>14,299</b>                            | <b>14,459</b>                           | <b>14,449</b>                            | <b>14,438</b>                            | <b>14,448</b>                            |
| <b>EQUITY</b>                        |  |   |  |  |  |
| Capital                              | 3,628                                    | 3,628                                   | 3,628                                    | 3,628                                    | 3,628                                    |
| Reserves                             | 1,785                                    | 1,785                                   | 1,785                                    | 1,785                                    | 1,785                                    |
| Accumulated surpluses or deficits    | (6,302)                                  | (6,302)                                 | (6,302)                                  | (6,302)                                  | (6,302)                                  |
| <b>Total equity</b>                  | <b>(889)</b>                             | <b>(889)</b>                            | <b>(889)</b>                             | <b>(889)</b>                             | <b>(889)</b>                             |
| <b>Current liabilities</b>           | <b>2,858</b>                             | <b>3,018</b>                            | <b>3,008</b>                             | <b>2,997</b>                             | <b>3,007</b>                             |
| <b>Non-current liabilities</b>       | <b>11,441</b>                            | <b>11,441</b>                           | <b>11,441</b>                            | <b>11,441</b>                            | <b>11,441</b>                            |
| <b>Current assets</b>                | <b>7,110</b>                             | <b>2,778</b>                            | <b>1,749</b>                             | <b>3,804</b>                             | <b>6,670</b>                             |
| <b>Non-current assets</b>            | <b>6,300</b>                             | <b>10,792</b>                           | <b>11,811</b>                            | <b>9,745</b>                             | <b>6,889</b>                             |

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

|   | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 | Forward<br>estimate<br>2003-04<br>\$'000 | Forward<br>estimate<br>2004-05<br>\$'000 | Forward<br>estimate<br>2005-06<br>\$'000 |
|---|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>                             |  |   |  |  |  |
| <b>Cash received</b>                                    |  |   |  |  |  |
| Appropriations for outputs                              | 68,088                                   | 67,144                                  | 68,368                                   | 68,371                                   | 69,051                                   |
| Sales of goods and services                             | 375                                      | 316                                     | 316                                      | 316                                      | 316                                      |
| Interest  | 251                                      | 150                                     | 42                                       | 63                                       | 162                                      |
| Other   | 1,017                                    | 914                                     | 895                                      | 893                                      | 920                                      |
| <b>Total cash received</b>                              | <b>69,731</b>                            | <b>68,524</b>                           | <b>69,621</b>                            | <b>69,643</b>                            | <b>70,449</b>                            |
| <b>Cash used</b>  |  |   |  |  |  |
| Employees   | 40,311                                   | 43,226                                  | 43,502                                   | 43,261                                   | 43,217                                   |
| Suppliers   | 24,748                                   | 22,243                                  | 21,973                                   | 21,922                                   | 22,672                                   |
| Grants  | -  | -                                       | -  | -  | -  |
| Interest  | -  | -                                       | -  | -  | -  |
| Other   | 1,012                                    | 906                                     | 895                                      | 893                                      | 923                                      |
| <b>Total cash used</b>                                  | <b>66,071</b>                            | <b>66,375</b>                           | <b>66,370</b>                            | <b>66,076</b>                            | <b>66,812</b>                            |
| <b>Net cash from operating activities</b>               | <b>3,660</b>                             | <b>2,149</b>                            | <b>3,251</b>                             | <b>3,567</b>                             | <b>3,637</b>                             |
| <b>INVESTING ACTIVITIES</b>                             |  |   |  |  |  |
| <b>Cash received</b>                                    |  |   |  |  |  |
| Proceeds from sales of property,<br>plant and equipment | -  | -                                       | -  | -  | -  |
| Repayments of loans made                                | -  | -                                       | -  | -  | -  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total cash received</b>                              | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Cash used</b>  |  |   |  |  |  |
| Purchase of property, plant<br>and equipment            | 2,570                                    | 6,472                                   | 4,280                                    | 1,512                                    | 774                                      |
| Loans made  | -  | -                                       | -  | -  | -  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total cash used</b>                                  | <b>2,570</b>                             | <b>6,472</b>                            | <b>4,280</b>                             | <b>1,512</b>                             | <b>774</b>                               |
| <b>Net cash from investing activities</b>               | <b>(2,570)</b>                           | <b>(6,472)</b>                          | <b>(4,280)</b>                           | <b>(1,512)</b>                           | <b>(774)</b>                             |
| <b>FINANCING ACTIVITIES</b>                             |  |   |  |  |  |
| <b>Cash received</b>                                    |  |   |  |  |  |
| Proceeds from issuing equity<br>instruments             | -  | -                                       | -  | -  | -  |
| Proceeds from debt                                      | -  | -                                       | -  | -  | -  |
| Other- GST Loan from DoFA                               | -  | -                                       | -  | -  | -  |
| <b>Total cash received</b>                              | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Cash used</b>  |  |   |  |  |  |
| Repayments of debt                                      | -  | -                                       | -  | -  | -  |
| Capital use and dividends paid                          | -  | -                                       | -  | -  | -  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total cash used</b>                                  | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net cash from financing activities</b>               | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |

