

**Department of Foreign Affairs and Trade
(DFAT)**

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

Section 1: Overview, appropriations and budget measures summary

DEPARTMENT OVERVIEW

The Department contributes to Australia's security, supports Australia's economic and trade performance, and strengthens international cooperation in ways that advance Australia's interests. The Department provides high-quality advice to the Government across the spectrum of foreign and trade policy issues. It assists the increasing number of Australian travellers and Australians overseas, and projects a positive image of Australia internationally. The Department's work towards its four outcomes is carried out by staff serving at its network of overseas posts as well as in Canberra, in State and Territory capitals and in some regional centres.

In 2002-03 the Department will contribute to Australia's security by working closely with both domestic agencies and other countries to promote global security, strong intelligence and politico-military links and the implementation of international arms control, disarmament and related export control agreements. In the aftermath of the terrorist attacks in the United States on 11 September 2001, the Department will work to support Australian efforts to combat international terrorist threats, including as Chair of the Government's Anti-Terrorism Task Force. The Department will support United Nations Security Council resolutions to prevent terrorists from operating within Australia and to diminish the regional threat posed by terrorist organisations. The Department will carry on working in the United Nations towards finalisation of the Comprehensive Convention on Terrorism. The Department will actively promote the outcomes of the Bali Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime, including through the efforts of the newly created Ambassador for People Smuggling Issues. This will include the efforts to strengthen through increased cooperation with regional governments measures to prevent the organised illegal movement of people.

The Department will continue to promote trade and investment through bilateral activities, and assist Austrade and EFIC in providing information and assistance to Australian business. It will work to overcome market barriers to Australian exports of goods and services through bilateral negotiations, active participation in the World Trade Organization (WTO) and regional forums such as the Asia-Pacific Economic Cooperation (APEC) grouping, and through exploring free trade agreements (FTAs) or closer economic partnerships with key partners. The Department actively contributed to international efforts in launching a new round of multilateral trade negotiations in the WTO at Doha. The Department will continue to pursue Australia's interests, most notably in the areas of agricultural, services and industrial product trade; trade and environment; and geographical indications. Having already played a constructive role in promoting the benefits of the new round of negotiations among developing nations,

the Department envisages continuing this consultative process. The Department is negotiating an FTA with Singapore and is actively engaged in efforts to launch FTA negotiations with the United States and Thailand. The Department will pursue a framework for enhanced economic and trade cooperation with China. The Department will also launch high-level consultations with Japan to explore strengthened economic linkages with Australia.

Working through multilateral institutions, the Department will promote international cooperation, economic development, and address global environmental issues. Australia's forthcoming term on the United Nations Commission on Human Rights will advance Australia's human rights objectives. Reform of the United Nations, including Treaty Body reform will remain a priority. A key Departmental goal is completion of the bilateral Timor Sea Treaty with an independent East Timor. The Department will also be heavily involved in carrying out Australia's responsibilities as Chairman-in-Office of CHOGM.

The Department will provide high quality consular and passport services to Australians travelling and resident overseas, as well as their families in Australia, through the network of posts and honorary consulates, the 24-hour Consular Operations Centre and consular cooperation arrangements with other countries. Client access to passport services will remain a priority. The Department will enhance its consular information programme through improvements to its website, expansion of the range and distribution of its publications, and cooperation with the travel industry and media. Work is under way for the introduction of on-line passport services and provision of the new Australian passport. Research will be undertaken to strengthen passport identity verification processes and reduce the risk of fraud.

The Department will continue to promote a positive image of contemporary Australia, including its record of innovation, its strengths as a knowledge-based economy and its artistic and cultural assets. Promotion of Australia as a supplier of goods and services and a valuable trade and investment partner remains a priority. The Department will continue to consult the community as part of its policy formulation and provide Australians with information about Australia's foreign and trade policy and, in particular, promote the benefits of trade to all Australians.

The Department will prepare a new foreign and trade policy white paper examining the key international security and economic challenges facing Australia and how Australia can best advance its national interests.

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

Following the transfer of responsibility for the management of the Commonwealth's owned overseas property portfolio, under outcome 4, the Department will work to manage effectively the acquisition, ownership and disposal of properties within this portfolio. The overseas estate comprises 141 properties in 49 countries, with an approximate market value of \$1.4 billion.

The performance information framework ensures clear linkages between the main stages of the accountability process: the Appropriation Bills, the Portfolio Budget Statements, the Portfolio Additional Estimates Statements and the Annual Report. Consistent with Department of Finance and Administration guidelines, corporate services are distributed across the Department's outputs for performance information and pricing purposes and are not given a separate profile in the Department's Budget Statements.

APPROPRIATIONS

The total appropriation for the Department of Foreign Affairs and Trade in the 2002-03 Budget is \$883.925 million.

Table 1.1 on the following page shows the total appropriation for the Department of Foreign Affairs and Trade for 2002-03 by the four Government outcomes, by administered expenses, price of output appropriation and administered capital, departmental equity injections and loans.

Part C: Agency Budget Statements — DFAT

Department of Foreign Affairs and Trade — Appropriations 2002-03

Table 1.1: Appropriations and other revenue ('000)

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)				
	Revenue from Government (appropriations)	Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special appropriations ⁽⁵⁾	Total administered appropriations	Total appropriations			
	Bill No. 1 (A)	Special approps ⁽⁵⁾ (B)	Total (C = A+B)	(D)	(E = C+D)	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) ⁽²⁾ (G)	(H)	(I = F+G+H) (11) ⁽¹⁾	(J=C+I)
Outcome 1: Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global co-operation	483,874	0	483,874	29,801	513,675	166,551	0	0	166,551	650,425
			(C1)		(E1)					
Outcome 2 - Australians informed about and provided access to consular and passport services in Australia and overseas	136,425	0	136,425	6,699	143,124	200	0	0	200	136,625
			(C2)		(E2)					
Outcome 3 - Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	61,696	0	61,696	3,174	64,870	21,030	0	0	21,030	82,726
			(C3)		(E3)					
Outcome 4 - Efficient management of the Commonwealth Overseas Owned Estate	0	0		52,764	52,764	0	0	0	0	0
			(C4)		(E4)					
Total	681,995	0	681,995	92,438	774,433	187,781	0	0	187,781	869,776
									(K2)⁽¹⁾	869,776
									Departmental capital (equity injections and loans)	(K3)⁽¹⁾
									Administered capital	0
									Total appropriations	883,925

Part C: Agency Budget Statements — DFAT

Table 1.1: Appropriations and other revenue ('000) (continued)

1. Cells C1, E1 and I1 refer to information provided in Table 2.2.1, amounts K1, K2 to the Budgeted Statement of Financial Performance, and amounts K3, K4 to the Capital Budget Statements.
2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.
4. Revenue from other sources includes other revenue from government (for example, resources received free of charge) and revenue from other sources. Non-appropriated departmental and administered revenues are details in Appendix 1.
5. Estimated expenses from individual Special Appropriations are shown in Appendix 2.

Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

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MEASURES — DEPARTMENT SUMMARY

Table 1.2: Summary of measures disclosed in the 2002-03 Budget – Appropriations and Revenues

Measure	Outcome	Output affected	Appropriations budget			Appropriations forward estimate 2003-04 (\$'000)			Appropriations forward estimate 2004-05 (\$'000)			Appropriations forward estimate 2005-06 (\$'000)		
			Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total
			expense	outputs		expense	outputs		expense	outputs		expense	outputs	
Budget measure														
Continuation of Australia's temporary presence in Nauru	1		0	2,100	2,100	0	0	0	0	0	0	0	0	0
Research and development of a biometric identifier for the Australian passport	2	2.1	0	3,000	3,000	0	0	0	0	0	0	0	0	0
Ambassador for People Smuggling Issues	1	1.1	0	0	0	0	0	0	0	0	0	0	0	0
			0	5,100	5,100	0	0	0	0	0	0	0	0	0
Measure	Outcome	Output affected	Revenue budget			Revenue forward estimate 2003-04 (\$'000)			Revenue forward estimate 2004-05 (\$'000)			Revenue forward estimate 2005-06 (\$'000)		
			Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total
			revenue	outputs		revenue	outputs		revenue	outputs		revenue	outputs	
Budget measure														
Increase in the price of the Australian passport	2	2.1	4,500	0	4,500	4,000	0	4,000	4,000	0	4,000	4,000	0	4,000
New senior Australian passport	2	2.1	-1,500	0	-1,500	-2,000	0	-2,000	-2,000	0	-2,000	-2,000	0	-2,000
			3,000	0	3,000	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Department of Foreign Affairs and Trade will receive an equity injection of \$14.149 million in 2002-03 as indicated in Table 1.1. This amount will be used to contribute to the replacement of the secure diplomatic communications network and contribute towards investment in non-current assets necessary for the operation of the Consulate-General in Dili, the Embassy in Zagreb and the Australian Policy Liaison Office in Lisbon. Of this amount, \$14 million is the second of three equity injections to be provided over three years between 2001-02 and 2003-04, to meet the implementation costs for the Secure Australian Telecommunications and Information Network (SATIN). The Department will not receive any funding through loans or administered capital.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUTS

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

Information on the division of administered and departmental appropriations between the Departments four outcomes appears in Chart 1 (Administered appropriations by outcome 2002-03, p 27) and Chart 2 (Departmental appropriations by outcome 2002-03, p 27).

