

PART C

Agency Budget Statements

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**DEPARTMENT OF
FOREIGN AFFAIRS AND
TRADE
(DFAT)**

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

Section 1: Overview, appropriations and budget measures summary

DEPARTMENT OVERVIEW

The department protects and advances Australia's national interests through its contributions to international security, national economic and trade performance and global cooperation. It provides consular and passport services to Australians travelling and residing overseas, as well as their families in Australia. The department promotes public understanding of Australia's foreign and trade policy both in Australia and overseas, and projects a positive image of Australia internationally. It manages the Commonwealth overseas owned estate. In pursuing these outcomes, the department provides high-quality advice to the Government across the spectrum of foreign and trade policy issues and supports Ministers in advocating Australia's interests. Staff serving in Canberra, in state and territory capitals and regional centres, and in a network of overseas diplomatic posts work towards the achievement of these core objectives.

The department will contribute to Australia's security by continuing to work closely with domestic agencies and international partners in efforts to strengthen regional and global security. It will conduct effective liaison with defence and law enforcement agencies and the intelligence community. The newly created position of Ambassador for Counter-Terrorism will provide a focal point for the coordination, promotion and intensification of efforts to combat terrorism, imperatives reinforced by the Bali bombings in October 2002. The department will strengthen counter-terrorism cooperation with our regional partners by negotiating and supporting the implementation of memorandums of understanding, and active participation in the ASEAN Regional Forum (ARF) and the Asia-Pacific Economic Cooperation (APEC) forum. Globally, the department will continue to develop dialogue with key partners and support United Nations Security Council resolutions to prevent terrorists from operating in Australia and to diminish the regional threat posed by terrorist organisations, including by freezing relevant assets.

Through active diplomacy on arms control and non-proliferation issues, disarmament and the management of export control issues, the department will work to keep the South East Asian and Pacific regions free of weapons of mass destruction and missiles and to reduce the proliferation of these weapons and technologies internationally. The department will continue to support efforts to shape a diplomatic solution to the

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Democratic People's Republic of Korea nuclear issue. It will strengthen measures to combat the organised trafficking and smuggling of people, including through promotion of the outcomes of the Second Bali Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime.

Security will continue to be improved for staff and members of the public at the department's premises in Australia and at overseas posts. The department will continue to provide secure and reliable communications services for Ministers and Australian Government agencies through the whole-of-government secure international communications network (SATIN).

The department will promote Australia's trade and investment interests through mutually reinforcing multilateral, regional and bilateral approaches. It will work to overcome market barriers to Australian exports of goods and services in the World Trade Organization (WTO) Doha Round of negotiations and in regional forums such as APEC. The department will also assist Austrade and the Export Finance and Insurance Corporation (EFIC) in providing information and support to Australian business. It will continue to oversee the credit alliance between EFIC and Gerling-NCM (GN), a private sector insurer, and the proposed divestment of EFIC's credit insurance business to GN.

In the Doha Round, the department will press for commitments to market access improvements for agriculture (including by ensuring the Cairns Group of agricultural exporting nations maintains a leading role), services, and industrial products. It will protect Australia's interests in negotiations on trade and the environment and geographical indications and seek to maximise market access improvements from WTO accession negotiations currently underway. Using the WTO dispute settlement system, the department will pursue and defend Australian interests including bringing challenges against the European Union's sugar subsidy arrangements and its rules on geographical indications, and defence of Australia's quarantine regime.

The department is leading negotiations on free trade agreements (FTAs) with the United States and Thailand. It will implement the recently concluded Singapore FTA and encourage Australian exporters to take up the trade opportunities it offers. It will work for practical trade gains through the Association of South East Asian Nations Free Trade Area-Australia New Zealand Closer Economic Relations Trade Agreement (AFTA-CER) Closer Economic Partnership. The department is also pursuing a significant strengthening of trade and investment links with China, as well as a comprehensive framework arrangement with Japan with the aim of charting a course for the further development of trade relations.

Through global cooperation, the department will advance and defend Australia's interests on relevant multilateral issues. In engagement on international environment issues, particularly climate change, the department will ensure Australia's broad trade and economic interests are protected while advancing our environmental interests.

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The department will ensure Australia's current term on the United Nations Commission on Human Rights (to 2005) continues to provide opportunities to promote human rights, including through the development of national human rights institutions and good governance. The department will pursue reform of the United Nations, notably through the high-level diplomatic initiative on Treaty Body reform. The department will be closely involved in assisting the Prime Minister in his role as Chair-in-Office of the Commonwealth until the next Commonwealth Heads of Government Meeting (CHOGM) in December 2003. A key goal for the department in its work on international agreements will be effective implementation of the Timor Sea Treaty and the International Unitisation Agreement.

In support of Australia's global strategies, the department will work to consolidate and expand bilateral relations. The department will continue its active engagement with the countries of Asia—an abiding priority—and will work to strengthen Australia's ability to influence, and cooperate with, the United States, a centrally important relationship. Through advocacy with the institutions of the European Union, and in member country capitals, the department will work hard to enhance Australia's influence with an enlarged Europe. In the South Pacific, the department will manage Australia's role as a major trading and security partner, and support regional cooperation, good governance, economic reform and the peace processes in Bougainville and the Solomon Islands. Events to mark the twentieth anniversary of the CER will dominate the agenda with New Zealand. The department will contribute actively to international efforts to meet the humanitarian and longer-term reconstruction needs of the Iraqi people, and, following the conflict in Iraq, will review policy on the Middle East with a view to strengthening relations and pursuing new commercial opportunities. In pursuit of Australia's interests, the department will actively seek out and build on functional affinities with countries and groups of countries with which we share specific interests.

High-quality consular and passport services for Australians travelling and residing overseas, as well as their families in Australia, will continue to be provided by the department. Using synergies provided by its posts and honorary consulates, the 24-hour Consular Emergency Centre and consular cooperation arrangements with other countries, the department will enhance its consular information program through improvements to its website, innovative expansion of the range and distribution of its publications, a targeted public information campaign on travel advisories and strengthened cooperation with the travel industry and media. Client access to passport services will remain a priority. A new Australian passport with enhanced security features will be released, and work continues for the introduction of on-line passport services. Research is continuing to strengthen passport identity verification processes and reduce the risk of fraud.

The department will continue to promote internationally a positive image of Australia, emphasising its record of innovation, its strengths as a knowledge-based economy, its diversity and its artistic and cultural assets. Promotion of Australia as a reliable and efficient supplier of goods and services and a valuable trade and investment partner

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remains a priority. Australia's contribution to global security, including our involvement in the war against terrorism, is also a focus. The department will continue to consult the Australian community as part of its policy formulation process and will increase public awareness of Australia's foreign and trade policy, particularly highlighting the benefits of trade for all Australians.

The department will provide efficient management, on a fully commercial basis, of the owned overseas estate – comprising 136 properties in 51 countries, with an approximate market value of \$1.2 billion. It will continue to implement its five-year rolling plan for major expenditure and capital works in the overseas estate and will achieve the target dividend payment and other financial objectives such as return on investment.

In support of these contributions to Australian interests, the department's corporate management agenda will continue to focus on achieving increased productivity, maintaining high standards of ethical and personal conduct and better outcomes for the Government and the Australian public. The department will maintain its focus on continuous improvement of administrative procedures, human resource management, including workforce planning capability, and financial activities. This will enable the department to continue to respond effectively to ongoing demands and emerging crises, building on its effective crisis management capabilities. A financial management priority for the department will be implementing the recommendations of the Budget Estimates and Framework Review. Consistent with Department of Finance and Administration guidelines, corporate services costs are distributed across the department's outputs and are not given a separate profile in the Portfolio Budget Statements.

APPROPRIATIONS AND RESOURCING

The total appropriation for DFAT in the 2003-04 Budget is \$896.860 million.

Table 1.1, Appropriations and Other Revenue (p. 24), shows the total appropriation for DFAT for 2003-04 by outcome, by administered expenses, price of output appropriation and administered capital, departmental equity injections and loans. Table 2.1.1 (p. 46) shows total resources for Outcome 1, Table 2.1.2 (p. 54) total resources for Outcome 2, Table 2.1.3 (p. 59) total resources for Outcome 3, and Table 2.1.4 (p. 65) total resources for Outcome 4.

New Budget measures and some other adjustments affecting DFAT's 2003-04 appropriation follow:

Departmental

- **\$19.3 m** for the new measure A Safer Australia—expansion of Australia's secure diplomatic communications network;

Section 1: Overview, appropriations and budget measures summary

- **\$6.9 m** for the new measure Iraq—reopening of an Australian office;
- **\$2.0 m** for the new measure Nauru—maintenance of temporary Consulate General;
- **\$2.5 m** for the new measure A Safer Australia—enhanced travel advice dissemination;
- **\$3.5 m** for the new measure A Safer Australia—research into passport biometrics;
- **\$0.5 m** for new measure Budget estimates—enhanced quality and timeliness;
- **\$0.7 m** for departmental expenses incurred in 2002-03 relating to the Bali terrorist attacks;
- **\$3.8 m** for increases in superannuation contribution costs;
- **\$15.2 m** reduction for changes in budget exchange rates between 2002-03 and 2003-04 (foreign exchange rebasing);
- **\$5.0 m** as overseas inflation adjustment;
- **\$0.3 m** reduction for transfer of funding to the Department of Defence for Locally Engaged Staff employed on its behalf by DFAT; and
- **\$0.1 m** reduction for adjustment to efficiency dividend.

Administered

- **\$0.02 m** for the new measure International Development Law Organisation grant;
- **\$5.2 m** reduction for revised EFIC contribution to Government;
- **\$0.02 m** for domestic inflation for the ABC Asia Pacific Television; and
- **\$18.1 m** reduction for contributions to international organisations.