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

|  | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 | Forward<br>estimate<br>2003-04<br>\$'000 | Forward<br>estimate<br>2004-05<br>\$'000 | Forward<br>estimate<br>2005-06<br>\$'000 |
|--|--|---|--|--|--|
| <b>Net increase (decrease)<br/>in cash held</b>  | <b>1,089</b>                             | <b>(4,323)</b>                          | <b>(1,028)</b>                           | <b>2,055</b>                             | <b>2,864</b>                             |
| Cash at the beginning of<br>the reporting period | 4,440                                    | 5,529                                   | 1,206                                    | 178                                      | 2,233                                    |
| Cash at the end of the<br>reporting period       | 5,529                                    | 1,206                                   | 178                                      | 2,233                                    | 5,097                                    |

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Table 3.4: Departmental Capital Budget Statement

|   | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 | Forward<br>estimate<br>2003-04<br>\$'000 | Forward<br>estimate<br>2004-05<br>\$'000 | Forward<br>estimate<br>2005-06<br>\$'000 |
|---|--|---|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>             |  |   |  |  |  |
| Total equity injections                   | -  | -                                       | -  | -  | -  |
| Total loans                               | -  | -                                       | -  | -  | -  |
| <b>Represented by</b>                     |  |   |  |  |  |
| Purchase of non-current assets            | -  | -                                       | -  | -  | -  |
| Other                                     | -  | -                                       | -  | -  | -  |
| <b>Total</b>                              | -  | -                                       | -  | -  | -  |
| <b>PURCHASE OF NON CURRENT<br/>ASSETS</b> |  |   |  |  |  |
| Funded by capital appropriation           | -  | -                                       | -  | -  | -  |
| Funded internally by                      |  |   |  |  |  |
| Departmental resources                    | 2,570                                    | 6,472                                   | 4,280                                    | 1,512                                    | 774                                      |

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

|                                      | Land   | Buildings | Total land<br>and buidings | Specialist<br>military<br>equipment | Other<br>infrastructure<br>plant and<br>equipment | Total<br>infrastructure<br>plant and<br>equipment | Intangibles  | Total        |
|--------------------------------------|--------|-----------|----------------------------|-------------------------------------|---|---|--------------|--------------|
|                                      | \$'000 | \$'000    | \$'000                     | \$'000                              | \$'000  | \$'000  | \$'000       | \$'000       |
| Carrying amount at the start of year | -      | -         | -                          | -                                   | 5,330   | 5,330   | 970          | 6,300        |
| Additions                            | -      | -         | -                          | -                                   | 2,969   | 2,969   | 3,503        | 6,472        |
| Disposals                            | -      | -         | -                          | -                                   | -   | -   | -            | -            |
| Revaluation increments               | -      | -         | -                          | -                                   | -   | -   | -            | -            |
| Recoverable amount write-downs       | -      | -         | -                          | -                                   | -   | -   | -            | -            |
| Net transfers free of charge         | -      | -         | -                          | -                                   | -   | -   | -            | -            |
| Depreciation/amortisation expense    | -      | -         | -                          | -                                   | 1,826   | 1,826   | 154          | 1,980        |
| Write-off of assets                  | -      | -         | -                          | -                                   | -   | -   | -            | -            |
| Carrying amount at the end of year   | -      | -         | -                          | -                                   | 6,473   | 6,473   | 4,319        | 10,792       |
| <b>Total additions</b>               |        |           |                            |                                     |   |   |              |              |
| Self funded                          | -      | -         | -                          | -                                   | 2,969   | 2,969   | 3,503        | 6,472        |
| Appropriations                       | -      | -         | -                          | -                                   | -   | -   | -            | -            |
| <b>Total</b>                         | -      | -         | -                          | -                                   | <b>2,969</b>                                      | <b>2,969</b>                                      | <b>3,503</b> | <b>6,472</b> |

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

Table not required.

