

**AUSTRALIAN AGENCY  
FOR INTERNATIONAL  
DEVELOPMENT  
(AusAID)**



# Australian Agency for International Development

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

### AGENCY 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, stability and prosperity, and expanding trade and investment opportunities for Australia.

Australia's aid programme has a strong focus on promoting improved governance, assisting countries to access and maximise the benefits from trade and new information technologies, supporting stability through improved delivery of basic services, strengthening regional security and promoting sustainable resource management. Particular attention will be given to strengthening partner governments' capacity to build peace and manage non-military threats to security. The aid programme allows the Government to respond quickly, flexibly and effectively to a range of humanitarian and emergency needs. AusAID involves the Australian community in the delivery of aid activities, through Non-Government Organisations and support for the role of volunteers.

### APPROPRIATIONS AND RESOURCING

The total appropriation for AusAID in the 2003-04 Budget is \$1,308.7 million.<sup>5</sup> Table 1.1 shows the total appropriations for AusAID for 2003-04 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>5</sup> This amount relates to Appropriation Bill No. 1 (Departmental and Administered). In addition to this are Administered capital injection cash drawdowns without corresponding expenses totalling \$209.1 million (see Table 1.1).

Part C: Agency Budget Statements—AusAID

**Australian Agency for International Development — appropriations 2003-04**

**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	Special approps <sup>(5)</sup>	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) <sup>(2)</sup>			
	(A)	(B)	(C = A+B) (C1) <sup>(1)</sup>	(D)	(E = C+D) (E1) <sup>(1)</sup>	(F)	(G)	(H)	(I = F+G+H) (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	69,965	-	69,965	404	70,369	1,238,759	-	-	1,238,759	1,308,724
<b>Total</b>	<b>69,965</b>	<b>-</b>	<b>69,965</b> (K1) <sup>(1)</sup>	<b>404</b>	<b>70,369</b>	<b>1,238,759</b>	<b>-</b>	<b>-</b>	<b>1,238,759</b> (K2) <sup>(1)</sup>	<b>1,308,724</b>
						Departmental capital (equity injections and loans)			(K3) <sup>(1)</sup>	-
						Administered capital injection (cash) <sup>(6)</sup>			(K4) <sup>(1)</sup>	209,049

- 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 Statement of Financial Performance for application of agency revenue.
  - Revenue from other sources includes other revenue from government (for example, resources free of charge which is not reported in Budget Payer No. 4) and revenue from other sources (for example, sales of goods and services). Non-appropriated departmental and administered revenues are detailed in Table 1.3.
  - Special appropriation (cash) for 2002-03 is shown in Table 1.4.
  - Administered capital injection (cash) is to extinguish multiyear liabilities that existed prior to the change to accrual budgeting (\$171.1m). It also includes a one-off capital injection relating to humanitarian aid to Iraq (\$38.0m). Estimated cash required for the capital injection is shown in Tables 3.8 and 3.9.
- 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 2003-04 Budget**

Measure	Outcome	Output groups affected	Appropriations budget estimate 2003-04 (\$'000)			Appropriations forward estimate 2004-05 (\$'000)			Appropriations forward estimate 2005-06 (\$'000)			Appropriations forward estimate 2006-07 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Iraq—humanitarian aid	1	nil	-	-	-	-	-	-	-	-	-	-	-	-
Bali—new intensive care centre at Sanglah Hospital	1	nil	-	-	-	-	-	-	-	-	-	-	-	-
Bali—construction of a community eye treatment centre	1	nil	-	-	-	-	-	-	-	-	-	-	-	-
Bali—creation of the Bali memorial medical and health scholarship programme	1	nil	-	-	-	-	-	-	-	-	-	-	-	-
Budget estimates—enhanced quality and timeliness	1	1.1-1.2	-	0.2	0.2	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1

## RECEIPTS FROM INDEPENDENT SOURCES

**Table 1.3: Receipts from independent sources**

	Estimated revenue 2002-03 \$'000	Estimated revenue 2003-04 \$'000
<b>Departmental</b>		
Sales of goods and services	233	329
Interest	150	-
Revenue from sales of assets	25	-
Resources received free of charge	75	75
<b>Total non-appropriation departmental revenue</b>	<b>483</b>	<b>404</b>
<b>Administered</b>		
Other non-taxation revenue <sup>(1)</sup>	3,856	3,905
<b>Total non-appropriation administered revenue</b>	<b>3,856</b>	<b>3,905</b>
<b>Total estimated revenue</b>	<b>4,339</b>	<b>4,309</b>

1. Other non-taxation revenue refers to unused funds returned from contractors and Non-Government Organisations to AusAID, which were appropriated in former years.

## SPECIAL APPROPRIATIONS

**Table 1.4: Estimates of cash received from special appropriations**

	Estimated cash received 2002-03 \$'000	Estimated cash received 2003-04 \$'000
International Development Association <sup>(1)</sup>	15,917	-
<b>Total estimated cash received</b>	<b>15,917</b>	<b>-</b>

1. There are no new expenses associated with special appropriations from 1999-2000 onwards. Cash drawdowns previously appropriated through special appropriations to fund multilateral development institutions, such as the International Development Association, will cease after 2002-03.