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

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)				Total appropriations (\$'000)
	Revenue from Government (appropriations)		Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special appropriations ⁽⁵⁾	Total administered appropriations	Total appropriations		
	Bill No. 1	Special approps ⁽⁵⁾	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) ⁽²⁾			
	(A)	(B)	(C = A+B) (C1) ⁽¹⁾	(D)	(E = C+D) (E1) ⁽¹⁾	(F)	(G)	(H)	(I = F+G+H) (I1) ⁽¹⁾	(J=C+I)
Outcome 1 -	496,526	0	496,526	34,502	531,028	159,663	0	0	159,663	656,189
Outcome 2 -	139,944	0	139,944	3,856	143,800	200	0	0	200	140,144
Outcome 3 -	63,307	0	63,307	1,892	65,199	21,503	0	0	21,503	84,810
Outcome 4 -	0	0	0	58,989	58,989 *	0	0	0	0	0
Total	699,777		699,777 (K1)	99,239	799,016	181,366			181,366 (K2)	881,143
									Departmental capital (equity injections and loans)	(K3) ⁽¹⁾ 15,717
									Administered capital	(K4) ⁽¹⁾ 0
									Total appropriations	896,860

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1. Cells C1, E1 and I1 refer to information provided in Total Resources for Outcome tables. Amounts K1, K2 to Budgeted Statement of Financial Performance, and amounts K3, K4 to 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 free of charge) and revenue from other sources (for example, sales of goods and services by agencies such as the Australian Bureau of Statistics (ABS) or the Australian Broadcasting Corporation (ABC)). Non-appropriated departmental and administered revenues are details in Appendix 1.
 5. Estimated expenses from individual Special Appropriations are shown in Appendix 2.
- * Figure differs from that in Table 2.1.4, which includes \$108.008 million for inter-entity transactions, being rent paid by DFAT to the Overseas Property Office for services provided to DFAT's overseas network.

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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Table 1.2 Summary of measures disclosed in the 2003-04 Budget

Measure	Outcome	Outputs affected	Appropriations budget			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
			2003-04 (\$'000)											
Budget measure														
A Safer														
Australia—expansion of Australia's secure diplomatic communication network	1	1.2	0	9.4	9.4	0	0	0	0	0	0	0	0	0
Iraq—reopening of an Australian office	1	1.1-1.3	0	6.3	6.3	0	3.8	3.8	0	4.0	4.0	0	4.1	4.1
Nauru—maintenance of temporary Consulate General	1	1.1	0	1.7	1.7	0	0	0	0	0	0	0	0	0
International Development Law Organisation grant	1	1.1	0	0	0.1	0.1	0	0.1	0.1	0	0.1	0.1
World Trade Organisation—informal meeting of Ministers	1	1.1	0	0	0	0	0	0	0	0	0	0	0	0
Budget Estimates—enhanced quality and timeliness	All	All	0	0.5	0.5	0	0.2	0.2	0	0.3	0.3	0	0.3	0.3

Section 1: Overview, appropriations and budget measures summary

Table 1.2 Summary of measures disclosed in the 2003-04 Budget (Continued)

Measure	Outcome	Outputs affected	Appropriations budget			Appropriations forward estimate			Appropriations forward estimate			Appropriations forward estimate		
			2003-04 (\$'000)			2004-05 (\$'000)			2005-06 (\$'000)			2006-07 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
A Safer Australia—enhanced travel advice dissemination	2	2.1	0	2.5	2.5	0	2.3	2.3	0	2.4	2.4	0	2.5	2.5
A Safer Australia—research into passport biometrics	2	2.1	0	3.0	3.0	0	0	0	0	0	0	0	0	0
International Relations Grants Programme	3	3.1	0	0	0	0	0	0	0	0	0	0	0	0
New Delhi Chancery— construction of a new chancery and residential accommodation	4	4.1	0	0	0	0	0	0	0	0	0	0	0	0
Geneva Chancery—defects rectification project	4	4.1	0	0	0	0	0	0	0	0	0	0	0	0

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Table 1.2 Summary of measures disclosed in the 2003-04 Budget (Continued)

Measure	Outcome	Outputs affected	Appropriations budget			Appropriations forward estimate			Appropriations forward estimate			Appropriations forward estimate		
			2003-04			2004-05			2005-06			2006-07		
			(\$'000)			(\$'000)			(\$'000)			(\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Washington Head of Mission residence—refurbishment	4	4.1	0	0	0	0	0	0	0	0	0	0	0	0
Paris Chancery—refurbishment of apartments	4	4.1	0	0	0	0	0	0	0	0	0	0	0	0
Wellington Chancery—mid-life upgrade and refurbishment	4	4.1	0	0	0	0	0	0	0	0	0	0	0	0

RECEIPTS FROM INDEPENDENT SOURCES

Table 1.3 Receipts from independent sources

	Estimated revenue 2002-03 \$'000	Estimated revenue 2003-04 \$'000
Administered Revenue		
Passport fees	129,155	127,928
Interest and dividends	28,882	22,532
Other	33,629	38,879
Total administered estimated revenue from independent sources	191,666	189,339
Departmental Revenue		
Section 31 of FMA Act 1997	91,333	99,396
Other	311	216
Total departmental estimated revenue from independent sources	91,644	99,612
Total estimated revenue	283,310	288,951

SPECIAL APPROPRIATIONS

Table 1.4: Estimates of expenses from special appropriations

DFAT does not receive funding through special appropriations.

SPECIAL ACCOUNTS

Table 1.5: Estimates of special account flows and balances

	Estimate - 2003-04 Heavy Figures				
	Estimated Actuals - 2002-03 Light figures				
	Opening Balance	Receipts	Payments	Adjustments ⁽²⁾	Closing Balance
	2003-04 ⁽¹⁾	2003-04	2003-04	2003-04	2003-04
2002-03 ^(1a)	2002-03	2002-03	2002-03	2002-03	
	\$'000	\$'000	\$'000	\$'000	\$'000
Australia Abroad Council Account - s20 FMA Act (A)	0	0	0	0	0
	126	0	126	0	0
Australia-China Council Account - s20 FMA Act (A)	0	0	0	0	0
	9	720	729	0	0
Australia-France Endowment Account - s20 FMA Act (A)	13	0	0	0	13
	6	40	33	0	13
Australia-India Council Account - s20 FMA Act (A)	0	0	0	0	0
	70	720	790	0	0
Australia-Indonesia Institute Account - s20 FMA Act (A)	0	0	0	0	0
	5	840	845	0	0
Australia-Korea Foundation Account - s20 FMA Act (A)	0	0	0	0	0
	11	720	731	0	0
Australia-New Zealand Foundation Account - s20 FMA Act (A)	0	0	0	0	0
	0	0	0	0	0
Consular Services Trust Account - s20 FMA Act (A)	44	197	188	0	53
	33	227	216	0	44
Grawemeyer Award Account - s20 FMA Act (A)	0	0	0	0	0
	0	0	0	0	0
Ministerial Publications Account - s20 FMA Act (A)	6	0	6	0	0
	13	0	7	0	6

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Table 1.5: Estimates of special account flows and balances (continued)

	Estimate - 2003-04 Heavy Figures				
	<i>Estimated Actuals - 2002-03 Light figures</i>				
	Opening Balance 2003-04 ⁽¹⁾	Receipts 2003-04	Payments 2003-04	Adjustments ⁽²⁾ 2003-04	Closing Balance 2003-04
	2002-03	2002-03	2002-03	2002-03	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Governments & Non-Agency Bodies Account -s20 FMA Act (A)	320	441	570	0	191
	318	657	655	0	320
Other Trust Moneys Account - s20 FMA Act (A)	83	537	532	0	88
	525	578	1,020	0	83
Official Administered Payment Account for Other Agencies Account - s20 FMA Act (A)	5,000	154,804	154,804	0	5,000
	5,000	177,935	177,935	0	5,000
Overseas Property Account - Finance Determination 2002-01 (D)	54,035	166,997	162,913	0	58,119
	36,278	179,922	162,165	0	54,035
Total Special Accounts	59,501	322,976	319,013	-	63,464
	42,394	362,359	345,252	-	59,501

D = Departmental

A = Administered

Note 1 The Opening Balance for 2003-04 is the same as the closing balance for 2002-03

Note 2 Receipts from appropriations and other sources are further specified in the Total Resources for Outcome tables 2.1.1 (p. 46), 2.1.2 (p. 54), 2.1.3 (p. 59), 2.1.4 (p. 65).

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Department of Foreign Affairs and Trade will receive an equity injection of \$14.088 million in 2003-04. This amount will be used to fund enhancement of the secure diplomatic communications network in Australia and overseas, the continuation of research into a biometric identifier for the Australian passport and the investment in non-current assets necessary for the operation of the Australian office in Iraq. The department will not receive any funding through loans or administered capital.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUTS

The Department of Foreign Affairs and Trade works to achieve four outcomes specified by Government. The charts, maps and tables on the following pages provide information on these four outcomes and the contributing outputs.

Information on the division of administered and departmental appropriations between the DFAT's four outcomes appears in Chart 3, Administered Appropriations by Outcome 2003-04, and Chart 4, Departmental Appropriations by Outcome 2003-04 (p. 36).

The relationship between the four outcomes and the contributing outputs for the department is shown in Map 2, Outcome and Outputs (p. 37).

The relationship between the four outcomes and the contributing sub-outputs (under each output) for the Department is shown in Map 3.1., Outcome 1 – Contributing Sub-outputs (p. 38), Map 3.2, Outcome 2 – Contributing Sub-outputs (p. 39), Map 3.3, Outcome 3 – Contributing Sub-outputs (p. 40) and Map 3.4, Outcome 4 – Contributing outputs (p. 41) .

Financial details for **Outcome 1** by output appear in Table 2.1.1, Total Resources for Outcome 1 (p. 46), while non-financial information for Outcome 1 appears in Table 2.2.1, Performance Information for Outcome 1 (pp. 48-51).