Table 3.7: Note of Budgeted Revenues and Expenses Administered on behalf of Government *for the period ended 30 June 2003*

|  | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimates<br>2002-03<br>\$'000 | Forward<br>estimate<br>2003-04<br>\$'000 | Forward<br>estimate<br>2004-05<br>\$'000 | Forward<br>estimate<br>2005-06<br>\$'000 |
|--|--|--|--|--|--|
| <b>REVENUES</b>  |  |  |  |  |  |
| <b>Taxation</b>  |  |  |  |  |  |
| Income tax   | -  | -  | -  | -  | -  |
| Indirect tax   | -  | -  | -  | -  | -  |
| Other taxes, fees and fines  | -  | -  | -  | -  | -  |
| <b>Total taxation</b>  | -  | -  | -  | -  | -  |
| <b>Non-taxation</b>  |  |  |  |  |  |
| Interest   | -  | -  | -  | -  | -  |
| Dividends  | -  | -  | -  | -  | -  |
| Proceeds from sale of assets   | -  | -  | -  | -  | -  |
| Annual Appropriation   | 1,563,178                                | 1,296,402                                | 1,239,235                                | 1,861,222                                | 1,479,705                                |
| Other sources of non-taxation<br>revenues                              | 4,213                                    | 3,856                                    | 3,905                                    | 4,108                                    | 3,991                                    |
| <b>Total non-taxation</b>  | <b>1,567,391</b>                         | <b>1,300,258</b>                         | <b>1,243,140</b>                         | <b>1,865,330</b>                         | <b>1,483,696</b>                         |
| <b>Total revenues administered<br/>on behalf of the<br/>Government</b> | <b>1,567,391</b>                         | <b>1,300,258</b>                         | <b>1,243,140</b>                         | <b>1,865,330</b>                         | <b>1,483,696</b>                         |
| <b>EXPENSES</b>  |  |  |  |  |  |
| Grants   | 466,249                                  | 175,271                                  | 88,649                                   | 665,759                                  | 230,855                                  |
| Subsidies  | -  | -  | -  | -  | -  |
| Personal benefits  | -  | -  | -  | -  | -  |
| Suppliers  | -  | -  | -  | -  | -  |
| Depreciation and amortisation  | 623                                      | 568                                      | 525                                      | 564                                      | 555                                      |
| Value of assets sold   | -  | -  | -  | -  | -  |
| Net foreign exchange issues  | -  | -  | -  | -  | -  |
| Interest   | -  | -  | -  | -  | -  |
| Other - Aid Program  | 1,096,306                                | 1,120,563                                | 1,150,061                                | 1,194,899                                | 1,248,295                                |
| <b>Total expenses administered<br/>on behalf of the<br/>Government</b> | <b>1,563,178</b>                         | <b>1,296,402</b>                         | <b>1,239,235</b>                         | <b>1,861,222</b>                         | <b>1,479,705</b>                         |
| Extraordinary items  | -  | -  | -  | -  | -  |

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Table 3.8: Note of Budgeted Assets and Liabilities Administered on behalf of Government *as at 30 June 2003*

|   | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 | Forward<br>estimate<br>2003-04<br>\$'000 | Forward<br>estimate<br>2004-05<br>\$'000 | Forward<br>estimate<br>2005-06<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS</b>   |  |   |  |  |  |
| <b>Financial assets</b>   |  |   |  |  |  |
| Cash  | 4,576                                    | 4,576                                   | 4,576                                    | 4,576                                    | 4,576                                    |
| Receivables   | 743,449                                  | 779,131                                 | 691,689                                  | 1,135,321                                | 1,114,536                                |
| Investments   | -  | -                                       | -  | -  | -  |
| Accrued revenues  | -  | -                                       | -  | -  | -  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total financial assets</b>   | <b>748,025</b>                           | <b>783,707</b>                          | <b>696,265</b>                           | <b>1,139,897</b>                         | <b>1,119,112</b>                         |
| <b>Non-financial assets</b>   |  |   |  |  |  |
| Land and buildings  | -  | -                                       | -  | -  | -  |
| Infrastructure, plant and<br>equipment                                | 1,557                                    | 1,219                                   | 884                                      | 1,390                                    | 1,275                                    |
| Other   | 36,754                                   | 36,753                                  | 36,753                                   | 36,753                                   | 36,753                                   |
| <b>Total non-financial assets</b>                                     | <b>38,311</b>                            | <b>37,972</b>                           | <b>37,637</b>                            | <b>38,143</b>                            | <b>38,028</b>                            |
| <b>Total assets administered<br/>on behalf of the Government</b>      | <b>786,336</b>                           | <b>821,679</b>                          | <b>733,902</b>                           | <b>1,178,040</b>                         | <b>1,157,140</b>                         |
| <b>LIABILITIES</b>  |  |   |  |  |  |
| <b>Interest bearing liabilities</b>                                   |  |   |  |  |  |
| Loans   | -  | -                                       | -  | -  | -  |
| Leases  | -  | -                                       | -  | -  | -  |
| Deposits  | -  | -                                       | -  | -  | -  |
| Overdrafts  | -  | -                                       | -  | -  | -  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total interest bearing liabilities</b>                             | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Provisions and payables</b>  |  |   |  |  |  |
| Employees   | 559                                      | 559                                     | 559                                      | 559                                      | 559                                      |
| Suppliers   | 70,487                                   | 71,967                                  | 73,694                                   | 75,536                                   | 77,425                                   |
| Grants  | 1,233,903                                | 1,060,026                               | 800,878                                  | 1,150,830                                | 1,092,056                                |
| Other   | 3,190                                    | 3,260                                   | 3,346                                    | 3,477                                    | 3,632                                    |
| <b>Total provisions and payables</b>                                  | <b>1,308,139</b>                         | <b>1,135,812</b>                        | <b>878,477</b>                           | <b>1,230,402</b>                         | <b>1,173,672</b>                         |
| <b>Total liabilities administered<br/>on behalf of the Government</b> | <b>1,308,139</b>                         | <b>1,135,812</b>                        | <b>878,477</b>                           | <b>1,230,402</b>                         | <b>1,173,672</b>                         |
| <b>EQUITY</b>   |  |   |  |  |  |
| Capital Injection   | 650,241                                  | 857,911                                 | 1,027,469                                | 1,119,682                                | 1,155,512                                |
| Accumulated Results   | (1,172,044)                              | (1,172,044)                             | (1,172,044)                              | (1,172,044)                              | (1,172,044)                              |
| <b>Total Equity</b>   | <b>(521,803)</b>                         | <b>(314,133)</b>                        | <b>(144,575)</b>                         | <b>(52,362)</b>                          | <b>(16,532)</b>                          |
| <b>Current liabilities</b>  | <b>369,052</b>                           | <b>320,435</b>                          | <b>247,836</b>                           | <b>347,121</b>                           | <b>331,116</b>                           |
| <b>Non-current liabilities</b>  | <b>939,087</b>                           | <b>815,377</b>                          | <b>630,641</b>                           | <b>883,282</b>                           | <b>842,556</b>                           |
| <b>Current assets</b>   | <b>259,862</b>                           | <b>271,542</b>                          | <b>242,534</b>                           | <b>389,309</b>                           | <b>382,402</b>                           |
| <b>Non-current assets</b>   | <b>526,474</b>                           | <b>550,137</b>                          | <b>491,368</b>                           | <b>788,731</b>                           | <b>774,738</b>                           |