## SPECIAL ACCOUNTS

**Table 1.5: Estimated special account flows and balances**

	Opening Balance <sup>(1)</sup>	Receipts	Payments	Adjustments	Closing Balance
	<b>2003-04</b>	<b>2003-04</b>	<b>2003-04</b>	<b>2003-04</b>	<b>2003-04</b>
	2002-03	2002-03	2002-03	2002-03	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Government and Non-Agency Bodies (D) - <i>Financial Management and Accountability Act 1997 s.20</i> <sup>(2)</sup>	<b>100</b>	-	<b>100</b>	-	-
	429	42	371	-	100
<b>Total special accounts</b>	<b>100</b>	-	<b>100</b>	-	-
	429	42	371	-	100

1. The opening balance for 2003-04 is the same as the closing balance for 2002-03.

2. Purpose of account is for expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA agencies. AusAID's special account moneys are not included elsewhere in the financial statements.

D = Departmental

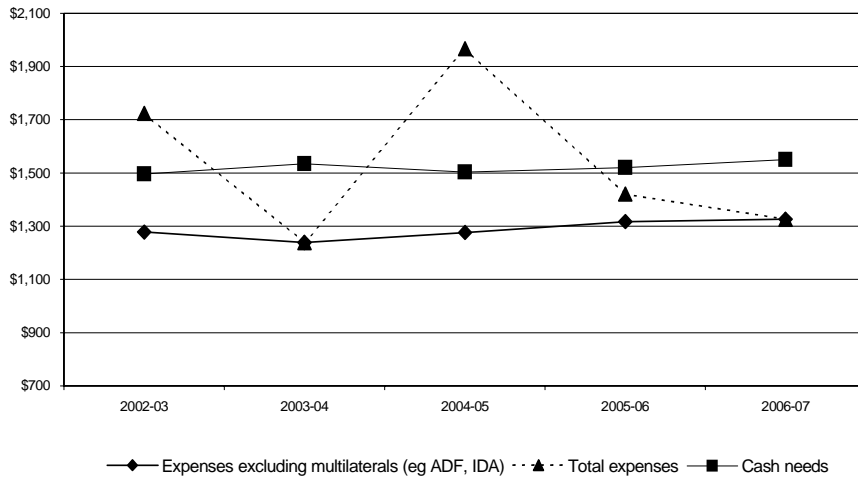
## ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

In 2003-04 the aid budget will have a negative equity position for administered items, due to multiyear commitments agreed prior to the introduction of accrual budgeting in 1999-2000. These commitments relate to agreements to fund multilateral development institutions, such as the Asian Development Fund (ADF) and the International Development Association (IDA).

AusAID will receive an administered capital cash injection of \$171.1 million to extinguish the multiyear liabilities that were in existence prior to the change to accrual budgeting, as reflected in Table 1.1 (K4).

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 AusAID's 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)**



In 2003-04 AusAID will also receive a one-off administered capital cash injection of \$38.0 million relating to humanitarian aid to Iraq, as reflected in Table 1.1 (K4). AusAID will not receive a departmental equity injection or loan.

## Section 2: Outcomes and outputs information

### **OUTCOMES AND OUTPUTS**

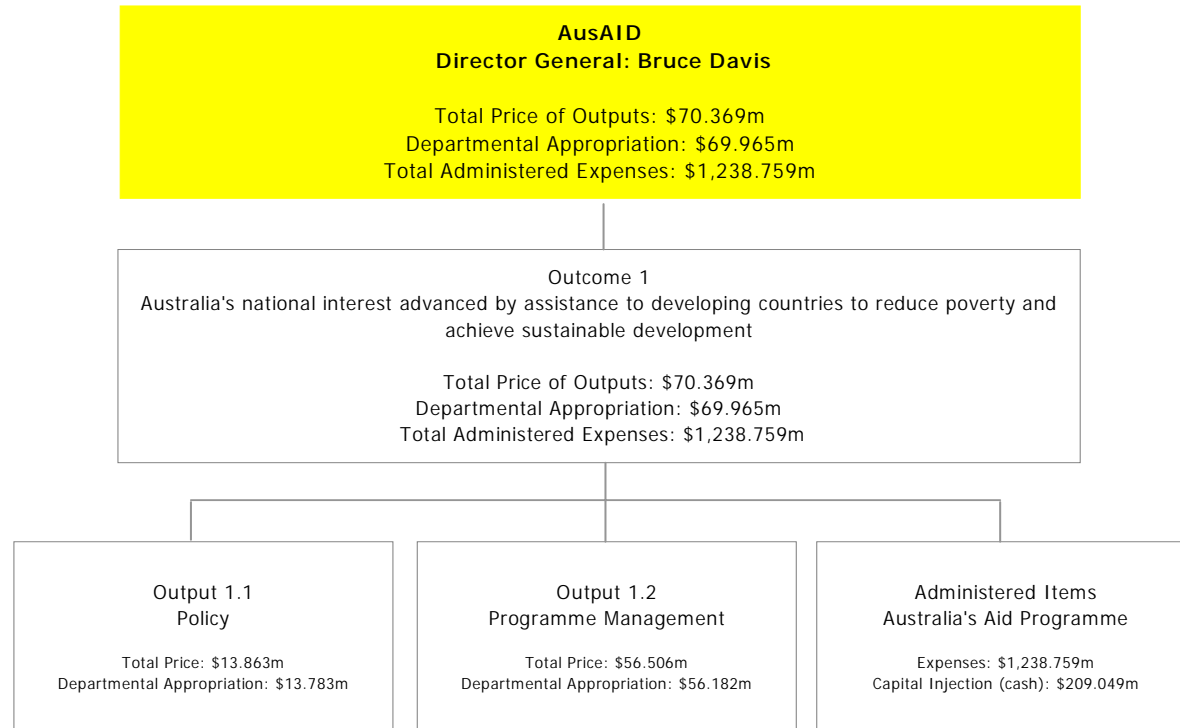
Map 1 (Outcomes and outputs for AusAID) shows the relationship between AusAID's single outcome and contributing outputs.