Financial details for **Outcome 2** by output appear in Table 2.1.2, Total Resources for Outcome 2 (p. 54), while non-financial information for Outcome 2 appears in Table 2.2.2, Performance Information for Outcome 2 (pp. 55-56).

Financial details for **Outcome 3** by output appear in Table 2.1.3, Total Resources for Outcome 3 (p. 59) while non-financial information for Outcome 3 appears in Table 2.2.3, Performance Information for Outcome 3 (pp. 60-61).

Financial details for **Outcome 4** by output appear in Table 2.1.4, Total Resources for Outcome 4 (p. 65) while non-financial information for Outcome 4 appears in Table 2.2.4, Performance Information for Outcome 4 (p. 66).

Output cost attribution

The Department of Foreign Affairs and Trade allocates resources to outputs based on its Activity Based Costing Model. The model is currently being enhanced to encompass the new requirements resulting from the recommendations of the Budget Estimates and Framework Review. Allocations in 2003-04 have been calculated based on estimates and the model. The Overseas Property Office costs are excluded from the department's Activity Based Costing Model as all activities are accounted for separately and allocated directly to Outcome 4 (Output 4.1).

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Chart 3: Administered appropriations by outcome 2003-04

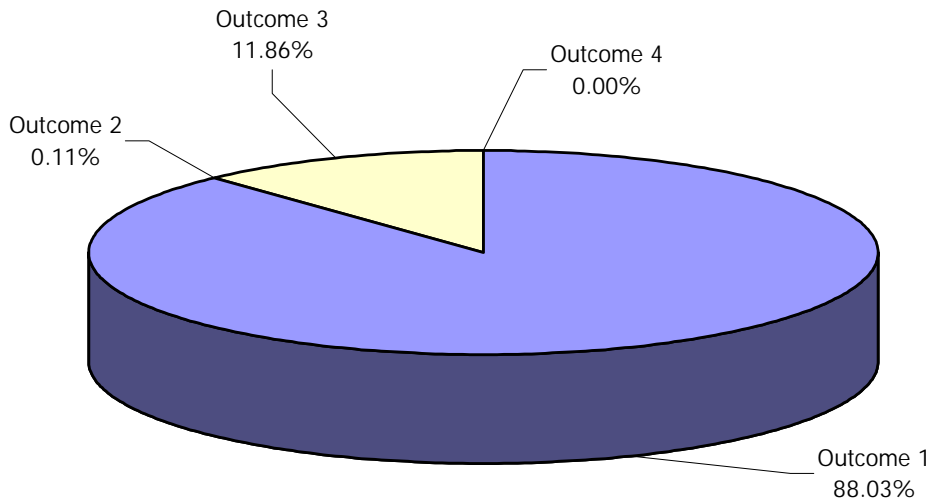
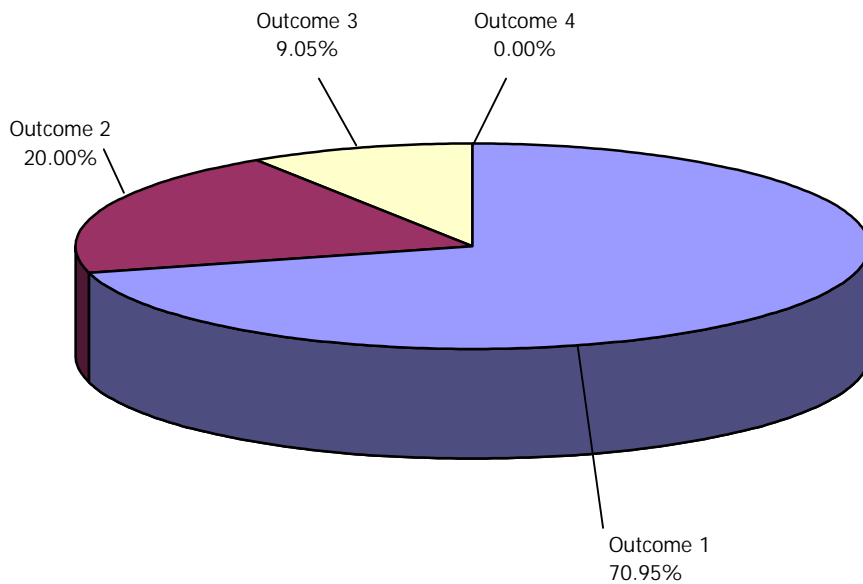


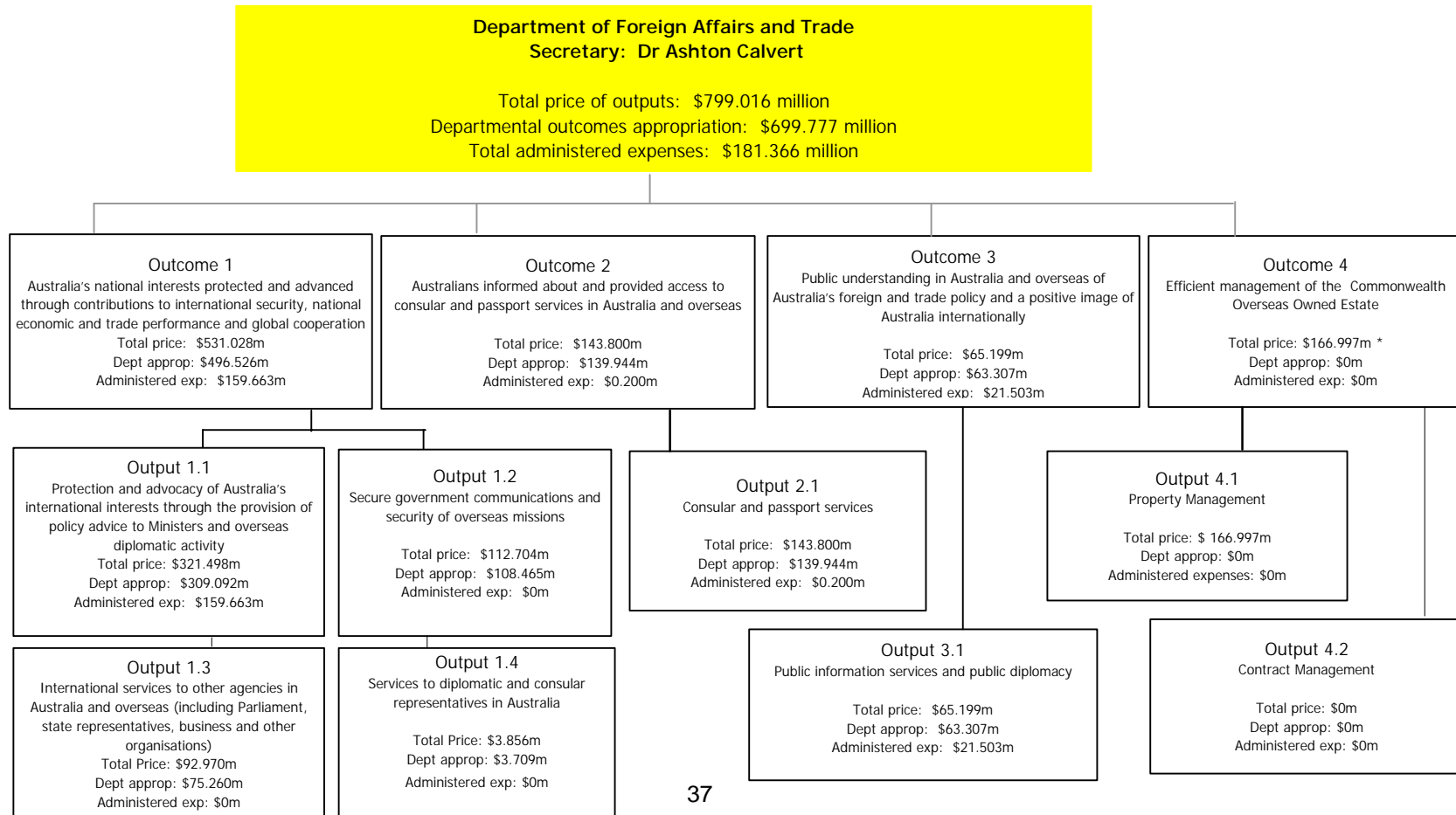
Chart 4: Departmental appropriations by outcome 2003-04



Note: Appropriation for Outcome Four is zero as DFAT does not receive appropriation for Outcome Four activities.