The relationship between the four outcomes and the contributing outputs for the department is shown in Chart 3 (Outcome and outputs, p 28).

The relationship between the four outcomes and the contributing sub-outputs (under each output) for the Department is shown in Charts 4.1. (Outcome 1 – Contributing Sub-outputs, p 29), 4.2 (Outcome 2 – Contributing Sub-outputs, p 30), 4.3 (Outcome 3 – Contributing Sub-outputs, p 31) and 4.4 (Outcome 4 – Contributing outputs, p 32).

Financial details for **Outcome 1** by output appear in Table 2.1.1 (Total Resources for Outcome 1, p 36) while non-financial information for Outcome 1 appears in Table 2.2.1 (Performance Information for Outcome 1, pp 37-40).

Financial details for **Outcome 2** by output appear in Table 2.1.2 (Total Resources for Outcome 2, p 44) while non-financial information for Outcome 2 appears in Table 2.2.2 (Performance Information for Outcome 2, p 45).

Financial details for **Outcome 3** by output appear in Table 2.1.3 (Total Resources for Outcome 3, p 48) while non-financial information for Outcome 3 appears in Table 2.2.3 (Performance Information for Outcome 3, pp 49-50).

Financial details for **Outcome 4** by output appear in Table 2.1.4 (Total Resources for Outcome 4, p 52) while non-financial information for Outcome 4 appears in Table 2.2.4 (Performance Information for Outcome 4, p 53).

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Chart 1: Administered appropriations by outcome 2002-03

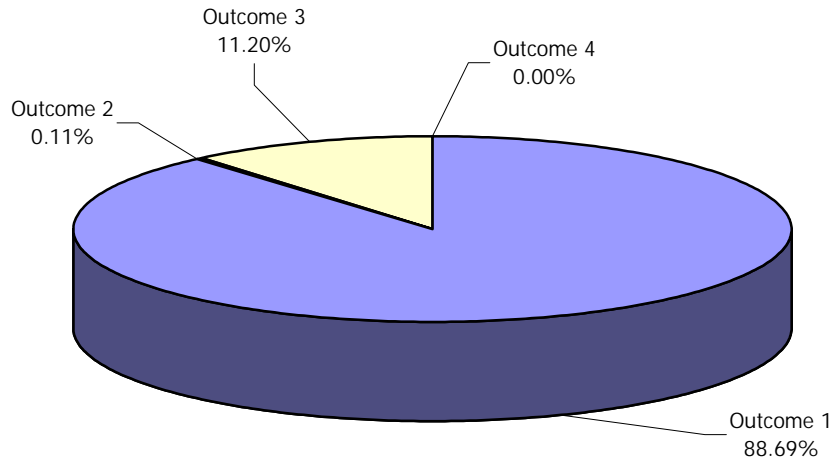
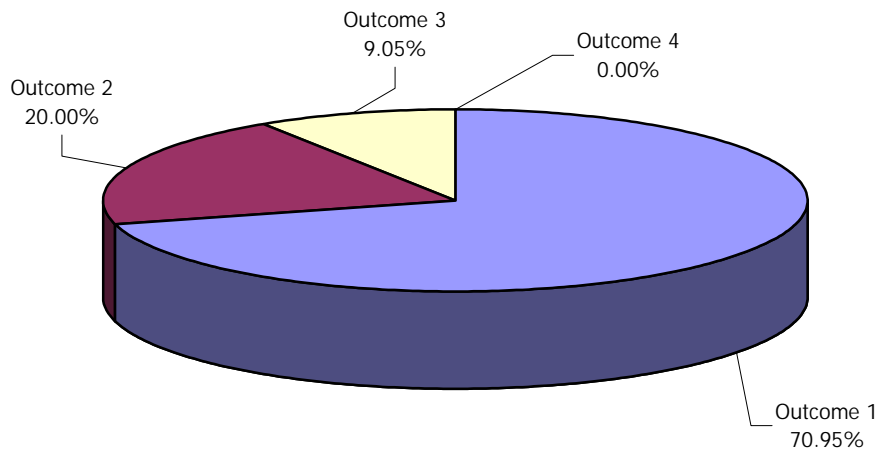
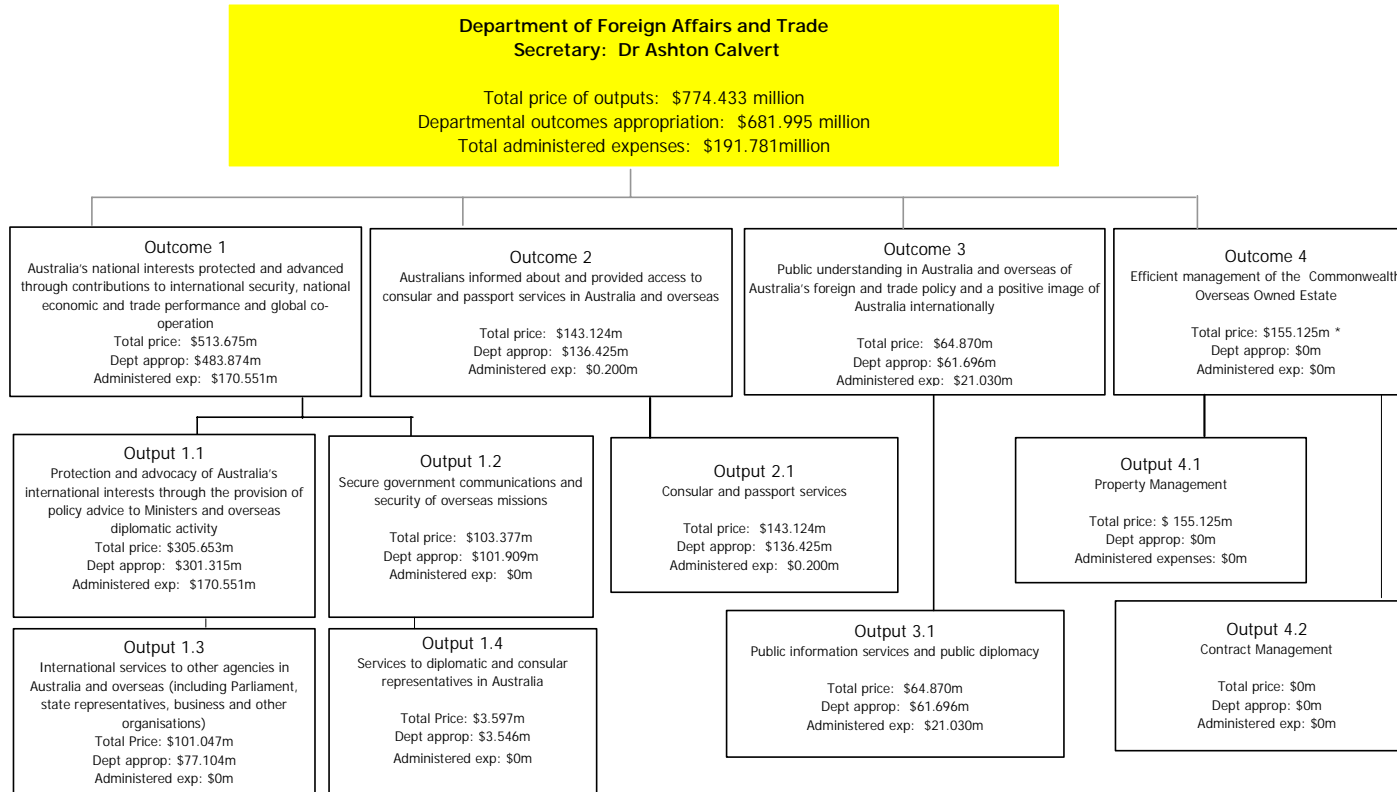


Chart 2: Departmental appropriations by outcome 2002-03



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Chart 3: Outcomes and outputs



* Price of outputs shown under this outcome includes an amount of \$102.361m for inter-entity transactions, being rent paid by DFAT to the Overseas Property Office for services provided to DFAT's overseas diplomatic network. The contribution of this outcome to DFAT's total price of outputs is therefore \$52.764 million.