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

### **Output cost attribution**

AusAID allocates resources to outputs based on its output costing usage survey, which is conducted every two years. The latest survey (2002) resulted in a 5 per cent shift in output resources from programme management (Output 1.2) to policy (Output 1.1).

**Map 1: Outcomes and outputs for AusAID**



## **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 for the 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 as part of whole-of-government responses to international development issues.

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

##### ***Iraq—humanitarian aid***

The Government has committed \$100.5 million in 2002-03 and 2003-04 for the most urgent humanitarian requirements and priority reconstruction activities in Iraq.

The commitment includes an initial \$17.5 million contribution in 2002-03 to United Nations agencies, the Red Cross/Red Crescent and Australian Non-Government Organisations and an additional \$38 million for urgent humanitarian relief operations under the United Nations Flash Appeal; and \$45 million for reconstruction activities, especially related to agriculture and food security.

To meet the cost of this measure, the Government will provide an additional \$38 million funding to the Australian Agency for International Development (AusAID) in 2002-03. The remaining expenses in 2002-03 and 2003-04 (\$45 million) will be fully absorbed from within AusAID’s existing resourcing.

##### ***Bali—construction of a community eye treatment centre***

As part of the Government’s \$10.5 million assistance package to Bali in memory of the bombing tragedy, funding of \$2.9 million will be provided for the construction of a community eye treatment centre. The new centre will improve Bali’s capacity to provide high quality eyesight restoration services, surgery, training and community outreach services.

*Section 2: Outcomes and outputs information*

This measure is being fully absorbed within the existing resourcing of the Australian Agency for International Development.

***Bali—creation of a Bali memorial medical and health scholarship programme***

As part of the Government's \$10.5 million assistance package to Bali in memory of the bombing tragedy, funding of \$3 million will be provided to support medical and health scholarships for health officials and workers in Bali.

This measure is being fully absorbed within the existing resourcing of the Australian Agency for International Development.

***Bali—new intensive care centre at Sanglah Hospital***

As part of the Government's \$10.5 million assistance package to Bali in memory of the bombing tragedy, funding of \$4.5 million will be provided towards upgrading the Sanglah Hospital, Bali. This upgrade will consist of a new intensive care centre, a burns unit upgrade, an emergency care programme and the upgrading of other parts of the hospital's facilities.

This measure is being fully absorbed within the existing resourcing of the Australian Agency for International Development.

***Budget estimates—enhanced quality and timeliness***

The Budget Estimates and Framework Review (the Review) was a thorough review of the Budget estimates and advice system. The recommendations of the Review seek to improve the accuracy, responsiveness and effectiveness of the Commonwealth's budget estimates and framework system. The Government endorsed the recommendations of the Review in late 2002 and agreed that agencies could seek additional resourcing required to implement the recommendations of the Review.

The Government will provide funding of \$3.2 million over four years to the Foreign Affairs and Trade and Employment and Workplace Relations portfolios to improve the accuracy, responsiveness and effectiveness of their contribution to the Commonwealth's budget estimates and framework system and to assist agencies to drive improved financial management and reporting within their organisations.

The Australian Agency for International Development will receive an additional \$0.6 million funding over four years (2003-04 to 2006-07).

## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how AusAID's 2003-04 appropriations translate to total resourcing for Outcome 1, including administered appropriation, revenue from government (departmental 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.

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

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000
<b>Administered appropriations</b>	1,675,562	1,238,759
<b>Total administered appropriations</b>	<b>1,675,562</b>	<b>1,238,759</b>
		(I1)
<b>Departmental appropriations</b>		
Output 1.1 - Policy	13,307	13,783
Output 1.2 - Programme Management	54,238	56,182
<b>Total revenue from government (appropriations)</b>	<b>67,545</b>	<b>69,965</b>
<b>Contributing to price of departmental outputs</b>	<b>99.3%</b>	<b>99.4%</b>
		(C1)
<b>Revenue from other sources</b>		
Sales of goods and services	233	329
Interest	150	-
Revenue from sales of assets	25	-
Resources received free of charge	75	75
<b>Total revenue from other sources</b>	<b>483</b>	<b>404</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>68,028</b>	<b>70,369</b>
		(E1)
<b>from special accounts (estimated payments from special account balances)<sup>(1)</sup></b>		
Services for Other Government and Non-Agency Bodies - <i>Financial Management and Accountability Act 1997 s.20</i>	371	100
<b>Total departmental special account outflows</b>	<b>371</b>	<b>100</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>1,743,590</b>	<b>1,309,128</b>
Administered capital injection (cash) <sup>(2)</sup>	218,670	209,049
Special appropriation (cash) <sup>(3)</sup>	15,917	-
	2002-03	2003-04
<b>Average staffing level (number)</b>	<b>511</b>	<b>488</b>

1. Special account cash payments shown in the box are given for information only and do not form part of AusAID's resourcing. Special account detail is shown in Table 1.5
2. See Table 1.1 (K4).
3. See Table 1.4.

## 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.

### PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1, below, lists the performance information framework that AusAID will use to assess its contribution to the achievement of Outcome 1 during 2003-04. The performance information framework will measure the efficiency and effectiveness 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 2003-04 Annual Report.