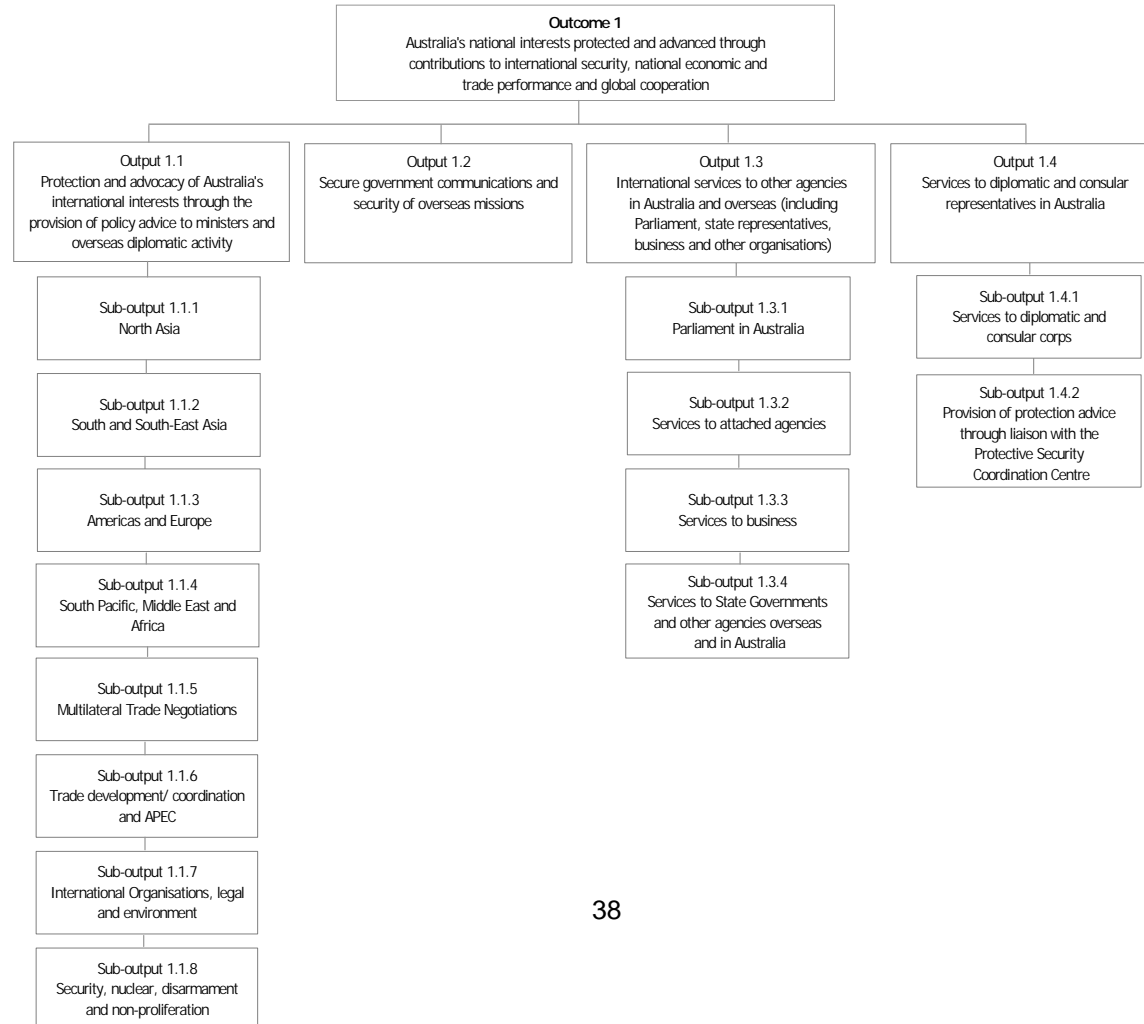
Section 2: Outcomes and outputs information

Map 2: Outcomes and outputs

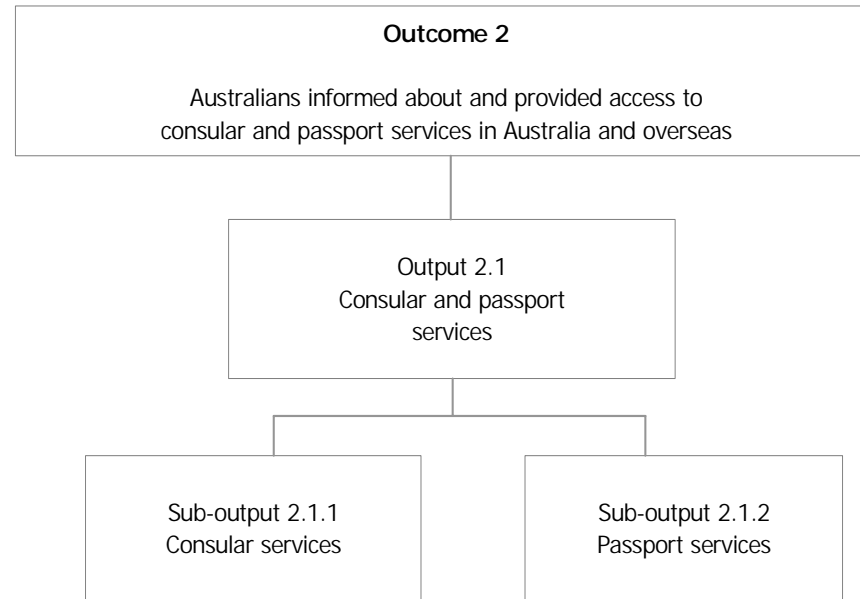


* Price of outputs shown under this outcome includes an amount of \$108.008 million for inter-entity transactions, being rent paid by DFAT to the Overseas Property Office for services provided to DFAT's overseas diplomatic network. The contribution of this outcome to DFAT's total price of outputs is \$58.989 million.

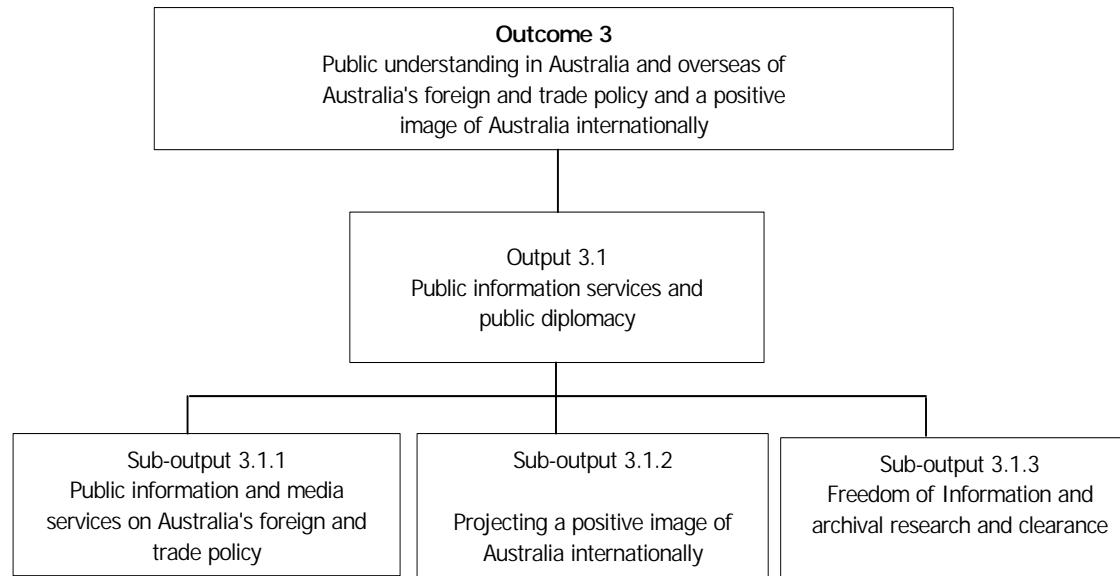
Map 3.1: Outcome 1—Contributing Outputs



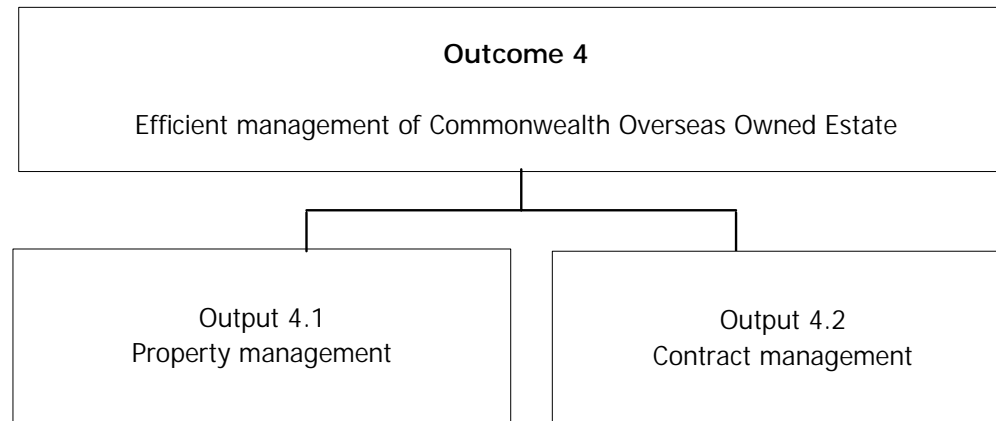
Map 3.2: Outcome 2—Contributing Outputs



Map 3.3: Outcome 3—Contributing Outputs



Map 3.4: Outcome 4—Contributing Outputs

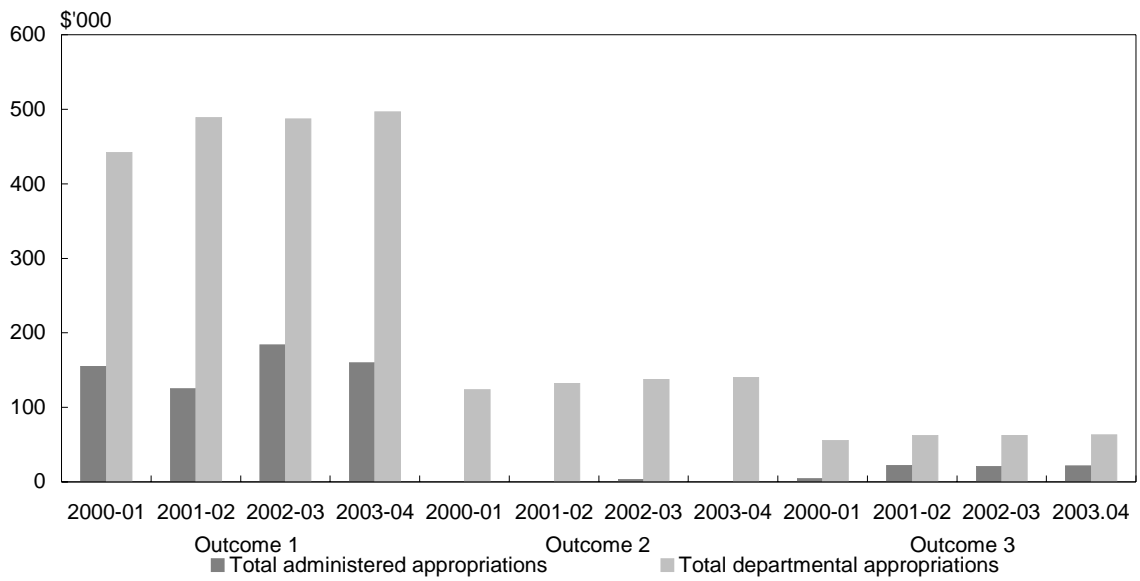


CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to DFAT's outcomes and outputs since the Portfolio Budget Statements 2002-03 were tabled.