**Table 3.9: Note of Budgeted Administered Cash Flows  
for the period ended 30 June 2003**

|   | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 | Forward<br>estimate<br>2003-04<br>\$'000 | Forward<br>estimate<br>2004-05<br>\$'000 | Forward<br>estimate<br>2005-06<br>\$'000 |
|---|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>                             |  |   |  |  |  |
| <b>Cash received</b>                                    |  |   |  |  |  |
| Annual Appropriations                                   | 1,211,013                                | 1,244,874                               | 1,326,763                                | 1,417,721                                | 1,500,645                                |
| Special Appropriations                                  | 27,264                                   | 15,917                                  | -  | -  | -  |
| GST Input Credits                                       | 41,217                                   | 39,053                                  | 40,068                                   | 41,589                                   | 43,428                                   |
| Cash from Official Public<br>Account                    | -  | -                                       | -  | -  | -  |
| Interest  | -  | -                                       | -  | -  | -  |
| Other   | 4,213                                    | 3,856                                   | 3,905                                    | 4,108                                    | 3,991                                    |
| <b>Total cash received</b>                              | <b>1,283,707</b>                         | <b>1,303,700</b>                        | <b>1,370,736</b>                         | <b>1,463,418</b>                         | <b>1,548,064</b>                         |
| <b>Cash used</b>  |  |   |  |  |  |
| Aid Program   | 1,098,789                                | 1,119,083                               | 1,148,334                                | 1,193,057                                | 1,246,406                                |
| Personal benefits                                       | -  | -                                       | -  | -  | -  |
| Suppliers   | -  | -                                       | -  | -  | -  |
| Grants  | 371,617                                  | 349,148                                 | 347,797                                  | 315,806                                  | 289,629                                  |
| Interest  | -  | -                                       | -  | -  | -  |
| Cash to Official Public Account                         | 4,213                                    | 3,856                                   | 3,905                                    | 4,108                                    | 3,991                                    |
| Other - GST Paid to Suppliers                           | 38,278                                   | 39,124                                  | 40,153                                   | 41,719                                   | 43,583                                   |
| <b>Total cash used</b>                                  | <b>1,512,897</b>                         | <b>1,511,211</b>                        | <b>1,540,189</b>                         | <b>1,554,690</b>                         | <b>1,583,609</b>                         |
| <b>Net cash from operating<br/>activities</b>           | <b>(229,190)</b>                         | <b>(207,511)</b>                        | <b>(169,453)</b>                         | <b>(91,272)</b>                          | <b>(35,545)</b>                          |
| <b>INVESTING ACTIVITIES</b>                             |  |   |  |  |  |
| <b>Cash received</b>                                    |  |   |  |  |  |
| Proceeds from sales of<br>property, plant and equipment | -  | -                                       | -  | -  | -  |
| Cash from Official Public<br>Account                    | -  | -                                       | -  | -  | -  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total cash received</b>                              | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Cash used</b>  |  |   |  |  |  |
| Purchase of property, plant<br>and equipment            | 450                                      | 230                                     | 190                                      | 1,070                                    | 440                                      |
| Cash to Official Public Account                         | -  | -                                       | -  | -  | -  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total cash used</b>                                  | <b>450</b>                               | <b>230</b>                              | <b>190</b>                               | <b>1,070</b>                             | <b>440</b>                               |
| <b>Net cash from investing<br/>activities</b>           | <b>(450)</b>                             | <b>(230)</b>                            | <b>(190)</b>                             | <b>(1,070)</b>                           | <b>(440)</b>                             |