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Chart 4.1: Outcome 1 — contributing outputs

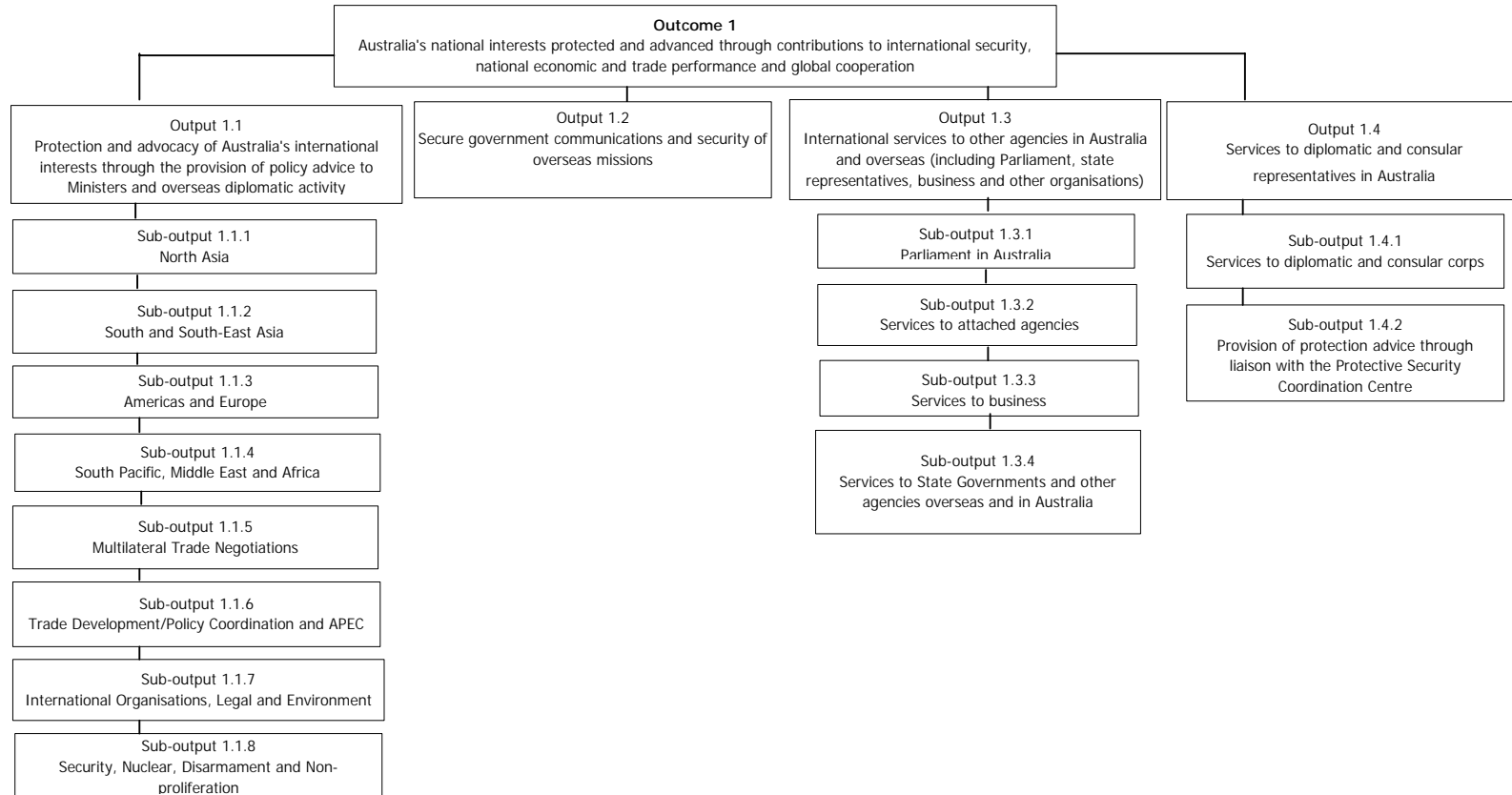


Chart 4.2: Outcome 2 — contributing outputs

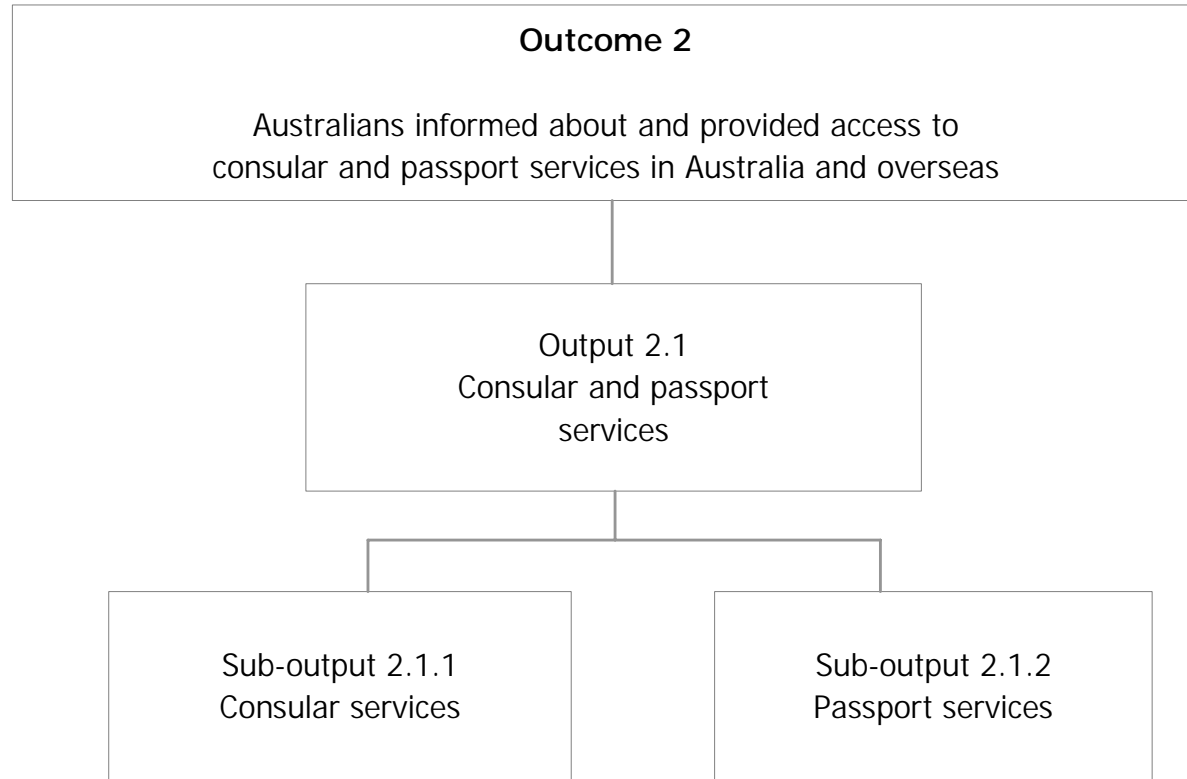
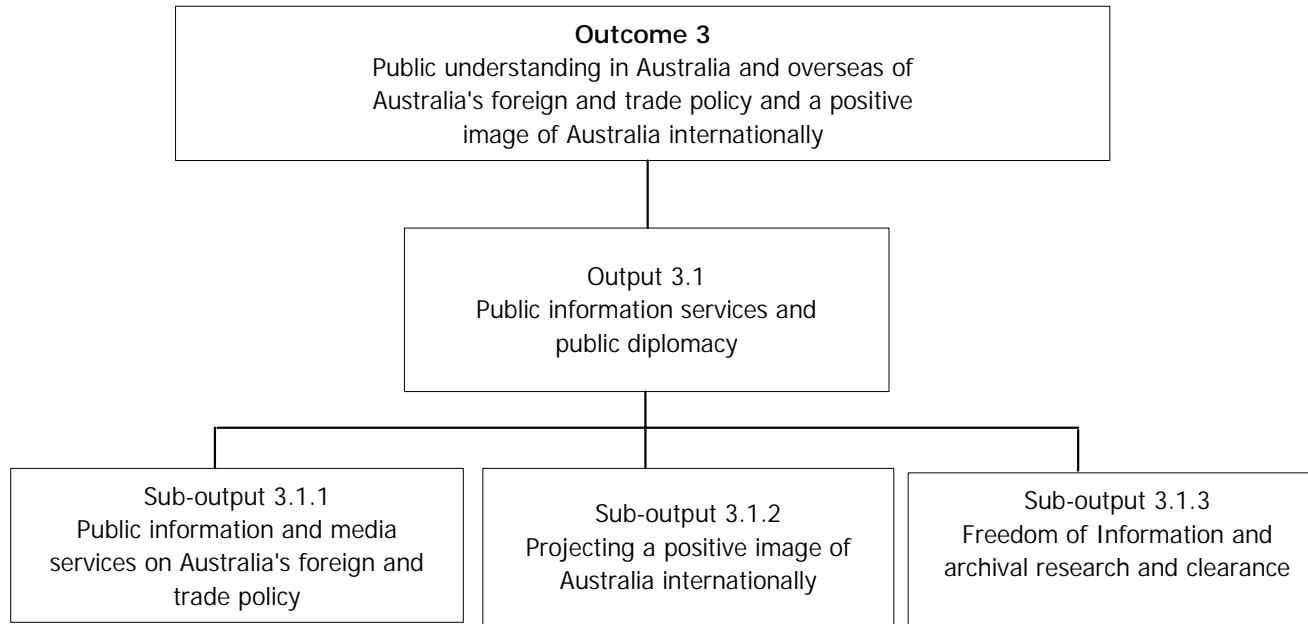
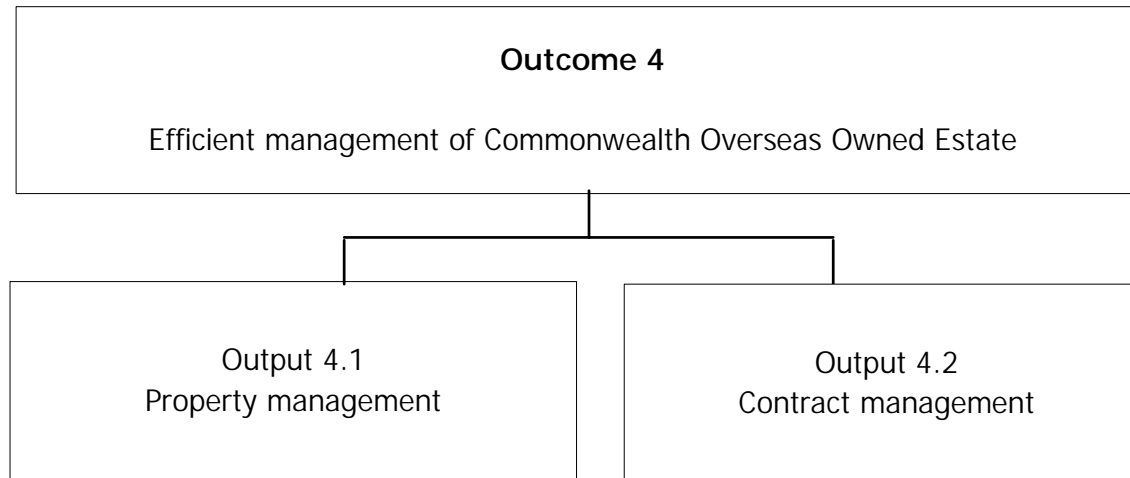