TRENDS IN RESOURCING ACROSS OUTCOMES

Chart 5: Trends in appropriations for all outcomes ('000)



Note: Outcome Four is not shown in the above table as the department does not receive appropriation for Outcome Four activities.

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

Measures affecting Outcome 1¹

A Safer Australia—expansion of Australia's secure diplomatic communication network

The Government will provide \$9.4 million in 2003-04 (\$9.9 million capital funding offset by a \$0.5 million expense saving) to fund infrastructure and support costs for an expansion of Australia's secure diplomatic communications network to cover an additional 23 locations (to a total of 97 locations) in Australia and overseas. The additional locations are in Australia, the Pacific, Asia, Europe, the Middle East and Africa.

The Secure Australian Telecommunications and Information Network supports secure messaging, office automation and network services between Australia (covering 15 Commonwealth agencies) and Australian Government posts overseas.

Total resourcing*: Outcome 1 will receive the following amounts under Appropriation Bill No. 1: \$9.4 million in 2003-04, \$10.5 million in 2004-05, \$10.5 million in 2005-06, and \$9.6 million in 2006-07. Outcome 1 will receive the following amounts under Appropriation Bill No. 2: \$9.9 million in 2003-04.

Iraq—reopening of an Australian office

Expense:

The Government has decided to re-establish Australia's diplomatic presence in Baghdad, Iraq at a cost of \$21 million over five years from 2002-03 to 2006-07. This funding will be used to meet staffing and administrative costs.

¹ This relates to measures disclosed in the 2003-04 budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* (MYEFO)).

* Note: Total resourcing in some cases is higher than figures contained in Budget Paper 2 Budget Measures 2003-04, arising from the funding of depreciation and other items that do not have an impact on the fiscal and underlying cash balances.

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Capital:

The Government has decided to re-establish Australia's diplomatic presence in Baghdad, Iraq at a cost of \$3.8 million over four years from 2003-04 to 2006-07. This funding will be used on the fit-out of the office and other minor capital expenses.

The office will include representatives from the Departments of Foreign Affairs and Trade, Immigration and Multicultural and Indigenous Affairs and the Australian Trade Commission to enable Australia to advance its commercial, immigration and humanitarian interests in post-conflict Iraq. Defence personnel will provide security at the office.

Total resourcing*: Outcome 1 will receive the following amounts under Appropriation Bill No. 1: \$3.7 million in 2003-04, \$4.2 million in 2004-05, \$4.5 million in 2005-06, and \$4.6 million in 2006-07. Outcome 1 will receive the following amounts under Appropriation Bill No. 2: \$3.2 million in 2003-04 and \$0.1 million in 2004-05.

Nauru—maintenance of a temporary Consulate-General

The Government will provide \$1.7 million to continue Australia's diplomatic presence in Nauru in 2003-04. The operation of the temporary Australian Consulate is in line with the commitment made in the Memorandum of Understanding in relation to the accommodation of Unauthorised Boat Arrivals signed with Nauru.

Total resourcing*: Outcome 1 will receive \$2.0 million in 2003-04 under Appropriation Bill No. 1.

International Development Law Organisation grant

The Government will provided an annual grant, totalling \$0.4 million over the next four years (including \$0.02 million in 2003-04), to the International Development Law Organisation (IDLO).

IDLO promotes the rule of law and governance and improves the negotiating capability of developing countries through mechanisms including training, the provision of technical assistance and publications.

Total resourcing*: Outcome 1 will receive the following amounts under Appropriation Bill No. 1: \$0.02 million in 2003-04, \$0.1 million 2004-05, \$0.1 million in 2005-06, and \$0.1 million in 2006-07.

* Note: Total resourcing in some cases is higher than figures contained in Budget Paper 2 Budget Measures 2003-04, arising from the funding of depreciation and other items that do not have an impact on the fiscal and underlying cash balances.

World Trade Organisation—informal meeting of Ministers

The Government provided additional funding in 2002-03 to the Department of Foreign Affairs and Trade for enhanced security arrangements for the informal meeting of World Trade Organisation Ministers in Sydney in November 2002. These arrangements were deemed necessary as a result of the international security environment at the time to ensure a safe venue.

Funding for this measure will be finalised once negotiations between the Commonwealth and New South Wales Governments have been completed.

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.

Provision has been made in the Contingency Reserve for funding for other agencies and bids from those agencies will be considered later in 2003.

Total resourcing*: Outcome 1 will receive the following amounts under Appropriation Bill No. 1: \$0.5 million in 2003-04, \$0.2 million in 2004-05, \$0.2 million in 2005-06 and \$0.2 million in 2006-07.

* Note: Total resourcing in some cases is higher than figures contained in Budget Paper 2 Budget Measures 2003-04, arising from the funding of depreciation and other items that do not have an impact on the fiscal and underlying cash balances.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003-04 Budget 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, Appropriations and Other Revenue.

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

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000
Administered appropriations	183,619	159,663
Total administered appropriations	183,619	159,663
		(I1)
from Special Accounts (estimated payments from Special Account balances)⁽²⁾		
Services for Other Governments & Non-Agency Bodies A/C (s20 FMA Act)	655	570
Official Administered Payment Account for Other Agencies A/C (s20 FMA Act)	177,935	154,804
Total Special Accounts Outflows	178,590	155,374
Departmental appropriations		
Output 1.1 -	302,801	309,092
Output 1.2 -	103,454	108,465
Output 1.3 -	77,301	75,260
Output 1.4 -	3,610	3,709
Total revenue from government (appropriations)	487,166	496,526
Contributing to price of departmental outputs	93.65%	93.50%
		(C1)
Revenue from other sources		
Output 1.1 -	11,870	12,407
Output 1.2 -	4,055	4,239
Output 1.3 -	16,944	17,709
Output 1.4 -	141	147
Total revenue from other sources	33,010	34,502
Total price from departmental outputs	520,176	531,028
(Total revenue from government and from other sources)		(E1) ⁽¹⁾
Total estimated resourcing for Outcome 1		
(Total price of outputs and administered appropriations)	703,795	690,691
	2002-03	2003-04
Average staffing level (number)	2,259	2,229

Note 1. Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 1.5.

Note 2. Special Account outflows are shown in the payments column of the Special Account table in Table 1.5.

Note 3. Special Account cash payments shown in the box are given for information only and do not form part of DFAT's resourcing.

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

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

DFAT's network of overseas missions together with Canberra-based staff and staff in state and regional capitals support the Government's efforts to advance the security and prosperity of Australia and Australians through advocacy of Australia's interests with foreign governments and international organisations. In consultation with other Australian government agencies, State and Territory governments, business, non-government organisations and community groups, the department provides policy advice and analysis to portfolio Ministers on how to advance its national interests. DFAT facilitates visits overseas by Government Ministers and senior officials in support of these.

Output 1.2: Secure government communications and security of overseas missions

The department provides secure and reliable international communications services for Ministers and Australian Government agencies. It also implements strategies to ensure the physical security of Australian missions overseas, to protect its staff, those of other agencies and visitors to these missions.

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, Territory and Federal parliamentarians including support for 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, Territory 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

DFAT 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.

PERFORMANCE INFORMATION FOR OUTCOME 1

DFAT's performance in achieving outcomes is measured in terms of effectiveness and efficiency. Effectiveness indicators measure DFAT's effectiveness in achieving the outcome, based on the combined contribution of agency outputs and administered items towards achieving outcomes. Efficiency indicators measure the quality, quantity and price of agency outputs and administered items.

DFAT's effectiveness and efficiency performance indicators for Outcome 1 are set out in Table 2.2.1. The effectiveness indicators for Enhancement of Australia's security has been amended since the 2002-03 Portfolio Budget Statements, to reflect the department's work in countering terrorism.

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 combating international terrorism and 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	\$321.498 million

Table 2.2.1: Performance Information for Outcome 1 (continued)

Output 1.2: Secure government communications and security of overseas missions	
Quality	Client satisfaction with the secure diplomatic communications network and secure telecommunication infrastructure.
	Availability to clients, and reliability, of communications through the secure network (including cable delivery).
	Client satisfaction with the level of physical security at overseas chanceries and residences, including responsiveness to unexpected events.
Quantity	Number of posts and Commonwealth entities with access to the secure diplomatic communications network and secure telecommunications infrastructure.
	Number of clients serviced, types of services provided and volume of traffic handled.
	Number of overseas missions for which security services are provided, including security review services.
	Number of security clearances and reviews processed.
Price	\$112.704 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	Scope and composition of administrative services provided to other agencies overseas.
	Number of official programs organised for members of the Commonwealth Parliament (excluding the Prime Minister or ministers) and parliamentary delegations.
	Number of services provided to parliamentary committees.
	Number of overseas visits by representatives of state or territory governments, and by state and territory parliamentarians, supported by the Department.
	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.
Price	\$92.970 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	Number of diplomatic and consular representatives for whom the Department provides services.
	Number and category of services provided.
Price	\$3.856 million

Table 2.2.1: Performance Information for Outcome 1 (continued)

Performance Information for Administered Items	
Contributions to international organisations	
Quality	Efficiency and timeliness of administration of contributions paid in accordance with the requirements of relevant organisations.
Quantity	Number of international organisations to which Australia contributes.
Price	\$139.392 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	\$0.54 million

EVALUATIONS

In evaluating DFAT's performance in the annual report, the department expects to 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 Unit. The Unit, located within the Finance Services and Systems 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, language training, provision of desk top hardware, mainframe computing services, cabling facilities management, receptionist and telephone services, property maintenance at overseas posts and security services in Australia and some overseas missions. The department is currently preparing to approach the market to renew the contract for travel management services and for the provision of printing and desktop publishing services.