**Table 2.2.1: Performance information for Outcome 1**

<b>Effectiveness - Overall achievement of the Outcome - (Measures, indicators and targets used as appropriate)</b>	
AusAID's administered expenses will be allocated to activities aimed at reducing poverty and achieving sustainable development.	
There are five <u>Guiding Themes</u> that link poverty reduction with our individual aid activities and which in turn relate to core national interest issues:	
Governance - Promoting improved governance across all areas of partner governments and strengthening democratic processes;	
Globalisation - Assisting developing countries to access and maximise the benefits from trade and new information technologies;	
Human Capital - Supporting stability and government legitimacy through improved delivery of basic services;	
Security - Strengthening regional security by enhancing partner governments' capacity to prevent conflict, enhance stability and manage transboundary challenges; and	
Sustainable Resource Management - Promoting sustainable approaches to the management of the environment and the use of scarce natural resources.	
Quality: 75 per cent of activities overall receiving a quality rating of satisfactory overall or higher.	
Quantity: total estimated expenditure; significant activity outputs within guiding themes.	
<b>Performance information for administered items (including third party outputs)</b>	
Country and Regional Programmes	Quality: 75 per cent of activities receive quality ratings of satisfactory or higher.
	Quantity: significant activity outputs.

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

Multilateral Organisation Programmes	<p>Quality: 75 per cent of organisations receive a rating of satisfactory overall or higher in terms of efficiency, effectiveness and relevance to Australian Government priorities.</p> <p>Quantity: significant activity outputs.</p>
Emergency, Humanitarian, and Refugee Programmes	<p>Quality: 75 per cent of humanitarian and emergency activities receive a quality rating of satisfactory overall or higher.</p> <p>Quantity: significant activity outputs.</p>
NGO and Volunteer Programmes	<p>Quality: 75 per cent of activities receive a quality rating of satisfactory overall or higher.</p> <p>Quantity: significant activity outputs.</p>
Information, Education and Communication Programmes	<p>Quality: effective programmes which ensure the aid programme remains identifiably Australian, supports the Government's communications on aid with the Parliament and community and enhances community understanding of the aid programme.</p> <p>Quantity: significant activity outputs:</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 1.1 Policy</b>	
Output 1.1	<p>Quality: Ministerial/Parliamentary Secretary satisfaction.</p> <p>Quantity: number of submissions or briefs; questions on notice; PPQs; submissions to Parliamentary Committees; correspondence; press releases; speeches.</p> <p>Price: \$13.863m</p>
<b>Output 1.2 Programme Management</b>	
Output 1.2	<p>Quality: - all major programmes carried out in partnership with key stakeholders</p> <ul style="list-style-type: none"> <li>- continuous improvement of tools and processes to ensure management of a high quality programme that reflects Government priorities</li> <li>- continuous improvement in contracting processes and capabilities; number of contracts terminated or subject to litigation or serious disputation.</li> </ul> <p>Quantity: number of activities; number of new contracts signed and ongoing contracts managed; total funds expended under the programme.</p> <p>Price: \$56.506m</p>

## **EVALUATIONS**

AusAID's evaluation programme aims to improve the quality and impact of Australian aid and also fulfils a vital accountability function in reporting to the Government, Parliament and the public. In 2003-04 the focus will be on increased understanding of the impact of the aid programme. A key part of the evaluation program is the dissemination, to the rest of the Agency and the broader aid community, of good practices and lessons from experience.

Key tasks will include:

- an assessment of the quality and impact of at least one significant country programme;
- investigation of new and innovative means of measuring aid impact;
- a number of quality assurance reviews, including an examination of the sustainability of aid benefits;
- a number of evaluations assessing effectiveness and impact in the governance sector, including the governance programme in PNG;
- strengthening project completion reports through the increased use of independent assessments; and
- reviews of programme management systems and processes.

## **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 public tendering. For example, during 2001-02 AusAID advertised 62 major tenders and signed 61 major contracts in excess of \$1 million, with a combined value of over \$500 million.

AusAID continues to implement a structured programme of contracting reform to further increase the quality and impact of the aid programme. The AusAID Strategic Plan envisages further reforms in the contracting environment, including trials of partnerships and alliance contracting, and greater capacity for in-country contract management. In addition, a major ANAO report on AusAID's contract management was released in mid-2002. The report concluded that overall, AusAID has the necessary supporting structures to facilitate effective contract management, including guidance, central coordination and advice, and appropriate training. It found that AusAID has a sound framework for managing the risks that are inherent, and often unavoidable, in the delivery of overseas aid. AusAID agrees with the report's recommendations which further strengthen management and delivery of the aid programme and reinforce reforms outlined in the Strategic Plan.

## Section 3: Budgeted financial statements

The budgeted financial statements for AusAID, presented in this section, form the basis of both the financial statements that will appear in AusAID's 2003-04 Annual Report and 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.

## **SCHEDULE OF ADMINISTERED ACTIVITY**

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

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

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

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

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

### **Schedule of Budgeted Administered Cash Flows**

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

### **Schedule of Administered Capital Budget**

This schedule shows details of planned administered capital expenditure.