Part C: Agency Budget Statements — AusAID

Table 3.9: Note of Budgeted Administered Cash Flows (continued)  
for the period ended 30 June 2003

|   | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 | Forward<br>estimate<br>2003-04<br>\$'000 | Forward<br>estimate<br>2004-05<br>\$'000 | Forward<br>estimate<br>2005-06<br>\$'000 |
|---|--|---|--|--|--|
| <b>FINANCING ACTIVITIES</b>                     |  |   |  |  |  |
| <b>Cash received</b>                            |  |   |  |  |  |
| Proceeds from borrowing                         | -  | -                                       | -  | -  | -  |
| Cash from Official Public<br>Account            | -  | -                                       | -  | -  | -  |
| Cash from Capital Injection                     | 232,580                                  | 207,670                                 | 169,558                                  | 92,212                                   | 35,830                                   |
| Other - GST Loan from DoFA                      | 38,277                                   | 39,124                                  | 40,153                                   | 41,719                                   | 43,583                                   |
| <b>Total cash received</b>                      | <b>270,857</b>                           | <b>246,794</b>                          | <b>209,711</b>                           | <b>133,931</b>                           | <b>79,413</b>                            |
| <b>Cash used</b>                                |  |   |  |  |  |
| Repayments of debt                              | -  | -                                       | -  | -  | -  |
| Cash to Official Public Account                 | -  | -                                       | -  | -  | -  |
| Other - Repay DoFA GST Loan                     | 41,217                                   | 39,053                                  | 40,068                                   | 41,589                                   | 43,428                                   |
| <b>Total cash used</b>                          | <b>41,217</b>                            | <b>39,053</b>                           | <b>40,068</b>                            | <b>41,589</b>                            | <b>43,428</b>                            |
| <b>Net cash from financing<br/>activities</b>   | <b>229,640</b>                           | <b>207,741</b>                          | <b>169,643</b>                           | <b>92,342</b>                            | <b>35,985</b>                            |
| <b>Net increase (decrease) in<br/>cash held</b> | -  | -                                       | -  | -  | -  |
| Cash at beginning of reporting<br>period        | 4,576                                    | 4,576                                   | 4,576                                    | 4,576                                    | 4,576                                    |
| Administered cash at end of<br>reporting period | 4,576                                    | 4,576                                   | 4,576                                    | 4,576                                    | 4,576                                    |

Part C: Agency Budget Statements — AusAID

Table 3.10: Note of Administered Capital Budget

|  | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 | Forward<br>estimate<br>2003-04<br>\$'000 | Forward<br>estimate<br>2004-05<br>\$'000 | Forward<br>estimate<br>2005-06<br>\$'000 |
|--|--|---|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>                  |  |   |  |  |  |
| Administered capital                           | 232,580                                  | 207,670                                 | 169,558                                  | 92,212                                   | 35,830                                   |
| <b>Represented by:</b>                         |  |   |  |  |  |
| Purchase of non-current assets                 | -  | -                                       | -  | -  | -  |
| Other  | 232,580                                  | 207,670                                 | 169,558                                  | 92,212                                   | 35,830                                   |
| <b>Total</b>                                   | <b>232,580</b>                           | <b>207,670</b>                          | <b>169,558</b>                           | <b>92,212</b>                            | <b>35,830</b>                            |
| <b>PURCHASE OF NON-CURRENT<br/>ASSETS</b>      |  |   |  |  |  |
| Funded by Capital Appropriation                | -  | -                                       | -  | -  | -  |
| Funded internally by Departmental<br>resources | 450                                      | 230                                     | 190                                      | 1070                                     | 440                                      |