Chart 4.3: Outcome 3 — contributing outputs



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Chart 4.4: Outcome 4 — contributing outputs

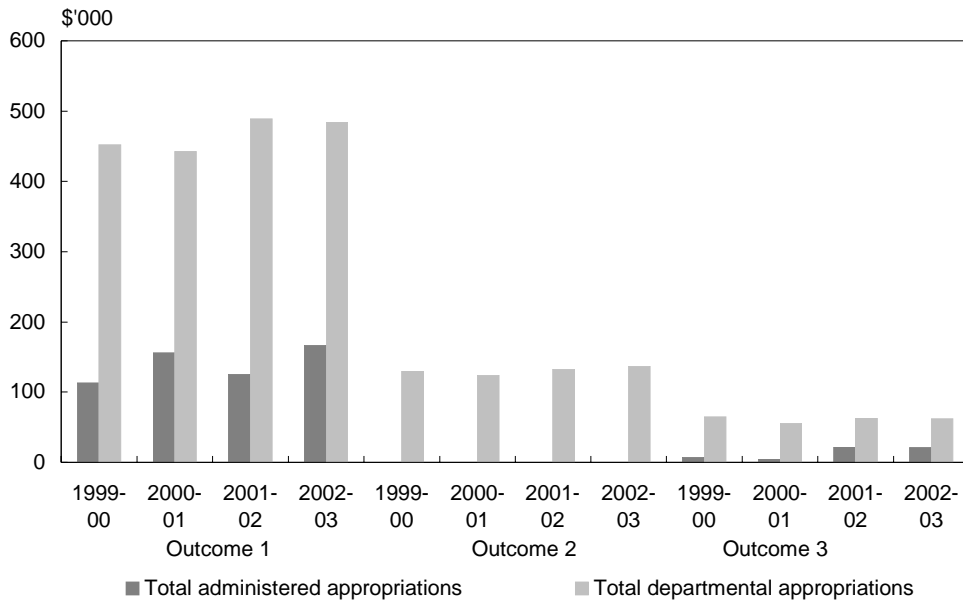


CHANGES TO OUTCOMES AND OUTPUTS

Since the publication of the Portfolio Budget Statements (PBS) 2001-02, the overseas property component of the former Property Group in the Department of Finance and Administration has been transferred to DFAT in accordance with Administrative Arrangement Orders issued on 26 November 2001. This transfer has led to the establishment of the Overseas Property Office in DFAT. A new outcome (Outcome 4) has been created in DFAT's outcomes and outputs framework reflecting the fact that the Overseas Property Office operations are discrete and financially separate from work in support of DFAT's other outcomes.

TRENDS IN RESOURCING ACROSS OUTCOMES

Chart 5: Trends in appropriations for Outcomes 1-3 ('000)



OUTCOME 1 — DESCRIPTION

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

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

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

In 2002-03, the Department will continue to pursue bilateral, regional and multilateral initiatives to promote Australia’s interests.

Output 1.2: Secure government communications and security of overseas missions

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

In 2001-02 the Department commenced an upgrade of the whole-of-government secure communications network. DFAT will provide \$54.0 million from its existing budget from 2001-02 to 2004-05 towards this initiative.

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

The Department provides international services to State and Federal parliamentarians with respect to their visits overseas and those of their overseas counterparts to Australia. Services to attached agencies overseas are provided under a Service Level Agreement (SLA). Business, other community groups and state and federal government agencies are supported through the provision of information about Australia’s international interests and obligations and through representations to foreign governments.

Output 1.4: Services to diplomatic and consular representatives in Australia

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

Measures affecting Outcome 1¹

CONTINUATION OF AUSTRALIA'S TEMPORARY PRESENCE IN NAURU

Budget Measure Purpose: The Government will fund the continuation of a temporary Consulate in Nauru in 2002-03.

Impact of Measure: The Government will continue to operate a temporary Consulate in Nauru to provide ongoing support for Australia's diplomatic presence in 2002-03. This is in line with the commitment made in the Memorandum of Understanding signed with Nauru.

The temporary representative office will contribute to the management of unauthorised arrivals.

Financial Impact: Outcome 1 will receive \$2.1 million in 2002-03 under Appropriation Bill No 1.

AMBASSADOR FOR PEOPLE SMUGGLING ISSUES

Budget Measure Purpose: The Government will fund from existing resources an Ambassador for People Smuggling Issues.

Impact of Measure: The Government has established an Ambassador for People Smuggling Issues at a cost of \$0.5 million per annum. The Ambassador is responsible for promoting a coherent and effective international response for combating people smuggling, particularly in our region, and will assist as appropriate in the high level negotiation of return, readmission and resettlement arrangements for unauthorised arrivals.

This measure is being fully absorbed within the existing resourcing of the Department of Foreign Affairs and Trade

Financial Impact: Outcome 1 will not receive any additional funding for this new measure.

¹ This relates to measures disclosed in the 2002-03 budget context (that is, measures agreed since the *Mid Year Economic and Fiscal Outlook* (MYEFO)).

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, which details Appropriations and other revenue.