OUTCOME 2 — DESCRIPTION

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

Measures affecting Outcome 2²

A Safer Australia—enhanced travel advice dissemination

The Government will provide the Department of Foreign Affairs and Trade additional funding of \$9.7 million from 2003-04 to 2006-07 to enhance travel advice dissemination. The funding will provide for new initiatives previously announced by the Government on 22 January 2003 to improve Australians' awareness of travel advice, safety and security issues associated with overseas travel.

The initiatives will focus on three areas of information sharing: promotion, dissemination and cooperation and will include a public information campaign, the introduction of touch screen travel advice kiosks in all Australian passport offices, and increased cooperation with the Australian travel industry.

Total resourcing*: Outcome 2 will receive the following amounts under Appropriation Bill No. 1: \$2.5 million in 2003-04, \$2.3 million in 2004-05, \$2.4 million in 2005-06, and \$2.5 million in 2006-07.

A Safer Australia—research into passport biometrics

As part of the Government's *A Safer Australia* package, the Government will fund \$3.0 million in 2003-04 (including \$1.9 million expense funding) for the continuation of 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 passport fraud.

Total resourcing*: Outcome 2 will receive the following amounts under Appropriation Bill No. 1: \$2.4 million in 2003-04, \$0.6 million in 2004-05, \$0.6 million in 2005-06, and \$0.6 million in 2006-07. Outcome 2 will receive the following amounts under Appropriation Bill No. 2: \$1.1 million in 2003-04.

² This relates to measures disclosed in the 2003-04 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* (MYEFO)).

* Note: Total resourcing in some cases is higher than figures contained in Budget Paper 2 Budget Measures 2003-04, arising from the funding of depreciation and other items that do not have an impact on the fiscal and underlying cash balances.

OUTCOME 2 — RESOURCING

Table 2.1.2 shows how the 2003-04 Budget 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, Appropriations and Other Revenue.

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

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000
Administered appropriations	3,337	200
Total administered appropriations	3,337	200
		(I1)
from Special Accounts (estimated payments from Special Account balances)⁽²⁾		
Consular Services Account (s20 FMA Act)	216	188
Total Special Accounts Outflows	216	188
Departmental appropriations		
Output 2.1 -	137,306	139,944
Total revenue from government (appropriations)	137,306	139,944
Contributing to price of departmental outputs	97.38%	97.32%
		(C1)
Revenue from other sources		
Output 2.1 -	3,689	3,856
Total revenue from other sources	3,689	3,856
Total price from departmental outputs	140,995	143,800
(Total revenue from government and from other sources)		(E1) ⁽¹⁾
Total estimated resourcing for Outcome 2		
(Total price of outputs and administered appropriations)	144,332	144,000
	2002-03	2003-04
Average staffing level (number)	637	629

Note 1. Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 1.5.

Note 2. Special Account outflows are shown in the payments column of the Special Account table in Table 1.5.

Note 3. Special Account cash payments shown in the box are given for information only and do not form part of DFAT's resourcing.

OUTCOME 2 — CONTRIBUTION OF OUTPUTS

Output 2.1: Consular and passport services

DFAT 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. DFAT disseminates information so Australian travellers are informed about international developments, including areas that pose safety risks to travellers, and about the extent to which the Australian Government can assist them. DFAT also 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.

PERFORMANCE INFORMATION FOR OUTCOME 2

DFAT's effectiveness and efficiency performance indicators for Outcome 2 are set out in Table 2.2.2.

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.

Table 2.2.2: Performance information for Outcome 2 (Continued)

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	\$143.800 million
Performance Information for Administered Items	
Travellers' 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

See Evaluations under Outcome 1, p 51.

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

Section 2: Outcomes and outputs information

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.

A successful trial was recently concluded in the Melbourne Passport Office that involved the outsourcing of the mail opening and document preparation functions. The arrangement is now being extended to the Passport Offices in Sydney and Brisbane.

See also Competitive Tendering and Contracting under Outcome 1, p 52.

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

Measures affecting Outcome 3³

International Relations Grants Programme

The Government will extend this programme at a cost of \$14 million over four years under which international relations grants are provided to organisations in support of Australia's objectives in international security, trade and economic performance, global cooperation and public diplomacy.

Provision for this funding has already been included in the forward estimates.

OUTCOME 3 — RESOURCING

Table 2.1.3 shows how the 2003-04 Budget 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 **E1 CI** and **I1** show the links back to Table 1.1, Appropriations and Other Revenue.

³ This relates to measures disclosed in the 2002-03 budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* (MYEFO)).

Section 2: Outcomes and outputs information

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

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000
Administered appropriations	21,047	21,503
Total administered appropriations	21,047	21,503
		(1)
from Special Accounts (estimated payments from Special Account balances)⁽²⁾		
Australia Abroad Council Account (s20 FMA Act)	126	0
Australia-China Council Account (s20 FMA Act)	729	0
Australia-France Endowment Account (s20 FMA Act)	33	0
Australia-India Council Account (s20 FMA Act)	790	0
Australia-Indonesia Institute Account (s20 FMA Act)	845	0
Australia-Korea Foundation Account (s20 FMA Act)	731	0
Australia-New Zealand Foundation Account (s20 FMA Act)	0	0
Grawemeyer Award Account (s20 FMA Act)	0	0
Ministerial Publications Account (s20 FMA Act)	7	6
Other Trust Moneys Account (s20 FMA Act)	1,020	532
Total Special Accounts Outflows	4,281	538
Departmental appropriations		
Output 3.1 -	62,113	63,307
Total revenue from government (appropriations)	62,113	63,307
Contributing to price of departmental outputs	97.17%	97.10%
		(C1)
Revenue from other sources		
Output 3.1 -	1,810	1,892
Total revenue from other sources	1,810	1,892
Total price from departmental outputs	63,923	65,199
(Total revenue from government and from other sources)		(E1) ⁽¹⁾
Total estimated resourcing for Outcome 3		
(Total price of outputs and administered appropriations)	84,970	86,702
	2002-03	2003-04
Average staffing level (number)	288	284

Note 1. Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 1.5.

Note 2. Special Account outflows are shown in the payments column of the Special Account table in Table 1.5.

Note 3. Special Account cash payments shown in the box are given for information only and do not form part of D FAT's resourcing.

OUTCOME 3 — CONTRIBUTION OF OUTPUTS

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.

PERFORMANCE INFORMATION FOR OUTCOME 3

DFAT's effectiveness and efficiency performance indicators for Outcome 3 are set out in Table 2.2.3.

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.

Table 2.2.3: Performance information for Outcome 3 (Continued)

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	\$65.199 million
Performance Information for Administered Items	
Grants	
Quality	Grants administered in accordance with Commonwealth guidelines on the administration of the Discretionary Grants Programme.
Quantity	Number of grants.
Price	\$3.541 million
ABC Asia-Pacific television service	
Quality	ABC Asia-Pacific (ABCAP) 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	\$17.962 million

EVALUATIONS

See Evaluations under Outcome 1, p. 51.

COMPETITIVE TENDERING AND CONTRACTING

See Competitive Tendering and Contracting under Outcome 1, p. 52.

OUTCOME 4 — DESCRIPTION

Outcome 4 — Efficient management of Commonwealth Overseas Owned Estate

Measures affecting Outcome 4⁴

New Delhi Chancery—construction of a new chancery and residential accommodation

The Government has agreed to additional expenditure of \$0.9 million in 2005-06 and \$6.3 million in 2006-07 for the construction of Australia's new chancery in New Delhi, India. This will increase the total funding for the project from \$17.4 million to \$24.6 million.

The increased scope of the project relates to enhanced physical security for the chancery, including the construction of a secure basement carpark and secure temporary accommodation during construction.

The funding for the chancery will be met from reserves held in the Overseas Property Special Account in the Department of Foreign Affairs and Trade.

Geneva Chancery—defects rectification project

The Government has agreed to expenditure of \$1.7 million in 2003-04 and \$3.0 million in 2004-05 to rectify defects at the Geneva Chancery, Switzerland. The Chancery opened in 1998 and has been subject to architectural and mechanical defects since project completion.

The project will be funded from reserves held in the Overseas Property Special Account in the Department of Foreign Affairs and Trade.

Washington Head of Mission Residence—refurbishment

The Government will provide \$5.9 million over two years to undertake a major refurbishment of the Washington Head of Mission Residence in 2003-04 and 2004-05. This will enable compliance and Workplace Health and Safety issues in the kitchen and elsewhere to be addressed as a matter of priority.

The refurbishment will be funded from reserves held in the Overseas Property Special Account in the Department of Foreign Affairs and Trade.

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

Paris Chancery—refurbishment of apartments

The Government will provide \$9.5 million over three years (2003-04 to 2005-06) for the refurbishment of 29 apartments in the Paris Embassy apartment complex. Current facilities are considered to be at the end of their useful life.

This refurbishment will be funded from reserves held in the Overseas Property Special Account in the Department of Foreign Affairs and Trade.

Wellington Chancery—mid-life upgrade and refurbishment

The Government will provide \$6.5 million over three years (2003-04 to 2005-06) to undertake a mid-life refurbishment of Wellington Chancery, New Zealand. The Chancery building is 25 years old and requires a major mid-life building services upgrade to enable the High Commission to continue in these premises.

This upgrade will be funded from reserves held in the Overseas Property Special Account in the Department of Foreign Affairs and Trade.

OUTCOME 4 — RESOURCING

Table 2.1.4 shows how the 2003-04 Budget appropriations translate to total resourcing for Outcome 4, 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, Appropriations and Other Revenue.