Part C: Agency Budget Statements — AusAID

Table 3.11: Note of Administered Non-financial Assets — Summary of Movement (Budget year 2002-03)

|                                   | Land   | Buildings | Total land<br>and buidings | Specialist<br>military<br>equipment | Other<br>infrastructure<br>plant and<br>equipment | Total<br>infrastructure<br>plant and<br>equipment | Intangibles | Total      |
|-----------------------------------|--------|-----------|----------------------------|-------------------------------------|---|---|-------------|------------|
|                                   | \$'000 | \$'000    | \$'000                     | \$'000                              | \$'000  | \$'000  | \$'000      | \$'000     |
| Carrying amount at start of year  | -      | -         | -                          | -                                   | 1,558   | 1,558   | -           | 1,558      |
| Additions                         | -      | -         | -                          | -                                   | 230   | 230   | -           | 230        |
| Disposals                         | -      | -         | -                          | -                                   | -   | -   | -           | -          |
| Revaluation increments            | -      | -         | -                          | -                                   | -   | -   | -           | -          |
| Recoverable amount write-downs    | -      | -         | -                          | -                                   | -   | -   | -           | -          |
| Net transfers free of charge      | -      | -         | -                          | -                                   | -   | -   | -           | -          |
| Depreciation/amortisation expense | -      | -         | -                          | -                                   | 568   | 568   | -           | 568        |
| Write-off of assets               | -      | -         | -                          | -                                   | -   | -   | -           | -          |
| Carrying amount at end of year    | -      | -         | -                          | -                                   | 1,220   | 1,220   | -           | 1,220      |
| <b>Total additions</b>            | -      | -         | -                          | -                                   | <b>230</b>  | <b>230</b>  | <b>0</b>    | <b>230</b> |

## NOTES TO THE FINANCIAL STATEMENTS

### Explanation of movements in administered expenses and cash

Under current accounting treatments AusAID is required to record the entire level of funding under multiyear agreements as an expense in the financial year the agreements are entered into. As shown in Table 2.1.1, administered expenses in 2002-03 are lower than 2001-02. This relates mainly to agreements that are expected to be entered into in 2001-02 to replenish funding to the International Development Association (IDA) and the Heavily Indebted Poor Countries (HIPC) initiative. On current estimates, these agreements account for approximately \$360 million (to be revised once the relevant Instrument of Commitments are signed). The agreements to be entered into in 2002-03 are for the third replenishment of the Global Environment Facility (\$63 million) and the fifth replenishment of the Montreal Protocol Multilateral Fund (\$15.6 million).

Attached are three explanatory tables that detail:

- the relationship between AusAID's expense estimates and Australia's Official Development Assistance (ODA);
- the relationship between cash spent by AusAID and total ODA; and
- the reconciliation of AusAID's expense estimates and cash expenditure estimates.

### Explanation of required capital injections for administered items

Table 3.9 and Table 3.10 show significant capital needs for AusAID's administered items. These relate to the need to extinguish multiyear liabilities incurred prior to the transition to accrual budgeting. Specifically, these are agreements relating to Australia's contributions to:

- Asian Development Fund;
- International Development Association;
- International Fund for Agricultural Development;
- Global Environment Facility; and
- The Nauru Settlement Treaty.

### Departmental Financial Statements and Notes 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 those agencies closing Departmental net assets (equity) at a rate of 11 per cent.

Funding for the Capital Use Charge is included in agencies and authorities Departmental price of outputs appropriations. The Capital Use Charge is accounted for as a 'below Operating Result line' dividend payment.

### **Asset valuation**

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

### Explanatory Table 1 – Reconciliation of AusAID expenses to total ODA

|   | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 |
|---|--|---|
| Total AusAID expenses:                                  |  |   |
| AusAID Departmental expenses                            | 68,819                                   | 67,707                                  |
| AusAID Administered expenses                            | 1,563,178                                | 1,296,402                               |
| less expenses with no cash required in year of expense: |  |   |
| New multiyear liabilities <sup>1</sup>                  | (360,000)                                | (73,400)                                |
| Other accrual adjustments <sup>2</sup>                  | 1,121                                    | 2,417                                   |
| plus cash for GST                                       |  |   |
| GST - cash items with no corresponding expense          | 80,506                                   | 79,082                                  |
| plus cash for expense in a different year:              |  |   |
| Payments to existing multiyear liabilities <sup>3</sup> | 265,369                                  | 247,277                                 |
| <b>Total AusAID cash used</b>                           | <b>1,618,993</b>                         | <b>1,619,485</b>                        |
| minus AusAID ODA adjustments: <sup>4</sup>              |  |   |
| AusAID non-ODA Departmental expenditure                 | (2,899)                                  | (2,739)                                 |
| AusAID non-ODA Administered expenditure                 | (2,747)                                  | (2,864)                                 |
| Offsetting receipts from previous years' expenditure    | (4,213)                                  | (3,856)                                 |
| GST repaid to DoFA                                      | (41,217)                                 | (39,053)                                |
| GST paid to suppliers                                   | (39,289)                                 | (40,029)                                |
| plus non-AusAID ODA:                                    |  |   |
| ACIAR   | 44,314                                   | 45,267                                  |
| Other Government Departments                            | 235,025                                  | 238,354                                 |
| <b>Total Estimated ODA <sup>5</sup></b>                 | <b>1,807,967</b>                         | <b>1,814,565</b>                        |