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-2003 \$'000
Administered appropriations		
Contributions to International Organisations	106,610	146,290
Export Finance and Insurance Corporation - payments in respect of national interest business	15,500	17,100
Compensation for detriment caused by defective administration	54	54
Payment of rates on behalf of foreign government missions	250	250
Payment of pensions under the North American Pension Scheme established for locally engaged staff	2,756	2,857
Total administered appropriations	125,170	166,551
		(I1)
Departmental appropriations		
Output 1.1		
Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity	304,376	301,315
Output 1.2		
Secure government communications and security of overseas missions	103,306	101,909
Output 1.3		
Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)	77,787	77,104
Output 1.4		
Services to diplomatic and consular representatives in Australia	3,626	3,546
Total revenue from government (appropriations)	489,095	483,874
Contributing to price of departmental outputs	90%	94%
		(C1)
Revenue from other sources	51,594	29,801
Total revenue from other sources	51,594	29,801
Total price from departmental outputs (Total revenue from Government and from other sources)	540,689	513,675
		(E1)
Total estimated resourcing for outcome 1 (Total price of outputs and admin expenses)	665,859	680,226
	2001-02	2002-2003
Average staffing level (number)	2351	2317

OUTCOME 1 - CONTRIBUTION OF OUTPUTS

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1: Performance information for Outcome 1

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

Table 2.2.1: Performance information for Outcome 1 (continued)

Performance information for departmental outputs	
Output 1.1: Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity	
Quality	<p>Satisfaction of portfolio ministers with the Department's policy advice, analysis, speeches and briefings, including the Department's contribution to the development of policies of other Commonwealth agencies which have an international dimension.</p> <p>Satisfaction of portfolio ministers with the protection and advancement of Australia's international interests, including the conduct and timeliness of bilateral and multilateral negotiations, effective advocacy and representations, post reporting and the organisation of official programs.</p> <p>Strong capacity to assess, analyse and advise on responses to international developments.</p>
Quantity	<p>Scope and composition of the DFAT-managed diplomatic network.</p> <p>Number of units of policy advice delivered, including ministerial and cabinet submissions, ministerial correspondence, and speeches and briefings including parliamentary briefings.</p> <p>Number of consultations conducted with other Commonwealth agencies, state and territory governments, business and non-government organisations in the context of the Department's development of foreign and trade policy advice.</p> <p>Number of representations made to other governments and international organisations in support of Australia's international interests.</p> <p>Number of international meetings or negotiations attended, including on behalf of other Commonwealth agencies.</p> <p>Number of official programs prepared for DFAT ministers and senior officials.</p> <p>Number of official programs prepared for the Prime Minister, other Commonwealth ministers and senior officials.</p> <p>Number of reporting cables produced by our overseas missions.</p> <p>Number of occasions on which the Department has contributed to the development of policies by other Commonwealth agencies.</p> <p>Number of Foreign Affairs Council and Trade Policy Advisory Council meetings organised.</p>
Price	\$305.653 million

Table 2.2.1: Performance information for Outcome 1 (continued)

Output 1.2: Secure government communications and security of overseas missions	
Quality	<p>Client satisfaction with the secure communications network and secure telecommunication infrastructure.</p> <p>Availability to clients, and reliability, of communications through the secure network (including cable delivery).</p> <p>Client satisfaction with the level of physical security at overseas chanceries and residences, including responsiveness to unexpected events.</p>
Quantity	<p>Number of posts and Commonwealth entities with access to the secure communications network and secure telecommunications infrastructure.</p> <p>Number of clients serviced, types of services provided and volume of traffic handled.</p> <p>Number of overseas missions for which security services are provided, including security review services.</p> <p>Number of security clearances and reviews processed.</p>
Price	\$103.377 million
Output 1.3: Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)	
Quality	Client satisfaction with briefing, administrative, visit facilitation, communications and other services provided.
Quantity	<p>Scope and composition of administrative services provided to other agencies overseas.</p> <p>Number of official programs organised for members of the Commonwealth Parliament (excluding the Prime Minister or ministers) and parliamentary delegations.</p> <p>Number of services provided to parliamentary committees.</p> <p>Number of overseas visits by representatives of state or territory governments, and by state and territory parliamentarians, supported by the Department.</p> <p>Number of Australian companies supported by the Department with advice on market conditions, access to government and private sector contacts, and through representations directly connected with their particular interests.</p>
Price	\$101.047 million
Output 1.4: Services to diplomatic and consular representatives in Australia	
Quality	Client satisfaction with the provision of services to diplomatic and consular representatives.
Quantity	<p>Number of diplomatic and consular representatives for whom the Department provides services.</p> <p>Number and category of services provided.</p>
Price	\$3.597million

Table 2.2.1: Performance information for Outcome 1 (continued)

Performance Information for Administered Items	
Contributions to international organisations	
Quality	Efficiency and timeliness of administration of contributions paid in accordance with the requirements of relevant organisations.
Quantity	Number of international organisations to which Australia contributes.
Price	\$146.290 million
Export Finance and Insurance Corporation National Interest Account	
Quality	National interest payments and receipts managed in accordance with the national interest provisions of the <i>Export Finance and Insurance Corporation Act</i> .
Quantity	Value of exports supported on EFIC's National Interest Account; value of claims paid on National Interest Account business.
Price	\$17.100 million
Compensation for detriment caused by defective administration	
Quality	Efficiency and timeliness of case management, where necessary.
Quantity	Where necessary, number of cases successfully managed.
Price	\$0.054 million

EVALUATIONS

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

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

Competitive Tendering and Contracting

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

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

OUTCOME 2 — DESCRIPTION

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

Output 2.1: Consular and passport services

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

In 2002-03 the Department will continue to enhance its consular services through an upgraded consular travel advice system and the use of improved technology. The Department will enhance its consular information programme through improvements to its website, expansion of the range and distribution of its publications, and cooperation with the travel industry and media.

Work is under way for the introduction of on-line passport services and the next series Australian passport. Research will be undertaken to develop a suitable passport biometric that will be used to strengthen identity verification processes, improve the integrity of the passport and reduce risk of fraud.

Measures affecting Outcome 2

NEW SENIOR AUSTRALIAN PASSPORT

Budget Measure Purpose: The Government will offer a new senior passport to Australians aged 75 and over, for half the adult fee, from 1 July 2002.

Impact of Measure: From 1 July 2002, the Government will offer a new senior passport to Australians aged 75 years and over, for half the adult passport fee. The new senior passport will be valid for 5 years and the price will be \$72 in 2002-03 instead of the full fee for a 10 year passport of \$144.

See also the related revenue measure titled *Increase in the price of the Australian passport* in the Foreign Affairs and Trade portfolio.

Financial Impact: The Government will forego revenue of \$1.5 million per annum from 2002-03 to 2006-07. The revenue foregone will be offset against the additional revenue collected through increasing the price of the Australian passport.

RESEARCH AND DEVELOPMENT OF A BIOMETRIC IDENTIFIER FOR THE AUSTRALIAN PASSPORT

Budget Measure Purpose: The Government will fund research into a biometric identifier for the new Australian passport to strengthen identity verification processes and reduce the risk of fraud.

Impact of Measure: The Government will provide funding of \$3 million for research into a biometric identifier for the Australian passport. The introduction of a biometric identifier has the capacity to strengthen border protection through more robust identity verification processes and to reduce the risk of fraud.

See also the related revenue measure titled *Increase in the price of the Australian passport* in the Foreign Affairs and Trade portfolio.

Financial Impact: Outcome 2 will receive up to \$3.0 million in 2002-03 under Appropriation Bill No 1.

INCREASE IN THE PRICE OF THE AUSTRALIAN PASSPORT

Budget Measure Purpose: Additional revenue generated from an increase in the price of passports will fund a new senior passport, research into the feasibility of a biometric identifier for the Australian passport and other increases in passport production costs.

Impact of Measure: From 1 July 2002, the Government will increase the price of the Australian passport by \$5 in addition to the usual annual CPI increase. This will result in the price of an adult passport rising from \$136 to \$144 in 2002-03. The additional revenue will be directed to reducing costs for seniors with the introduction of a new senior passport, research into the feasibility of a biometric identifier for the Australian passport and other increases in passport production costs.

See also the related revenue measure titled *New senior Australian passport* and the related expense measure titled *Research and development of a biometric identifier for the Australian passport* in the Foreign Affairs and Trade portfolio.

Financial Impact: The Government will receive additional revenue of \$4.5 million in 2002-03; \$4.3 million in 2003-04; \$4.3 million in 2004-05; and \$4.3 million in 2006-07.

OUTCOME 2 — RESOURCING

Table 2.1.2 shows how the 2002-03 appropriations translate to total resourcing for outcome 2, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell references **C1**, **E1** and **I1** show the links back to Table 1.1, which details Appropriations and other revenue.