### **Schedule of Administered Non-financial Assets — Summary of Movement**

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

Section 3: Budgeted financial statements

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

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from government	67,545	69,965	70,088	70,914	71,807
Goods and services	233	329	310	310	310
Interest	150	-	-	-	-
Dividends	-	-	-	-	-
Revenue from sales of assets	25	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	75	75	75	75	75
<b>Revenues from ordinary activities</b>	<b>68,028</b>	<b>70,369</b>	<b>70,473</b>	<b>71,299</b>	<b>72,192</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	43,628	43,126	42,412	43,027	43,614
Suppliers	24,870	25,235	25,808	26,012	26,271
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	2,112	2,008	2,253	2,259	2,307
Write-down of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>70,610</b>	<b>70,369</b>	<b>70,473</b>	<b>71,299</b>	<b>72,192</b>
Borrowing costs expense	-	-	-	-	-
Share of net profits/losses of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Operating surplus or deficit from ordinary activities</b>	<b>(2,582)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>(2,582)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Part C: Agency Budget Statements—AusAID

**Table 3.1: Budgeted Departmental Statement of Financial Performance (cont'd)  
(for the period ended 30 June)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
Outside equity interests in net surplus or deficit	-	-	-	-	-
<b>Net surplus or deficit attributable to the Commonwealth</b>	<b>(2,582)</b>	-	-	-	-
Net credit (debit) to asset revaluation reserve	-	-	-	-	-
Net exchange difference recognised as a direct debit (credit) to equity	-	-	-	-	-
Adjustments arising from Standards recognised as direct debit (credit) to equity	-	-	-	-	-
Initial adjustments from transitional UIG consensus view recognised as direct debit (credit) to equity	-	-	-	-	-
<b>Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity</b>	<b>(2,582)</b>	-	-	-	-

Section 3: Budgeted financial statements

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

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,203	1,391	1,765	3,705	5,853
Receivables	319	327	329	330	331
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>1,522</b>	<b>1,718</b>	<b>2,094</b>	<b>4,035</b>	<b>6,184</b>
<b>Non-financial assets</b>					
Land and buildings	2,017	1,893	1,556	1,208	852
Infrastructure, plant and equipment	1,747	1,598	1,252	967	652
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	5,974	6,788	6,114	5,378	4,632
Other	1,688	1,688	1,688	1,688	1,688
<b>Total non-financial assets</b>	<b>11,426</b>	<b>11,967</b>	<b>10,610</b>	<b>9,241</b>	<b>7,824</b>
<b>Total assets</b>	<b>12,948</b>	<b>13,684</b>	<b>12,705</b>	<b>13,276</b>	<b>14,008</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	13,982	14,663	13,681	14,237	14,952
Other	-	-	-	-	-
<b>Total provisions</b>	<b>13,982</b>	<b>14,663</b>	<b>13,681</b>	<b>14,237</b>	<b>14,952</b>
<b>Payables</b>					
Suppliers	2,323	2,378	2,381	2,396	2,413
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing Costs	-	-	-	-	-
Other	-	-	-	-	-
<b>Total payables</b>	<b>2,323</b>	<b>2,378</b>	<b>2,381</b>	<b>2,396</b>	<b>2,413</b>
<b>Total liabilities</b>	<b>16,305</b>	<b>17,041</b>	<b>16,062</b>	<b>16,633</b>	<b>17,365</b>

**Table 3.2: Budgeted Departmental Statement of Financial Position (continued)  
(as at 30 June)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	3,628	3,628	3,628	3,628	3,628
Reserves	1,785	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(8,770)	(6,985)	(6,985)	(6,985)	(6,985)
<b>Total parent entity interest</b>	<b>(3,357)</b>	<b>(3,357)</b>	<b>(3,357)</b>	<b>(3,357)</b>	<b>(3,357)</b>
<b>Outside equity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total outside equity interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>(3,357)</b>	<b>(3,357)</b>	<b>(3,357)</b>	<b>(3,357)</b>	<b>(3,357)</b>
<b>Total assets and liabilities by maturity</b>					
<b>Current assets</b>	3,210	3,406	3,782	5,723	7,872
<b>Non-current assets</b>	9,738	10,279	8,922	7,553	6,136
<b>Current liabilities</b>	7,467	7,911	6,639	6,918	7,357
<b>Non-current liabilities</b>	8,838	9,130	9,423	9,715	10,007

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

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	67,545	69,965	70,088	70,914	71,807
Goods and Services	233	329	310	310	310
Interest	150	-	-	-	-
Dividends	-	-	-	-	-
Other	1,312	1,262	1,297	1,309	1,321
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>69,240</b>	<b>71,556</b>	<b>71,695</b>	<b>72,532</b>	<b>73,439</b>
<b>Cash used</b>					
Employees	41,500	42,445	43,394	42,471	42,899
Suppliers	24,243	25,104	25,730	25,922	26,180
Grants	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	1,170	1,270	1,299	1,309	1,322
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>66,913</b>	<b>68,820</b>	<b>70,424</b>	<b>69,703</b>	<b>70,401</b>
<b>Net cash from/(used by) operating activities</b>	<b>2,326</b>	<b>2,737</b>	<b>1,271</b>	<b>2,830</b>	<b>3,038</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	25	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	6,556	2,549	897	890	890
Purchase of financial Instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>6,556</b>	<b>2,549</b>	<b>897</b>	<b>890</b>	<b>890</b>
<b>Net cash from/(used by) investing activities</b>	<b>(6,531)</b>	<b>(2,549)</b>	<b>(897)</b>	<b>(890)</b>	<b>(890)</b>

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

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
Capital use charge paid	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from/(used by) financing activities</b>	-	-	-	-	-
<b>Net increase/(decrease) in cash held</b>					
	<b>(4,205)</b>	<b>188</b>	<b>374</b>	<b>1,940</b>	<b>2,148</b>
Cash at beginning of reporting period	5,408	1,203	1,391	1,765	3,705
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>1,203</b>	<b>1,391</b>	<b>1,765</b>	<b>3,705</b>	<b>5,853</b>