1. The new multi-year liability for 2001-02 consists of the replenishment for the International Development Association (IDA) 13 of \$342m and for the Heavily Indebted Poor Countries (HIPC) initiative of \$18m. The new multiyear liabilities for 2002-03 relate to the Global Environment Facility (GEF) for \$63m and the Montreal Protocol Multilateral Fund (MPMF) of \$15.6m. Cash of \$5.2m is required in 2002-03 for the first payment to the MPMF.
2. See Explanatory Table 3 for detail.
3. Cash payments for multiyear liabilities such as those mentioned in the first Explanatory Note, occur in a later year to the expense being recorded. These cash payments may be funded from Capital Injections, Special Appropriations or Bill 1.
4. See Explanatory Table 2 for detail.
5. Actual calculations of total ODA are not able to be determined until after the end of the financial year.

## Explanatory Table 2 – Reconciliation of AusAID cash to total ODA

|  | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 |
|--|--|---|
| Total Departmental cash used                       | 68,642                                   | 72,847                                  |
| Capital Use Charge                                 | -  | -                                       |
| Receipts under Section 31 of the FMA Act           | (375)                                    | (316)                                   |
| Interest   | (251)                                    | (150)                                   |
| GST repaid to DoFA                                 | -  | -                                       |
| GST paid to suppliers                              | (1,012)                                  | (906)                                   |
| Fringe Benefits Tax adjustment                     | (2,272)                                  | (2,273)                                 |
| <b>Total ODA-eligible AusAID Departmental cash</b> | <b>64,732</b>                            | <b>69,202</b>                           |
| Total Administered cash used <sup>1</sup>          | 1,550,350                                | 1,546,638                               |
| Miscellaneous receipts <sup>2</sup>                | (4,213)                                  | (3,856)                                 |
| GST repaid to DoFA <sup>3</sup>                    | (41,217)                                 | (39,053)                                |
| GST paid to suppliers <sup>3</sup>                 | (38,277)                                 | (39,123)                                |
| AusAID non ODA eligible expenditure <sup>4</sup>   | (2,747)                                  | (2,864)                                 |
| <b>Total ODA-eligible AusAID Administered cash</b> | <b>1,463,896</b>                         | <b>1,461,742</b>                        |
| ACIAR  | 44,314                                   | 45,267                                  |
| Other Government Departments                       | 235,025                                  | 238,354                                 |
| <b>Non AusAID ODA</b>                              | <b>279,339</b>                           | <b>283,621</b>                          |
| <b>Total Estimated ODA <sup>5</sup></b>            | <b>1,807,967</b>                         | <b>1,814,565</b>                        |

1. Excluding cash to the Official Public Account
2. Refunds of expenditure that was recorded as ODA in a previous year. Miscellaneous receipts are offset against ODA in the year of receipt, not expenditure.
3. GST cash is drawn down separately from appropriated cash in order to pay any GST component to suppliers. This amount is subsequently refunded from the ATO. The difference between 'GST repaid to Finance' and 'GST paid to suppliers' in any given year equates to the ATO input tax credit receipts.
4. For example, only 75% of cash payments to the Global Environment Facility are eligible as ODA.
5. Actual calculations of total ODA cannot be determined until after the end of the financial year.