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

	Estimated actual	Budget estimate
	2001-02	2002-03
	\$'000	\$'000
Administered appropriations		
Emergency advances to Australian travellers	200	200
Total administered appropriations	200	200
Departmental appropriations		(12)
Output 2.1 Consular and passport services		
Sub-output 2.1.1 Consular services	42,076	41,599
Sub-output 2.1.2 Passport services	90,512	94,826
Subtotal Output 2.1	132,588	136,425
Total revenue from government (appropriations)	132,588	136,425
Contributing to price of departmental outputs	97.63%	95.32%
		(C2)
Revenue from other sources	3,223	6,699
Total revenue from other sources	3,223	6,699
Total price from departmental outputs	135,811	143,124
(Total revenue from Government and from other sources)		(E2)
Total estimated resourcing for outcome 2 (Total price of outputs and admin expenses)	136,011	143,324
	2001-02	2002-03
Average staffing level (number)	637	625

OUTCOME 2 – CONTRIBUTION OF OUTPUTS

PERFORMANCE INFORMATION FOR OUTCOME 2

Table 2.2.2: Performance information for Outcome 2

Effectiveness - Overall achievement of the outcome	
Delivery of comprehensive, responsive, high-quality consular and passport services.	
Effectiveness of activities to improve awareness among Australian travellers of potential trouble spots and an understanding of the extent of assistance that the Australian Government can provide.	
Responsiveness to international crises or natural disasters to help Australians affected by them.	
Performance Information for Departmental Outputs	
Output 2.1: Consular and passport services	
Consular services	
Quality	Satisfaction of the public and travel industry with consular services. Extent to which highly developed crisis management procedures are in place and tested. Client satisfaction with the suitability and effectiveness of contingency plans at overseas missions. Response time to consular issues.
Quantity	Number of Australians assisted overseas, including the number of public enquiries handled, notarial acts performed and travel advisories issued. Number of unexpected events or crises handled by the Department, number of associated Departmental Emergency Task Force/Inter-Departmental Emergency Task Force meetings held, and the duration of Crisis Centre operations.
Passport services	
Quality	Satisfaction of the public and travel industry with passport services. Turn-around time for passport issue, including urgent issues.
Quantity	Number of passport enquiries handled by the Australian Passport Information Service. Number of travel documents issued, including urgent issues.
Price	\$143.124 million
Performance Information for Administered Items	
Traveller's Emergency Loans	
Quality	Travellers' Emergency Loans granted to Australian travellers in accordance with the guidelines laid down in the Consular Instructions.
Quantity	Number of Australian travellers assisted by receipt of emergency loans. Success of debt recovery activities.
Price	\$0.200 million

EVALUATIONS

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

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

Competitive Tendering and Contracting

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

See also Competitive Tendering and Contracting under Outcome 1, p 41.

OUTCOME 3 — DESCRIPTION

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

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

In 2002-03 priority areas of the Government’s public diplomacy will be promoting greater awareness of portfolio issues, including the importance to Australia of trade and open markets and conveying an accurate and contemporary image of the Australia, its economy and its people. The Department will build on our current positive image to promote greater awareness of Australia - in particular its economic strength, its capacity for innovation, its social diversity and its artistic and cultural assets - and to advance portfolio interests.

OUTCOME 3 — RESOURCING

Table 2.1.3 shows how the 2002-03 appropriations translate to total resourcing for outcome 3, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell references **C1**, **E1** and **I1** show the links back to Table 1.1, which details Appropriations and other revenue.

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

	Estimated actual 2001-2002 \$'000	Budget estimate 2002-2003 \$'000
Administered appropriations		
Grants and contributions	3,541	3,541
ABC Asia Pacific television service	18,510	17,489
Total administered appropriations	22,051	21,030
Departmental appropriations		(13)
Output 3.1		
Public information services and public diplomacy	62,462	61,696
	62,462	61,696
Total revenue from government (appropriations)	62,462	61,696
Contributing to price of departmental outputs	96.24%	95.77%
		(C3)
Revenue from other sources	3,403	3,174
Total revenue from other sources	3,403	3,174
Total price from departmental outputs (Total revenue from Government and from other sources)	65,865	64,870 (E3)
Total estimated resourcing for outcome 3 (Total price of outputs and admin expenses)	87,916	85,900
	2001-02	2002-03
Average staffing level (number)	300	295

OUTCOME 3 – CONTRIBUTION OF OUTPUTS

PERFORMANCE INFORMATION FOR OUTCOME 3

Table 2.2.3: Performance information for Outcome 3

Effectiveness - Overall achievement of the outcome	
Australians provided with comprehensive, relevant, up-to-date information on Australia's foreign and trade policy.	
Effective promotion of accurate and positive perceptions of Australia overseas.	
Performance Information for Departmental Outputs	
Output 3.1: Public information services and public diplomacy	
Quality	<p>Satisfaction, particularly of Ministers, with the provision and impact of public diplomacy and information activities in Australia and the degree to which a positive image of Australia is projected internationally and Australia's profile raised.</p> <p>Timeliness and relevance of cultural and media activities and publications.</p> <p>Number of departmentally processed Freedom of Information and Archives requests not subject to requests for review and appeal.</p>
Quantity	<p>Number of Australian performing groups, artists, exhibitors and other cultural visitors supported.</p> <p>Number of public briefings given by DFAT staff in Australia and overseas.</p> <p>Number of other public diplomacy/cultural activities organised.</p> <p>Number of media-related enquiries handled by the media liaison section.</p> <p>Number of visits organised under the International Media and Special Visits Programs and the Cultural Award Scheme.</p> <p>Number of publications produced and number of copies distributed.</p> <p>Number of statistical services provided to external clients.</p> <p>Number of treaties maintained on, and added to, the international treaties database.</p> <p>Number of Freedom of Information requests processed.</p> <p>Number of records assessed for international relations sensitivities before release under the <i>Archives Act 1983</i> and number of completed requests for archival information.</p>
Price	\$64.870 million

Table 2.2.3: Performance information for Outcome 1 (continued)

Performance Information for Administered Items	
Grants	
Quality	Grants administered in accordance with Commonwealth guidelines on the administration of the Discretionary Grants Programme.
Quantity	Number of grants.
Price	\$3.541 million
ABC Asia-Pacific television service	
Quality	ABC Asia-Pacific television service to meet its contractual obligations with the Department in regard to the quality, coverage, and management of the new television service.
Quantity	ABCAP's performance measured by the tests and assessments prescribed in the DFAT-ABCAP contract.
Price	\$17.489 million

EVALUATIONS

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

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

Competitive Tendering and Contracting

See also Competitive Tendering and Contracting under Outcome 1, p 41.

OUTCOME 4 — DESCRIPTION

Outcome 4 – Efficient management of Commonwealth Overseas Owned Estate

The Overseas Property Office manages the Commonwealth's owned overseas property portfolio on a commercial basis. The portfolio comprises 141 properties in 49 countries with an approximate value of \$1.4 billion.

The Government will construct new facilities for Australia's representation in Colombo, Sri Lanka and New Delhi, India. Current facilities are old and in need of refurbishment to allow appropriate representation.

The facilities will be funded from reserves held by the Department of Foreign Affairs and Trade. The costs of the new facilities will be recovered over time through rents charged to occupying agencies.

OUTCOME 4 — RESOURCING

Table 2.1.4 shows how the 2002-03 revenue from other sources translate to total resourcing for outcome 4 and the total price of outputs. Cell references **C1**, **E1** and **I1** show the links back to Table 1.1, which details Appropriations and other revenue.

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Table 2.1.4: Total resources for Outcome 4 (\$'000)

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000
Departmental appropriations		
Output 4.1 - Property Management	0	0
Output 4.2 - Contract Management	0	0
Total revenue from government (appropriations)	0	0
Contributing to price of departmental outputs	0%	0%
Revenue from other sources		
Revenues from external entities	26,316	47,078
Revenues from related entities	57,906	102,361
Interest	3,052	5,686
Total revenue from other sources	87,274	155,125
Total price from departmental outputs (Total revenue from government and from other sources)	87,274	155,125
Total estimated resourcing for Outcome 4 (Total price of outputs and administered appropriations)	87,274	155,125
	2001-02	2002-03
Average staffing level (number)	6	12

(1) n/a

(2) Outcome 4 outputs are contained in the Overseas Property Office Special Account.

OUTCOME 4 — CONTRIBUTION OF OUTPUTS

In delivering this output, the Overseas Property Office is required to achieve a commercial rate of return on the portfolio and contain its management costs within market benchmarks. The Group pays dividends from operations and makes equity repayments to the Commonwealth from the divestment of property. It is required to maintain the condition of the portfolio to industry standards and meet the future needs of tenant agencies as agreed by Government.