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**Table 3.4: Departmental Capital Budget Statement**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'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 ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded internally by departmental resources	6,556	2,549	897	890	890

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**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2003-04)**

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	-	2,017	-	1,747	-	5,974	-	9,738
Additions	-	235	-	736	-	1,578	-	2,549
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	359	-	885	-	764	-	2,008
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	1,893	-	1,598	-	6,788	-	10,279
<b>Total additions</b>								
Self funded	-	235	-	736	-	1,578	-	2,549
Appropriations	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>235</b>	-	<b>736</b>	-	<b>1,578</b>	-	<b>2,549</b>

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**Table 3.6: Schedule of Budgeted Revenues and Expenses Administered on behalf of Government (for the period ended 30 June)**

	Estimated actual 2002-03 \$'000	Budget estimates 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>REVENUES</b>					
<b>Taxation</b>					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
<b>Total taxation</b>	-	-	-	-	-
<b>Non-taxation (Revenues from Government)</b>					
Goods and services	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Revenue from sale of assets	-	-	-	-	-
Other sources of non-taxation revenues	-	-	-	-	-
	3,856	3,905	4,108	3,991	3,956
Correction of fundamental error	-	-	-	-	-
<b>Total non-taxation</b>	<b>3,856</b>	<b>3,905</b>	<b>4,108</b>	<b>3,991</b>	<b>3,956</b>
<b>Total revenues administered on behalf of the Government</b>	<b>3,856</b>	<b>3,905</b>	<b>4,108</b>	<b>3,991</b>	<b>3,956</b>
<b>EXPENSES</b>					
Grants	546,578	90,559	781,653	193,098	92,310
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Employees	-	-	-	-	-
Suppliers	-	-	-	-	-
Depreciation and amortisation	794	789	800	806	802
Write down and impairment of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Interest	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other - Aid Programme	1,176,190	1,147,411	1,184,623	1,226,337	1,232,867
Extraordinary items	-	-	-	-	-
<b>Total expenses administered on behalf of the Government</b>	<b>1,723,562</b>	<b>1,238,759</b>	<b>1,967,076</b>	<b>1,420,241</b>	<b>1,325,979</b>

**Table 3.7: Schedule of Budgeted Assets and Liabilities Administered on behalf of Government (as at 30 June)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	(35,808)	2,192	2,192	2,192	2,192
Receivables	857,157	736,484	1,297,646	1,236,366	1,038,333
Investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>821,349</b>	<b>738,676</b>	<b>1,299,838</b>	<b>1,238,558</b>	<b>1,040,525</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	1,770	1,848	1,903	1,777	1,717
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Other non-financial assets	26,291	26,291	26,291	26,291	26,291
<b>Total non-financial assets</b>	<b>28,061</b>	<b>28,139</b>	<b>28,194</b>	<b>28,068</b>	<b>28,008</b>
<b>Total assets administered on behalf of the Government</b>	<b>849,410</b>	<b>766,815</b>	<b>1,328,032</b>	<b>1,266,626</b>	<b>1,068,533</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Commonwealth securities	-	-	-	-	-
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payables</b>					
Suppliers	77,378	82,069	83,711	85,385	87,095
Grants and subsidies	1,071,437	812,999	1,279,903	1,182,390	960,106
Personal benefits payable	-	-	-	-	-
Taxation refunds due	-	-	-	-	-
Other payables	3,824	3,927	4,054	4,197	4,219
<b>Total payables</b>	<b>1,152,639</b>	<b>898,995</b>	<b>1,367,668</b>	<b>1,271,972</b>	<b>1,051,421</b>
<b>Total liabilities administered on behalf of the Government</b>	<b>1,152,639</b>	<b>898,995</b>	<b>1,367,668</b>	<b>1,271,972</b>	<b>1,051,421</b>

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**Table 3.8: Schedule of Budgeted Administered Cash Flows  
(for the period ended 30 June)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Sale of goods	-	-	-	-	-
Rendering of services	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Cash from Official Public Account -					
Appropriations	1,278,837	1,321,534	1,406,042	1,481,662	1,524,034
Special Accounts	-	-	-	-	-
Other	-	-	-	-	-
Transfer from other entities (Finance - WOG)	-	-	-	-	-
GST input credits	51,402	47,021	48,525	50,222	50,611
Other	3,856	3,905	4,108	3,991	3,956
<b>Total cash received</b>	<b>1,334,095</b>	<b>1,372,460</b>	<b>1,458,675</b>	<b>1,535,876</b>	<b>1,578,601</b>
<b>Cash used</b>					
Aid Programme	1,185,189	1,144,719	1,184,982	1,226,662	1,233,157
Borrowing costs	-	-	-	-	-
Employees	-	-	-	-	-
Grant payments	349,505	346,997	312,749	288,611	312,593
Interest paid	-	-	-	-	-
Subsidies paid	-	-	-	-	-
Personal benefits	-	-	-	-	-
Suppliers	-	-	-	-	-
Cash to Official Public Account from -					
Appropriations	-	-	-	-	-
Special Accounts	-	-	-	-	-
Other	3,856	3,905	4,108	3,991	3,956
Transfers to other entities (Finance - WOG)	-	-	-	-	-
GST paid to suppliers	45,892	47,124	48,652	50,365	50,633
Other	-	-	-	-	-
<b>Total cash used</b>	<b>1,584,443</b>	<b>1,542,745</b>	<b>1,550,491</b>	<b>1,569,629</b>	<b>1,600,340</b>
<b>Net cash from/(used by) operating activities</b>	<b>(250,348)</b>	<b>(170,285)</b>	<b>(91,816)</b>	<b>(33,754)</b>	<b>(21,738)</b>