Section 2: Outcomes and outputs information

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

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000
Administered appropriations	0	0
Total administered appropriations	0	0
		(11)
from Special Accounts (estimated payments from Special Account balances)⁽²⁾		
Overseas Property Account - s20(1) FMA	162,165	162,913
Total Special Accounts Outflows	162,165	162,913
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	0.00%	0.00%
		(C1)
Revenue from other sources		
Output 4.1 - Overseas Property Account - s20(1) FMA	179,992	166,997
Total revenue from other sources	179,992	166,997
Total price from departmental outputs	179,992	166,997
(Total revenue from government and from other sources)		(E1) ⁽¹⁾
Total estimated resourcing for Outcome 4		
(Total price of outputs and administered appropriations)	179,992	166,997
	2002-03	2003-04
Average staffing level (number)	12	12

Note 1. Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 1.5.

Note 2. Special Account outflows are shown in the payments column of the Special Account table in Table 1.5.

Note 3. Special Account cash payments shown in the box are given for information only and do not form part of DFAT's resourcing.

OUTCOME 4 — CONTRIBUTION OF OUTPUTS

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 owned overseas estate comprises 136 properties in 51 countries, with an approximate market value of \$1.2 billion. It implements a five-year rolling plan for major expenditure and capital works in the overseas estate.

PERFORMANCE INFORMATION FOR OUTCOME 4

DFAT’s effectiveness and efficiency performance indicators for Outcome 4 are set out in Table 2.2.4.

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	
Australian Government representatives overseas provided with appropriate accommodation, including through effective management of the UPS 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. Management expense ratio to be consistent with external industry benchmarks. Pay agreed annual dividends to Government.
Price	\$166.997 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 UPS.
Quantity	Tenant satisfaction with UPS contract delivery. Number of project contracts managed. Number of calls answered by UPS call centre and agreed response times for successful service delivery achieved.

* Price of outputs shown under this Outcome includes an amount of \$108.008 million for inter-entity transactions, being rent paid by DFAT to the Overseas Property Office for services provided to DFAT’s overseas network.

EVALUATIONS

See Evaluations under Outcome 1, p. 51.

COMPETITIVE TENDERING AND CONTRACTING

See also Competitive Tendering and Contracting under Outcome 1, p. 52.

Section 3: Budgeted financial statements

DEPARTMENTAL FINANCIAL STATEMENTS

The Budgeted Financial Statements for DFAT presented in this section, will form the basis of the financial statements that will appear in the department's 2003-04 Annual Report and the basis for the input into the Whole-of-Government accounts.

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.

SCHEDULE OF ADMINISTERED ACTIVITY

Details of transactions administered by the agency 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.

Part C: Agency Budget Statements—DFAT

**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
REVENUE					
Revenues from ordinary activities					
Revenues from government	691,088	699,777	695,896	687,156	686,555
Goods and services	83,766	92,644	91,091	92,393	93,021
Interest	7,567	6,752	6,000	6,000	6,000
Dividends	0	0	0	0	0
Revenue from sales of assets	0	0	0	0	0
Reversals of previous asset write-downs	0	0	0	0	0
Net foreign exchange gains	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Other	311	216	216	217	217
Revenues from ordinary activities	782,732	799,389	793,203	785,766	785,793
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	298,076	294,991	294,303	285,578	286,638
Suppliers	306,593	322,315	318,067	308,736	311,548
Grants	0	0	0	0	0
Subsidies	0	0	0	0	0
Depreciation and amortisation	58,036	72,866	73,881	81,992	77,529
Write-down of assets	0	28,886	56,895	18,402	44,140
Value of assets sold	0	0	0	0	0
Net foreign exchange losses	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Other	646	20	20	20	20
Expenses from ordinary activities (excluding borrowing costs expense)	663,351	719,078	743,166	694,728	719,875
Borrowing costs expense	400	400	400	400	400
Share of net profits/losses of associates and joint ventures accounted for using the equity method	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Operating surplus or deficit from ordinary activities	118,981	79,911	49,637	90,638	65,518
Gain or loss on extraordinary items	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Net surplus or deficit	118,981	79,911	49,637	90,638	65,518
Capital Use Charge Paid *	19,134				
Net surplus or deficit after CUC	138,115	79,911	49,637	90,638	65,518

*The Capital Use Charge has been abolished from 1 July 2003.

Section 3: Budgeted financial statements

Table 3.1: Budgeted Departmental Statement of Financial Performance for period ending 30 June (continued)

	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	0	0	0	0	0
Net surplus or deficit attributable to the Commonwealth	138,115	79,911	49,637	90,638	65,518
Net credit (debit) to asset revaluation reserve	(61,135)	(7,741)	(107,433)	5,087	24,532
Net exchange difference recognised as a direct debit (credit) to equity	0	0	0	0	0
Adjustments arising from Standards recognised as direct debit (credit) to equity	0	0	0	0	0
Initial adjustments from transitional UIG consensus view recognised as direct debit (credit) to equity	0	0	0	0	0
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	76,980	72,170	(57,796)	95,725	90,050

**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
ASSETS					
Financial assets					
Cash	73,936	90,007	89,653	120,759	150,850
Receivables	14,708	13,237	13,237	13,237	13,237
Investments accounted for under the equity method	0	0	0	0	0
Other investments	0	0	0	0	0
Accrued revenues	524	524	524	524	524
Other					
Total financial assets	89,168	103,768	103,414	134,520	164,611
Non-financial assets					
Land and buildings	1,458,463	1,424,694	1,265,345	1,268,005	1,288,260
Infrastructure, plant and equipment	91,021	91,868	72,200	42,973	18,446
Heritage and cultural assets	0	0	0	0	0
Inventories	5,595	5,595	5,595	5,595	5,595
Intangibles	14,418	14,685	13,897	13,109	12,321
Other	54,902	55,587	75,867	73,605	44,400
Total non-financial assets	1,624,399	1,592,429	1,432,904	1,403,287	1,369,022
Total assets	1,713,567	1,696,197	1,536,318	1,537,807	1,533,633
LIABILITIES					
Interest bearing liabilities					
Loans	0	0	0	0	0
Leases	1,905	1,905	1,905	1,905	1,905
Deposits	0	0	0	0	0
Overdraft	0	0	0	0	0
Other	185	185	185	185	185
Provisions					
Employees	101,420	101,856	102,314	102,798	103,294
Other	0	0	0	0	0
Payables					
Suppliers	27,477	27,477	27,477	27,477	27,477
Grants	0	0	0	0	0
Dividends	0	0	0	0	0
Borrowing Costs	0	0	0	0	0
Other	3,574	(1,434)	(1,434)	(1,434)	(1,434)
Total Payables	31,051	26,043	26,043	26,043	26,043
Total liabilities	134,561	129,989	130,447	130,931	131,427

Section 3: Budgeted financial statements

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

	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
EQUITY					
Parent entity interest					
Contributed equity	1,222,457	1,236,542	1,236,542	1,236,542	1,236,542
Reserves	292,335	284,594	177,162	182,248	206,780
Statutory funds	0	0	0	0	0
Retained surpluses or accumulated deficits ⁽¹⁾	64,214	45,072	(7,833)	(11,914)	(41,116)
Total parent entity interest	1,579,006	1,566,208	1,405,871	1,406,876	1,402,206
Outside equity interest					
Contributed equity	0	0	0	0	0
Reserves	0	0	0	0	0
Retained surpluses or accumulated deficits	0	0	0	0	0
Total outside equity interest	0	0	0	0	0
Total equity	1,579,006	1,566,208	1,405,871	1,406,876	1,402,206
Total assets and liabilities by maturity					
Current assets	139,827	138,410	125,364	125,485	125,144
Non-current assets	1,573,740	1,557,787	1,410,954	1,412,322	1,408,489
Current liabilities	89,712	86,664	86,969	87,292	87,622
Non-current liabilities	44,849	43,325	43,478	43,639	43,805

Note 1: Balances reflect dividends paid as a return of capital by the Overseas Property Office

Part C: Agency Budget Statements—DFAT

Table 3.3: Budgeted Departmental Statement of Cash Flows

	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
OPERATING ACTIVITIES					
Cash received					
Goods and Services	87,660	92,644	91,091	92,393	93,021
Appropriations	692,340	700,663	695,897	687,157	686,556
Interest	7,567	6,752	6,000	6,000	6,000
Dividends					
Other	12,016	11,927	12,085	12,087	12,087
Extraordinary items					
Total cash received	799,583	811,986	805,073	797,637	797,664
Cash used					
Employees	295,709	294,399	293,844	285,095	286,141
Suppliers	304,032	322,027	318,378	309,047	311,859
Grants					
Borrowing costs	(280)	(280)	(280)	(280)	(280)
Other	12,884	12,272	12,259	12,259	12,260
Extraordinary items					
Total cash used	612,345	628,418	624,201	606,121	609,980
Net cash from/ (used by) operating activities	187,238	183,568	180,872	191,516	187,684
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	17,461	2,361	2,361	2,361	2,361
Proceeds from sales of financial instruments	0	0	0	0	0
Bills of exchange and promissory notes	0	0	0	0	0
Repayments of loans made	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash received	17,461	2,361	2,361	2,361	2,361
Cash used					
Purchase of property, plant and equipment	93,891	79,884	81,045	68,051	65,234
Purchase of financial Instruments	0	0	0	0	0
Bills of exchange and promissory notes	0	0	0	0	0
Loans made	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash used	93,891	79,884	81,045	68,051	65,234
Net cash from/ (used by) investing activities	(76,430)	(77,523)	(78,684)	(65,690)	(62,873)