PERFORMANCE INFORMATION FOR OUTCOME 4

Table 2.2.4: Performance information for Outcome 4

Effectiveness - Overall achievement of the Outcome -	
Management of the owned overseas property estate meets the Government's property needs, and achieves the agreed dividend and return on investment in accordance with the Commonwealth's overseas property principles	
<ul style="list-style-type: none"> • Australian Government representatives overseas provided with appropriate accommodation, including through effective management of the PwC Strategic Alliance contract • Efficient financial and physical management of assets 	
Performance information for departmental outputs	
Output 4.1 — Property Management	
Quality	Portfolio condition to be maintained to industry standards.
Quantity	Tenant satisfaction to be reviewed by annual survey. Return on investment to be compared with external industry benchmarks and the agreed annual requirement as determined each year. Pay agreed annual dividends to Government. Return equity (for 2002-03) of \$15 million from proceeds of divestment programme.
Price	\$155.125 million *
Output 4.2 — Contract Management	
Quality	Efficient and effective management of construction projects for new capital works. Ensuring measurement of contractual outcomes required of PwC.
Quantity	Tenant satisfaction with PwC contract delivery. Number of project contracts managed. Number of calls answered by PwC call centre and agreed response times for successful service delivery achieved.
Price	Nil

* Price of outputs shown under this outcome includes an amount of \$102.361m for inter-entity transactions, being rent paid by DFAT to the Overseas Property Office for services provided to DFAT's overseas diplomatic network. This amount is eliminated in calculating the overall price of DFAT's outputs.

EVALUATIONS

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

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

Competitive tendering and contracting

Management of the Commonwealth's non-Defence property portfolio, including the overseas owned estate, has been previously contracted by the Department of Finance and Administration to PricewaterhouseCoopers Process Solutions Pty Ltd (PwC). The Overseas Property Office (OPO) has established a direct legal relationship with PwC pursuant to the pre-existing contract.

The OPO makes extensive use of contracted service providers, selected through competitive tendering in areas such as:

- Construction;
- Project management;
- Property disposal; and
- Audit services.

See also Competitive Tendering and Contracting under Outcome 1, p 41.

Section 3: Budgeted financial statements

The Budgeted Financial Statements for the Department of Foreign Affairs and Trade (DFAT) presented in this section, will form the basis of the financial statements that will appear in the Department's 2001-2002 Annual Report and the basis for the input into the Whole-of-Government accounts.

DEPARTMENTAL STATEMENTS

Budgeted Departmental Statement of Financial Performance

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

Budgeted Departmental Statement of Financial Position

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

Budgeted Departmental Statement of Cash Flows

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

Departmental Capital Budget Statement

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

Departmental Non-financial Assets – Summary of Movement

Shows budgeted acquisitions and disposals of non-financial assets during the budget year. Note: This table is new.

Note to the Estimated Actual Column of the Departmental Statement of Financial Performance

Table not required as per Budget advice.

ADMINISTERED NOTES

Details of transactions administered by the agency on behalf of the Commonwealth are to be 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 — DFAT

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
Revenues from ordinary activities					
Revenues from government	684,145	681,995	689,848	689,290	685,864
Sales of goods and services	66,298	84,560	96,183	97,909	98,890
Interest	4,933	7,567	8,040	8,988	10,147
Dividends	0	0	0	0	0
Proceeds from sales of assets	22,324	0	0	0	0
Net foreign exchange gains	0	0	0	0	0
Other	26,693	311	216	216	217
Total revenues from ordinary activities	804,393	774,433	794,287	796,403	795,118
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	310,996	302,032	296,352	295,995	327,184
Suppliers	326,279	292,812	300,499	298,032	262,659
Grants	0	0	0	0	0
Depreciation and amortisation	47,914	61,242	62,917	65,598	65,598
Write-down of assets	0	0	0	0	0
Value of assets sold	22,324	0	0	0	0
Net foreign exchange losses	0	0	0	0	0
Other	20	626	20	20	20
Total expenses from ordinary activities (excluding borrowing costs expense)	707,533	656,712	659,788	659,645	655,461
Borrowing costs expense	400	400	400	400	400
Net surplus or deficit from ordinary activities	96,460	117,321	134,099	136,358	139,257
Gain or loss on extraordinary items	0	0	0	0	0
Net surplus or deficit	96,460	117,321	134,099	136,358	139,257
Capital use charge	15,864	17,519	18,166	18,164	18,164
Dividend Paid	51,359	93,158	99,054	102,542	94,720
Net surplus or deficit after capital use charge	29,237	6,644	16,879	15,652	26,373

Part C: Agency Budget Statements — DFAT

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
ASSETS					
Financial assets					
Cash	53,411	73,895	109,393	154,592	214,541
Receivables	20,216	19,478	19,636	19,636	19,636
Investments	0	0	0	0	0
Accrued revenues	0	0	0	0	0
Other	0	0	0	0	0
Total financial assets	73,627	93,373	129,029	174,228	234,177
Non-financial assets					
Land and buildings	1,584,802	1,577,359	1,568,452	1,547,567	1,523,153
Infrastructure, plant and equipment	86,904	96,774	93,273	84,853	75,933
Inventories	4,098	4,098	4,098	4,098	4,098
Intangibles	10,661	12,569	12,213	12,011	11,809
Other	55,651	55,651	55,651	55,651	55,651
Total non-financial assets	1,742,116	1,746,451	1,733,687	1,704,180	1,670,644
Total assets	1,815,743	1,839,824	1,862,716	1,878,408	1,904,821
LIABILITIES					
Debt					
Loans	0	0	0	0	0
Leases	2,530	2,530	2,530	2,530	2,530
Deposits	0	0	0	0	0
Overdrafts	0	0	0	0	0
Other	266	266	266	266	266
Total debt	2,796	2,796	2,796	2,796	2,796
Provisions and payables					
Employees	92,749	95,491	95,637	95,677	95,717
Suppliers	29,441	29,986	29,986	29,986	29,986
Grants	0	0	0	0	0
Other	3,189	3,189	3,189	3,189	3,189
Total provisions and payables	125,379	128,666	128,812	128,852	128,892
Total liabilities	128,175	131,462	131,608	131,648	131,688
EQUITY					
Capital	1,180,870	1,195,019	1,200,886	1,200,886	1,200,886
Reserves	438,631	438,631	438,631	438,631	438,631
Accumulated surpluses or deficits	68,067	74,712	91,591	107,243	133,616
Total equity	1,687,568	1,708,362	1,731,108	1,746,760	1,773,133
Current liabilities	75,420	76,762	76,894	76,909	76,925
Non-current liabilities	52,755	54,700	54,714	54,739	54,763
Current assets	133,376	153,122	188,780	233,979	243,078
Non-current assets	1,682,367	1,686,702	1,673,936	1,644,429	1,661,743

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	683,245	682,895	689,848	689,290	685,864
Sales of goods and services	50,259	84,725	96,349	98,075	99,056
Interest	4,933	7,567	8,040	8,988	10,147
Other	11,864	12,017	11,930	12,088	12,089
Total cash received	750,301	787,204	806,167	808,441	807,156
Cash used					
Employees	308,566	299,288	296,151	295,926	295,238
Suppliers	385,013	305,587	313,278	310,779	307,283
Grants	0	0	0	0	0
Interest	-280	-280	-280	-280	-280
Other	20	20	20	20	20
Total cash used	693,319	604,615	609,169	606,445	602,261
Net cash from operating activities	56,982	182,589	196,998	201,996	204,895
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	24,424	2,361	2,361	2,361	2,361
Repayments of loans made	0	0	0	0	0
Other	102,513	0	0	0	0
Total cash received	126,937	2,361	2,361	2,361	2,361
Cash used					
Purchase of property, plant and equipment	70,586	67,938	52,514	38,452	34,423
Loans made	0	0	0	0	0
Other	22,324	0	0	0	0
Total cash used	92,910	67,938	52,514	38,452	34,423
Net cash from investing activities	34,027	(65,577)	(50,153)	(36,091)	(32,062)
FINANCING ACTIVITIES					
Cash received					
Proceeds from issuing equity instruments	0	0	0	0	0
Proceeds from debt	0	0	0	0	0
Other	16,034	14,149	5,867	0	0
Total cash received	16,034	14,149	5,867	0	0
Cash used					
Repayments of debt	0	0	0	0	0
Capital use and dividends paid	67,223	110,677	117,214	120,706	112,884
Other	0	0	0	0	0
Total cash used	67,223	110,677	117,214	120,706	112,884
Net cash from financing activities	(51,189)	(96,528)	(111,347)	(120,706)	(112,884)

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
Net increase (decrease) in cash held	39,820	20,484	35,498	45,199	59,949
Cash at the beginning of the reporting period	13,591	53,411	73,895	109,393	154,592
Cash at the end of the reporting period	53,411	73,895	109,393	154,592	214,541