**Table 3.8: Schedule of Budgeted Administered Cash Flows (continued)  
(for the period ended 30 June)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Proceeds from sales of equity instruments	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Transfers from Other Entities	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	813	867	855	680	742
Purchase of equity instruments	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Transfers to Other Entities	-	-	-	-	-
<b>Total cash used</b>	<b>813</b>	<b>867</b>	<b>855</b>	<b>680</b>	<b>742</b>
<b>Net cash from/(used by) investing activities</b>	<b>(813)</b>	<b>(867)</b>	<b>(855)</b>	<b>(680)</b>	<b>(742)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Cash from Capital Injection	218,670	209,049	92,544	34,291	22,458
GST loan from DoFA	45,892	47,124	48,652	50,365	50,633
<b>Total cash received</b>	<b>264,563</b>	<b>256,173</b>	<b>141,196</b>	<b>84,656</b>	<b>73,091</b>
<b>Cash used</b>					
Net repayment of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Repay DoFA GST loan	51,402	47,021	48,525	50,222	50,611
<b>Total cash used</b>	<b>51,402</b>	<b>47,021</b>	<b>48,525</b>	<b>50,222</b>	<b>50,611</b>
<b>Net cash from/(used by) financing activities</b>	<b>213,161</b>	<b>209,152</b>	<b>92,671</b>	<b>34,434</b>	<b>22,480</b>
<b>Net increase (decrease) in cash held</b>	<b>(38,000)</b>	<b>38,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	2,192	(35,808)	2,192	2,192	2,192
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>(35,808)</b>	<b>2,192</b>	<b>2,192</b>	<b>2,192</b>	<b>2,192</b>

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**Table 3.9: Schedule of Administered Capital Budget**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Administered capital	218,670	209,049	92,544	34,291	22,458
<b>Represented by:</b>					
Purchase of non-current assets	-	-	-	-	-
Other	218,670	209,049	92,544	34,291	22,458
<b>Total</b>	<b>218,670</b>	<b>209,049</b>	<b>92,544</b>	<b>34,291</b>	<b>22,458</b>
<b>PURCHASE OF NON-CURRENT ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded from past appropriation	813	867	855	680	742

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**Table 3.10: Schedule of Administered Non-financial Assets — Summary of Movement (Budget year 2003-04)**

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	-	-	-	1,770	-	-	-	1,770
Additions	-	-	-	867	-	-	-	867
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	789	-	-	-	789
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at end of year	-	-	-	1,848	-	-	-	1,848
<b>Total additions</b>	-	-	-	<b>867</b>	-	-	-	<b>867</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, the administered appropriation in 2003-04 is lower than 2002-03. This relates mainly to agreements that are expected to be entered into in 2002-03. These include the thirteenth replenishment of the International Development Association (\$342.0 million), the replenishment for the Heavily Indebted Poor Countries Initiative (\$18.0 million), the third replenishment of the Global Environment Facility (\$68.2 million) and the fifth replenishment of the Montreal Protocol Multilateral Fund (\$17.6 million). There are no agreements expected to be entered into in 2003-04.

Included in the notes to financial statements are three explanatory tables that detail:

- the reconciliation of AusAID's expense estimates to Australia's estimated Official Development Assistance (ODA);
- the reconciliation of AusAID's cash estimates to Australia's estimated ODA; and
- the reconciliation of AusAID's expense estimates to its cash estimates.

### **Explanation of required capital injections for administered items**

Tables 3.8 and 3.9 show significant capital needs for AusAID's administered items. These relate mainly to the need to extinguish multiyear liabilities incurred prior to the transition to accrual budgeting in 1999-2000. 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 Schedule of 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 which 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 items are those assets, liabilities, revenues and expenses in relation to an agency or authority that 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 that 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 fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State Governments).

## **Capital Use Charge**

The Government has agreed to discontinue the Capital Use Charge from 1 July 2003.

### **Administered investments in controlled entities**

Each Commonwealth Department is required to show an Administered investment in each Commonwealth Authority and Company (CAC) Act 1997 entity within their portfolio. These Administered investments should be valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

### **Asset valuation**

Since 1 July 2002 Commonwealth agencies and authorities have been 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.

Part C: Agency Budget Statements—AusAID

**Explanatory Table 1 – Reconciliation of AusAID expenses to ODA**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000
<b>Total AusAID expenses:</b>		
AusAID departmental expenses	70,610	70,369
AusAID administered expenses	1,723,562	1,238,759
Less expenses with no cash required in year of expense:		
New multiyear liabilities <sup>(1)</sup>	(429,091)	-
Other accrual adjustments <sup>(2)</sup>	10,707	(4,884)
Plus cash items with no corresponding expense:		
Cash for GST	98,465	95,415
Plus cash items with expense in a different year:		
Payments to existing multiyear liabilities <sup>(3)</sup>	232,017	258,438
<b>Total AusAID cash used</b>	<b>1,706,271</b>	<b>1,658,096</b>
Less AusAID non-ODA adjustments <sup>(4)</sup> :		
Non-ODA departmental expenditure	(1,558)	(1,579)
Non-ODA administered expenditure	(3,364)	(3,645)
Offsetting receipts from previous years' expenditure	(41,856)	34,095
GST repaid to DoFA	(51,402)	(47,021)
GST paid to suppliers	(47,063)	(48,394)
Plus non-AusAID ODA:		
ACIAR	46,586	46,623
Other Government departments	208,621	255,617
<b>Total estimated ODA<sup>(5)</sup></b>	<b>1,816,235</b>	<b>1,893,792</b>