Section 3: Budgeted financial statements

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

	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
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	30,241	14,088	0	0	0
Proceeds from issuing financial instruments	0	0	0	0	0
Proceeds from loans	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash received	30,241	14,088	0	0	0
Cash used					
Repayments of debt	0	0	0	0	0
Capital use charge paid	0	0	0	0	0
Dividends paid	112,476	104,062	102,542	94,720	94,720
Other	38,201	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash used	150,677	104,062	102,542	94,720	94,720
Net cash from/ (used by) financing activities	(120,436)	(89,974)	(102,542)	(94,720)	(94,720)
Net increase/(decrease) in cash held	(9,628)	16,071	(354)	31,106	30,091
Cash at the beginning of the reporting period	83,564	73,936	90,007	89,653	120,759
Effect of exchange rate movements on cash at the beginning of reporting period	0	0	0	0	0
Cash at the end of the reporting period	73,936	90,007	89,653	120,759	150,850

Part C: Agency Budget Statements—DFAT

Table 3.4: Department Capital Budget Statement

	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	30,244	14,088	0	0	0
Total loans	0	0	0	0	0
Appropriation of previous year accrued revenue	0	1,629	0	0	0
Represented by					
Purchase of non-current assets	30,244	14,088	0	0	0
Other	0	1,629	0	0	0
Total	30,244	15,717	0	0	0
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	30,244	14,088	0	0	0
Funded internally by Departmental resources	63,647	65,796	81,045	68,051	61,234

Section 3: Budgeted financial statements

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	697,050	761,413	0	91,024	0	14,418	0	1,563,905
Additions	0	37,786	0	39,154	0	2,256	0	79,196
Disposals	0	8,000	0	11,279	0	0	0	19,279
Revaluation increments	(3,959)	(32,668)	0	0	0	0	0	(36,627)
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	26,928	0	27,031	0	1,989	0	55,948
Write-off of assets	0	0	0	0	0	0	0	0
Carrying amount at the end of year	693,091	731,603	0	91,868	0	14,685	0	1,531,247
Total additions								
Self funded	0	37,786	0	26,161	0	1,161	0	65,108
Appropriations	0	0	0	12,993	0	1,095	0	14,088
Total	0	37,786	0	39,154	0	2,256	0	79,196

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
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 (Revenues from Government)					
Goods and services	129,155	127,928	130,150	130,150	130,150
Interest	19,182	19,182	19,182	19,182	19,182
Dividends	9,700	3,350	3,400	4,500	4,500
Net foreign exchange gains	0	0	0	0	0
Revenue from sale of assets	0	0	0	0	0
Other sources of non-taxation revenues	33,629	38,879	33,729	33,729	33,729
Correction of fundamental error	0	0	0	0	0
Total non-taxation	191,666	189,339	186,461	187,561	187,561
Total revenues administered on behalf of the Government	191,666	189,339	186,461	187,561	187,561
EXPENSES					
Grants	184,405	178,960	179,376	179,796	161,017
Subsidies	0	0	0	0	0
Personal benefits	0	0	0	0	0
Employees	0	0	0	0	0
Suppliers	3,137	0	0	0	0
Depreciation and amortisation	0	0	0	0	0
Write down and impairment of assets	0	0	0	0	0
Value of assets sold	0	0	0	0	0
Net foreign exchange losses	0	0	0	0	0
Interest	24,167	23,767	23,767	23,767	23,767
Correction of fundamental error					
Other	294	(17,361)	(17,005)	(16,999)	(17,050)
Extraordinary items					
Total expenses administered on behalf of the Government	212,003	185,366	186,138	186,564	167,734

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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
ASSETS					
Financial assets					
Cash	6,840	6,840	6,840	6,840	11,840
Receivables	853,741	853,766	853,791	853,816	853,816
Investments	323,400	323,400	323,400	323,400	323,400
Accrued revenues	852	852	852	852	852
Other	0	0	0	0	0
Total financial assets	1,184,833	1,184,858	1,184,883	1,184,908	1,189,908
Non-financial assets					
Land and buildings	0	0	0	0	0
Infrastructure, plant and equipment	0	0	0	0	0
Heritage and cultural assets	0	0	0	0	0
Inventories	0	0	0	0	0
Intangibles	0	0	0	0	0
Other non-financial assets	106	106	106	106	106
Total non-financial assets	106	106	106	106	106
Total assets administered on behalf of the Government	1,184,939	1,184,964	1,184,989	1,185,014	1,190,014
LIABILITIES					
Interest bearing liabilities					
Commonwealth securities	0	0	0	0	0
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	97,744	92,769	87,794	82,819	82,819
Total interest bearing liabilities	97,744	92,769	87,794	82,819	82,819
Provisions					
Employees	0	0	0	0	0
Taxation refunds provided	0	0	0	0	0
Australian currency on issue	0	0	0	0	0
Other Provisions	82,081	82,081	82,081	82,081	82,081
Total provisions	82,081	82,081	82,081	82,081	82,081
Payables					
Suppliers	0	0	0	0	0
Grants and subsidies	0	0	0	0	0
Personal benefits payable	0	0	0	0	0
Taxation refunds due	0	0	0	0	0
Other payables	0	0	0	0	0
Total payables	0	0	0	0	0
Total liabilities administered on behalf of the Government	179,825	174,850	169,875	164,900	164,900

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
OPERATING ACTIVITIES					
Cash received					
Income tax	0	0	0	0	0
Indirect tax	0	0	0	0	0
Other taxes, fees and fines	0	0	0	0	0
Sale of goods	129,155	127,928	130,150	130,150	130,150
Rendering of services	0	0	0	0	0
Interest	19,182	19,182	19,182	19,182	19,182
Dividends	9,700	3,350	3,400	4,500	4,500
Cash from Official Public Account -					
Appropriations	208,003	199,488	200,258	200,685	181,855
Special Accounts	0	0	0	0	0
Other	0	0	0	0	0
Transfer from other entities					
(Finance - WOG)	0	0	0	0	0
Other	24,002	29,252	23,738	23,738	23,738
Total cash received	390,042	379,200	376,728	378,255	359,425
Cash used					
Borrowing costs	0	0	0	0	0
Employees	0	0	0	0	0
Grant payments	181,592	176,581	177,097	177,523	158,748
Interest paid	0	0	0	0	0
Subsidies paid	0	0	0	0	0
Personal benefits	0	0	0	0	0
Suppliers	4,661	1,542	1,214	1,215	1,160
Cash to Official Public Account from -					
Appropriations	182,666	198,456	195,578	196,678	196,678
Special Accounts	0	0	0	0	0
Other	0	0	0	0	0
Transfers to other entities					
(Finance - WOG)	0	0	0	0	0
Other	21,123	2,621	2,839	2,839	(2,161)
Total cash used	390,042	379,200	376,728	378,255	354,425
Net cash from/(used by) operating activities	0	0	0	0	5,000

Section 3: Budgeted financial statements

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

	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
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	0	0	0	0	0
Proceeds from sales of equity instruments	0	0	0	0	0
Proceeds from sales of investments	0	0	0	0	0
Repayments of advances	0	0	0	0	0
Cash from Official Public Account	0	0	0	0	0
Transfers from Other Entities	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 and intangibles	0	0	0	0	0
Purchase of equity instruments	0	0	0	0	0
Advances and loans made	0	0	0	0	0
Cash to Official Public Account	0	0	0	0	0
Transfers to Other Entities	0	0	0	0	0
Other	0	0	0	0	0
Total cash used	0	0	0	0	0
Net cash from/(used by) investing activities	0	0	0	0	0
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					
Cash used					
Net repayment of borrowings	0	0	0	0	0
Dividends paid	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/(used by) financing activities	0	0	0	0	0
Net increase (decrease) in cash held	0	0	0	0	5,000
Cash at beginning of reporting period	6,840	6,840	6,840	6,840	6,840
Effect of exchange rate movements on cash at beginning of reporting period	0	0	0	0	0
Cash at end of reporting period	6,840	6,840	6,840	6,840	11,840

Part C: Agency Budget Statements—DFAT

Table 3.9: Schedule of Administered Capital Budget

Not applicable to DFAT.

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

Not applicable to DFAT

Departmental Financial Statements and Notes Administered Items

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

Departmental 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

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.

Section 4: Purchaser/Provider and Cost Recovery arrangements

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 (MOU). For reference, in 2002-03, 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 Education, Science and Training;
Department of Defence;
Department of Family and Community Services;
Department of Immigration and Multicultural and Indigenous Affairs;
Department of Industry, Tourism and Resources ;
Department of Prime Minister and Cabinet;
Department of the Treasury;
Department of Veterans' Affairs (including Office of Australia War Graves); and
National Library of Australia.

Part C: Agency Budget Statements—DFAT

The Department of Immigration and Multicultural 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 Inspections Service);
Department of Education, Science and Training;
Department of Defence;
Department of Family and Community Services;
Department of Immigration and Multicultural and Indigenous Affairs;
Department of Industry, Tourism and Resources;
Department of the Treasury; and
National Library of Australia.

RESPONSIBILITY

The department is responsible for disclosing departmental costs recovered through the department's purchaser/provider arrangements in its Annual Report, clearly indicating where the recovery relates to inter-government charges.

CONTROL ARRANGEMENTS

The Department has SLAs in place under which it provides common administrative services to other Australian Government agencies overseas, except Austrade, for which services are provided under a MOU. The department has other MOU arrangements in

Section 4: Purchaser/Provider and Cost Recovery arrangements

place with Australian Government agencies that require international telecommunications services for staff at Australia's overseas missions. Section 4, *Cross-Agency Overview* provides a list of the Australian agencies with which the department has entered into SLAs and/or MOUs.

SUMMARY OF COST RECOVERY IMPACT STATEMENT

The *Passports Act 1938* and *Consular Fees Act 1955* direct the department to administer the collection of passport and consular fees on behalf of the Australian Government. The Department of Finance and Administration is due to evaluate the department's cost recovery arrangements in 2005-06.