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections ¹	16,034	14,149	5,867	0	0
Total loans ¹	0	0	0	0	0
Represented by					
Purchase of non-current assets	16,034	14,149	5,867	0	0
Other	0	0	0	0	0
Total	16,034	14,149	5,867	0	0
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	16,034	14,149	5,867	0	0
Funded internally by Departmental resources	54,552	53,789	46,647	38,452	34,423

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

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

	Land	Buildings	Total land and buidings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	150	1,584,652	1,584,802	0	86,904	86,904	10,661	1,682,367
Additions	0	26,810	26,810	0	36,929	36,929	4,199	67,938
Disposals	0	0	0	0	2,361	2,361	0	2,361
Revaluation increments	0	0	0	0	0	0	0	0
Recoverable amount write-downs	0	0	0	0	0	0	0	0
Net transfers free of charge	0	0	0	0	0	0	0	0
Depreciation/amortisation expense	0	34,253	34,253	0	24,698	24,698	2,291	61,242
Write-off of assets	0	0	0	0	0	0	0	0
Carrying amount at the end of year	150	1,577,209	1,577,359	0	96,774	96,774	12,569	1,686,702
Total additions								
Self funded	0	26,810	26,810	0	26,979	26,979	0	53,789
Appropriations	0	0	0	0	9,950	9,950	4,199	14,149
Total	0	26,810	26,810	0	36,929	36,929	4,199	67,938

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 actual 2001-02 \$'000	Budget estimates 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
REVENUES					
Taxation					
Income tax	0	0	0	0	0
Indirect tax	0	0	0	0	0
Other taxes, fees and fines	0	0	0	0	0
Total taxation	0	0	0	0	0
Non-taxation					
Interest	19,182	19,182	19,182	19,182	19,182
Dividends	10,500	11,500	11,500	11,500	11,500
Proceeds from sale of assets	0	0	0	0	0
Net foreign exchange gains	0	0	0	0	0
Other sources of non-taxation revenues	311,418	350,565	350,126	352,979	353,399
Total non-taxation	341,100	381,247	380,808	383,661	384,081
Total revenues administered on behalf of the Government	341,100	381,247	380,808	383,661	384,081
EXPENSES					
Grants	123,648	164,507	165,580	165,993	166,413
Subsidies	0	0	0	0	0
Personal benefits	0	0	0	0	0
Suppliers	0	0	0	0	0
Depreciation and amortisation	0	0	0	0	0
Value of assets sold	0	0	0	0	0
Net foreign exchange issues	0	0	0	0	0
Interest	26,498	24,167	23,767	23,767	23,767
Other	37,543	3,107	3,122	3,340	3,340
Total expenses administered on behalf of the Government	187,689	191,781	192,469	193,100	193,520
Extraordinary items	0	0	0	0	0

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
ASSETS					
Financial assets					
Cash	6,565	6,565	6,565	6,565	6,565
Receivables	951,965	951,990	952,015	952,040	952,065
Investments	323,240	323,240	323,240	323,240	323,240
Accrued revenues	594	594	594	594	594
Other	0	0	0	0	0
Total financial assets	1,282,364	1,282,389	1,282,414	1,282,439	1,282,464
Non-financial assets					
Land and buildings	0	0	0	0	0
Infrastructure, plant and equipment	0	0	0	0	0
Other	7,518	7,518	7,518	7,518	7,518
Total non-financial assets	7,518	7,518	7,518	7,518	7,518
Total assets administered on behalf of the Government	1,289,882	1,289,907	1,289,932	1,289,957	1,289,982
LIABILITIES					
Interest bearing liabilities					
Loans	0	0	0	0	0
Leases	0	0	0	0	0
Deposits	0	0	0	0	0
Overdrafts	0	0	0	0	0
Other	156,249	151,274	146,299	141,324	136,349
Total interest bearing liabilities	156,249	151,274	146,299	141,324	136,349
Provisions and payables					
Employees	0	0	0	0	0
Suppliers	0	0	0	0	0
Grants	0	0	0	0	0
Other	55,364	55,364	55,364	55,364	55,364
Total provisions and payables	55,364	55,364	55,364	55,364	55,364
Total liabilities administered on behalf of the Government	211,613	206,638	201,663	196,688	191,713
Current liabilities	24,245	23,675	23,105	22,535	21,965
Non-current liabilities	187,368	182,963	178,558	174,153	169,748
Current assets	22,369	22,369	22,370	22,370	22,371
Non-current assets	1,267,513	1,267,538	1,267,562	1,267,587	1,267,611

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	147,421	187,781	188,469	189,100	189,520
Sales of goods and services	129,146	129,155	127,928	130,150	130,150
Interest	19,182	19,182	19,182	19,182	19,182
Dividends	10,500	11,500	11,500	11,500	11,500
Other	25,212	24,002	24,102	23,738	23,738
Total cash received	331,461	371,620	371,181	373,670	374,090
Cash used					
Subsidies	0	0	0	0	0
Personal benefits	0	0	0	0	0
Suppliers	1,534	1,524	1,524	1,160	1,160
Grants	123,648	164,507	165,580	165,993	166,413
Interest	0	0	0	0	0
Cash to Official Public Account	182,857	184,466	183,339	185,561	185,561
Other	23,422	21,123	20,738	20,956	20,956
Total cash used	331,461	371,620	371,181	373,670	374,090
Net cash from operating activities	0	0	0	0	0
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	0	0	0	0	0
Cash from Official Public Account	0	0	0	0	0
Other	0	0	0	0	0
Total cash received	0	0	0	0	0
Cash used					
Purchase of property, plant and equipment	0	0	0	0	0
Cash to Official Public Account	0	0	0	0	0
Other	0	0	0	0	0
Total cash used	0	0	0	0	0
Net cash from investing activities	0	0	0	0	0

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	0	0	0	0	0
Cash from Official Public Account	0	0	0	0	0
Other	0	0	0	0	0
Total cash received	0	0	0	0	0
Cash used					
Repayments of debt	0	0	0	0	0
Cash to Official Public Account	0	0	0	0	0
Other	0	0	0	0	0
Total cash used	0	0	0	0	0
Net cash from financing activities	0	0	0	0	0
Net increase (decrease) in cash held					
Cash at beginning of reporting period	6,565	6,565	6,565	6,565	6,565
Administered cash at end of reporting period	6,565	6,565	6,565	6,565	6,565

Table 3.10: Note of Administered Capital Budget

Not applicable for DFAT.

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

Not applicable for DFAT.

NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Notes to 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.

Administered Expenses

In the Note of Budgeted Revenues and Expenses Administered on behalf of Government for the 2002-03 year, Administered expenses are greater than Administered Appropriations by the amount of \$4.0 million of expenses (administration fee) due to the Export Finance and Insurance Corporation (EFIC) which, instead of being paid for through an appropriation, is offset against revenue due to the Commonwealth from EFIC.

Section 4: Purchaser/Provider

CROSS - AGENCY OVERVIEW

The Department of Foreign Affairs and Trade has a cross-agency arrangement, the Service Level Agreement (SLA), under which it provides common administrative services to Australian Government agencies overseas, except Austrade, for which services are provided under a bilateral Memorandum of Understanding. For reference, in 2001-02, the Department provided services under the SLA and MOU to:

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

The Department of Immigration and Multicultural Affairs and Indigenous Affairs, the Department of Defence and the Australian Agency for International Development are the main purchasers of services under the SLA.

The Department also has purchaser/provider arrangements with Australian Government agencies that require international telecommunications services for staff

at Australia's overseas missions. The Department provides international telecommunications services to the following agencies:

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

RESOURCING

Resourcing information for the provision of these services can be found under Output 1.3 'Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)' in Table 2.1.1 (Total Resources for Outcome 1) on page 36.

PERFORMANCE AGAINST OUTCOMES AND OUTPUTS

Performance information for the provision of these services can be found under Output 1.3 'Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)' in Table 2.2.1 (Performance Information for Outcome 1) on page 37.

APPENDIX 1: RECEIPTS FROM INDEPENDENT SOURCES

Departmental and administered receipts from independent sources

	Estimated revenue 2001-02 \$'000	Estimated revenue 2002-03 \$'000
Administered Revenue		
Passport fees	129,146	129,155
Interest and dividends	29,682	30,682
Other	34,851	33,629
Total administered estimated revenue from independent sources	193,679	193,466
Departmental Revenue		
Section 31 of FMA Act 1997	71,231	92,127
Other	26,693	311
Total departmental estimated revenue from independent sources	97,924	92,438
Total estimated revenue	291,603	285,904

**APPENDIX 2: ESTIMATES OF EXPENSES FROM SPECIAL
APPROPRIATIONS**

Estimates of expenses from special appropriations

Not applicable for DFAT.