Part C: Agency Budget Statements — AusAID

Explanatory Table 3 – Reconciliation of AusAID expenses to cash

|   | Estimated<br>actual<br>2001-02<br>\$'000 | Budget<br>estimate<br>2002-03<br>\$'000 | Budget<br>estimate<br>2003-04<br>\$'000 | Estimated<br>estimate<br>2004-05<br>\$'000 | Estimated<br>estimate<br>2005-06<br>\$'000 |
|---|--|---|---|--|--|
| <b>Price of Outputs</b>                                       | <b>68,819</b>                            | <b>67,707</b>                           | <b>68,825</b>                           | <b>68,851</b>                              | <b>69,632</b>                              |
| Operating surplus/(loss)                                      | -  | -                                       | -                                       | -  | -  |
| <b>Departmental expenses</b>                                  | <b>68,819</b>                            | <b>67,707</b>                           | <b>68,825</b>                           | <b>68,851</b>                              | <b>69,632</b>                              |
| Depreciation and amortisation                                 | (3,113)                                  | (1,980)                                 | (3,261)                                 | (3,578)                                    | (3,630)                                    |
| Investment  | 2,570                                    | 6,472                                   | 4,280                                   | 1,512                                      | 774  |
| Net change in employee liabilities                            | (411)                                    | (146)                                   | 21                                      | 21   | -  |
| Net change in supplier liabilities/prepayments                | (130)                                    | (14)                                    | (11)                                    | (10)                                       | (10)                                       |
| Resources supplied free of charge                             | (105)                                    | (97)                                    | (99)                                    | (101)                                      | (103)                                      |
| GST paid to suppliers   | 1,012                                    | 906                                     | 895                                     | 893  | 923  |
| <b>Departmental cash used</b>                                 | <b>68,642</b>                            | <b>72,848</b>                           | <b>70,650</b>                           | <b>67,588</b>                              | <b>67,586</b>                              |
| <b>Administered expenses</b>                                  | <b>1,563,178</b>                         | <b>1,296,402</b>                        | <b>1,239,235</b>                        | <b>1,861,222</b>                           | <b>1,479,705</b>                           |
| Operating surplus/(loss)                                      | -  | -                                       | -                                       | -  | -  |
| <b>Administered expenses after operating loss</b>             | <b>1,563,178</b>                         | <b>1,296,402</b>                        | <b>1,239,235</b>                        | <b>1,861,222</b>                           | <b>1,479,705</b>                           |
| New multiyear liabilities                                     | (360,000)                                | (73,400)                                | -                                       | (575,000)                                  | (137,932)                                  |
| Cash spent on existing multiyear liabilities:                 |  |   |   |  |  |
| Annual Appropriation  | 5,525                                    | 23,690                                  | 89,590                                  | 132,835                                    | 160,876                                    |
| Special Appropriation   | 27,264                                   | 15,917                                  | -                                       | -  | -  |
| Capital injection   | 232,580                                  | 207,670                                 | 169,558                                 | 92,212                                     | 35,830                                     |
| Depreciation  | (623)                                    | (568)                                   | (525)                                   | (564)                                      | (555)                                      |
| Investment  | 450                                      | 230                                     | 190                                     | 1,070                                      | 440  |
| GST repaid to DoFA  | 41,217                                   | 39,053                                  | 40,068                                  | 41,589                                     | 43,428                                     |
| GST paid to suppliers   | 38,277                                   | 39,124                                  | 40,153                                  | 41,719                                     | 43,583                                     |
| Net change in ordinary creditors and accruals                 | 2,483                                    | (1,480)                                 | (1,727)                                 | (1,842)                                    | (1,888)                                    |
| <b>Administered cash used<br/>(excluding payments to OPA)</b> | <b>1,550,351</b>                         | <b>1,546,638</b>                        | <b>1,576,542</b>                        | <b>1,593,241</b>                           | <b>1,623,487</b>                           |

## Section 4: Purchaser/Provider

### **CROSS AGENCY OVERVIEW**

The Australian Agency for International Development (AusAID) purchases services from the Department of Foreign Affairs and Trade (DFAT):

- Under the Service Level Agreement (SLA) for overseas missions;
- For information technology infrastructure support;
- For telecommunications at overseas missions and for state offices; and
- For secure network services.

AusAID provides payroll services to the Australian Centre for International Agricultural Research (ACIAR).

## APPENDIX 1: RECEIPTS FROM INDEPENDENT SOURCES

### Receipts from independent sources

|   | Estimated<br>revenue<br>2001-02<br>\$'000 | Estimated<br>revenue<br>2002-03<br>\$'000 |
|---|---|---|
| <b>Departmental</b>                     |   |   |
| Sales of Goods and Services             | 375                                       | 316                                       |
| Interest                                | 251                                       | 150                                       |
| Resources received free of charge       | 105                                       | 97  |
| <b>Administered</b>                     |   |   |
| Other non-taxation revenue <sup>1</sup> | 4,213                                     | 3,856                                     |
| <b>Total estimated revenue</b>          | <b>4,944</b>                              | <b>4,419</b>                              |

1. Other non-taxation revenue refers to those funds returned from contractors and NGOs to AusAID, which were appropriated in former years and not used for the purpose for which they were provided.

**APPENDIX 2: ESTIMATES OF CASH RECEIVED FROM SPECIAL APPROPRIATIONS**

Estimates of cash received from special appropriations

|   | Estimated expenses<br>2001-02<br>\$'000 | Estimated expenses<br>2002-03<br>\$'000 |
|---|---|---|
| International Development Association (IDA) | 27,264                                  | 15,917                                  |
| <b>Total estimated Cash Received</b>        | <b>27,264</b>                           | <b>15,917</b>                           |

There are no new expenses associated with Special Appropriations from 1999-2000 onwards. Cash drawdowns previously appropriated through Special Appropriations will cease after 2002-03.