1. The new multiyear liability for 2002-03 consists of the thirteenth replenishment of the International Development Association (\$342.0 million), the replenishment for the Heavily Indebted Poor Countries Initiative (\$18.0 million), the third replenishment of the Global Environment Facility (\$68.2 million) and the fifth replenishment of the Montreal Protocol Multilateral Fund (\$17.6 million). Cash of \$5.9 million is required in 2002-03 for the first payment of the Montreal Protocol. There are no agreements expected to be entered into in 2003-04.
2. See Explanatory Table 3 for detail.
3. Cash payments for multiyear liabilities such as those mentioned in the first explanatory note usually occur in a later year to the expense being recorded. These cash payments may be funded from capital injection, special appropriation or annual appropriation.
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.

Section 3: Budgeted financial statements

**Explanatory Table 2 – Reconciliation of AusAID cash to ODA**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000
Total departmental cash used	73,469	71,369
Capital use charge	-	-
Receipts under Section 31 of the FMA Act	(258)	(329)
Interest	(150)	-
GST repaid to DoFA	-	-
GST paid to suppliers	(1,170)	(1,270)
Fringe benefits tax adjustment	(1,150)	(1,250)
<b>Total ODA eligible AusAID departmental cash</b>	<b>70,741</b>	<b>68,519</b>
Total administered cash used <sup>(1)</sup>	1,632,802	1,586,728
Offsetting receipts from previous years' expenditure <sup>(2)</sup>	(41,856)	34,095
GST repaid to DoFA <sup>(3)</sup>	(51,402)	(47,021)
GST paid to suppliers <sup>(3)</sup>	(45,892)	(47,124)
AusAID non-ODA eligible expenditure <sup>(4)</sup>	(3,364)	(3,645)
<b>Total ODA eligible AusAID administered cash</b>	<b>1,490,288</b>	<b>1,523,033</b>
plus non-AusAID ODA:		
ACIAR	46,586	46,623
Other Government departments	208,621	255,617
<b>Total estimated ODA<sup>(5)</sup></b>	<b>1,816,235</b>	<b>1,893,792</b>

1. Excluding cash to the Official Public Account.
2. Includes refunds of administered expenditure that were recorded as ODA in a previous year (see Table 1.3), and a one-off adjustment of \$38.0m between 2002-03 and 2003-04 relating to humanitarian aid to Iraq. AusAID received revenue of \$38.0m from the Official Public Account in 2002-03, for which an appropriation receivable was booked, and was appropriated cash through an administered capital injection in 2003-04.
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 DoFA' and 'GST paid to suppliers' in any given year equates to the ATO input tax credit receipts.
4. For example, only 75 per cent 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 actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>Price of Outputs</b>	<b>68,028</b>	<b>70,369</b>	<b>70,473</b>	<b>71,299</b>	<b>72,192</b>
Operating surplus or deficit	(2,582)	-	-	-	-
<b>Departmental expenses</b>	<b>70,610</b>	<b>70,369</b>	<b>70,473</b>	<b>71,299</b>	<b>72,192</b>
Depreciation and amortisation	(2,112)	(2,008)	(2,253)	(2,259)	(2,307)
Investment	6,556	2,549	897	890	890
Net change in employee liabilities	(2,128)	(681)	982	(556)	(715)
Net change in supplier liabilities/ prepayments	(552)	(56)	(2)	(15)	(17)
Resources supplied free of charge	(75)	(75)	(75)	(75)	(75)
GST paid to suppliers	1,170	1,270	1,299	1,309	1,322
<b>Departmental cash used</b>	<b>73,469</b>	<b>71,369</b>	<b>71,321</b>	<b>70,593</b>	<b>71,291</b>
<b>Administered expenses</b>	<b>1,723,562</b>	<b>1,238,759</b>	<b>1,967,076</b>	<b>1,420,241</b>	<b>1,325,979</b>
Operating surplus or deficit	-	-	-	-	-
<b>Administered expenses after operating result</b>	<b>1,723,562</b>	<b>1,238,759</b>	<b>1,967,076</b>	<b>1,420,241</b>	<b>1,325,979</b>
New multiyear liabilities	(445,757)	-	(690,345)	(102,556)	-
Cash spent on existing multiyear liabilities:					
Annual appropriation	14,097	87,388	130,897	165,778	199,825
Special appropriation	15,917	-	-	-	-
Capital injection	218,670	171,049	92,544	34,291	22,458
Depreciation	(794)	(789)	(800)	(806)	(802)
Investment	813	867	855	680	742
GST repaid to DoFA	51,402	47,021	48,525	50,222	50,611
GST paid to suppliers	45,892	47,124	48,652	50,365	50,633
Net change in ordinary creditors and accruals	8,999	(4,692)	(1,641)	(1,674)	(1,710)
<b>Administered cash used (excluding payments to OPA)</b>	<b>1,632,802</b>	<b>1,586,728</b>	<b>1,595,763</b>	<b>1,616,541</b>	<b>1,647,737</b>

## Section 4: Purchaser/provider and cost recovery arrangements

### **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 routine operating expenses at overseas missions;
- for residential and office accommodation at 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).

