

# AUSTRALIA-JAPAN FOUNDATION

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# AUSTRALIA-JAPAN FOUNDATION

## Section 1: Agency overview

The Australia-Japan Foundation is an Australian Government statutory authority that operates in accordance with the *Financial Management and Accountability Act 1997*. It was established by the *Australia-Japan Foundation Act 1976* to encourage a closer relationship between the peoples of Australia and Japan.

The Foundation supports portfolio objectives by initiating and facilitating interaction between the two countries to expand and promote the relationship. Through its programs the Foundation seeks to enhance Japanese perceptions of Australia and the bilateral relationship. Current educational programs include *Experience Australia* (a resource kit for Japanese primary schools) and *Discovering Australia* (a teachers' kit for Japanese high schools). The Australia-Japan Foundation library, located in the Australian Embassy in Tokyo, provides a unique information service to Japanese schools, business and academic institutions. The Foundation also facilitates various professional exchanges among academics, teachers, teacher trainers, arts managers, bureaucrats, debaters and community groups.

The Foundation will continue to build on existing cooperation and programs whilst forging opportunities in areas that are less developed. The Foundation's priorities in 2005-06 include the national launch at the World Exposition in Aichi of its first multi-media version of teaching materials for Japanese high schools, and expansion of its popular web-based presence. The Foundation's Australia-Japan Strategic Ties for the Arts Initiative, commencing in 2005-06, will serve as a key component in facilitating and encouraging interaction between Australian and Japanese arts organisations in order to build alliances for the future.

The Foundation consists of a Chairman/Chief Executive and members, appointed by the Minister for Foreign Affairs, who bring a diverse range of knowledge and experience of Japan to the Foundation's work. The Foundation is supported by secretariat offices in Tokyo and Canberra.

**Table 1.1: Agency outcomes and outputs**

Outcome	Description	Outputs
<b>Outcome 1</b>		
Enhanced Japanese perceptions of Australia and strengthened bilateral relationship to advance Australia's national interests.	Advancing Australia's national interest by enhancing Japanese perceptions of Australia and strengthening bilateral relations.	<p>Output 1.1 Provision of education programs and projects about contemporary Australia to targeted Japanese groups.</p> <p>Output 1.2 Increased development and distribution of information about Australia and the bilateral relationship.</p> <p>Output 1.3 Increased interaction between Australian and Japanese individuals and organisations that showcase or demonstrate Australian expertise in select areas.</p>

## Section 2: Agency resources for 2005-06

### **2.1: APPROPRIATIONS AND OTHER RESOURCES**

The total appropriations for the Australia-Japan Foundation in the 2005-06 Budget is \$2.438 million.

The Department of Foreign Affairs and Trade (DFAT) provides two DFAT officers and office space for the Foundation's Canberra secretariat; and one staff member and office space for the Foundation's secretariat in the Australian Embassy, Tokyo, as resources free of charge. Financial statements audit services are also provided free of charge to the Foundation by the Australian National Audit Office. These are reflected in the Budgeted Statement of Financial Performance at Table 5.1.

The Foundation does not receive any administered appropriations.

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome and departmental classification.

**Table 2.1: Appropriations and other revenue 2005-06<sup>1</sup> ('000)**

Outcome	Appropriations			Revenue from other sources <sup>5</sup>		Total resources <sup>7</sup> \$'000
	\$'000 Bill No. 1	\$'000 Bill No. 2 <sup>2</sup>	\$'000 Special approp <sup>3</sup>	Total \$'000	% <sup>6</sup>	
<b>Outcome 1: Enhanced Japanese perceptions of Australia and strengthened bilateral relationship to advance Australia's national interests.</b>						
Departmental	2,438	0	0	2,438	74%	3,295
<b>Total outcome 1</b>	<b>2,438</b>	<b>0</b>	<b>0</b>	<b>2,438</b>	<b>74%</b>	<b>3,295</b>
<b>Total agency</b>	<b>2,438</b>	<b>0</b>	<b>0</b>	<b>2,438</b>	<b>74%</b>	<b>3,295</b>
Departmental	0	0	0	0	0%	0
Departmental capital (equity injections)	0	0	0	0	0%	0
Previous year's outputs	0	0	0	0	0%	0
<b>Total resources</b>	<b>2,438</b>	<b>0</b>	<b>0</b>	<b>2,438</b>	<b>74%</b>	<b>3,295</b>

- 1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.
  - 2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
  - 3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.
  - 4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.
  - 5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
  - 6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.
  - 7 Total resources = Total appropriations + Revenue from other sources.
- Note: Refer to Budgeted statement of financial performance for application of the Foundation's revenue.

## 2.2: 2005-06 BUDGET MEASURES

The Australia-Japan Foundation does not have any new measures.

## 2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include FMA s.31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

**Table 2.3: Other receipts available to be used**

Outcome	Estimated receipts 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>Departmental other receipts</b>		
Resources Received Free of Charge	801	801
Sales of Goods and Services	18	18
Interest	38	38
<b>Total departmental other receipts available to be used</b>	<b>857</b>	<b>857</b>

1. This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.

## 2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05 TO 2005-06

The Australia-Japan Foundation does not receive any administered funds.

## 2.5: SPECIAL APPROPRIATIONS

The Australian Government Solicitor has advised that investments under s39 of the *Financial Management and Accountability Act 1997* involve exercising a separate appropriation under the Act. The Foundation has approval to make investments from its special account, the Australia-Japan Foundation Reserve, under this authority. The following table lists the Budget estimate for 2005-06 and the revised estimate for 2004-05 for investments made from the Foundation's special appropriation.

**Table 2.5: Estimates of expenses from special appropriations**

	Outcome	Note	Estimated expenses 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>Estimated expenses</b>				
FMA Act 1997-s39-Investment from Australia-Japan Foundation Reserve	1		1,590	1,500
<b>Total estimate expenses</b>			<b>1,590</b>	<b>1,500</b>

## 2.6: SPECIAL ACCOUNTS

**Table 2.6: Estimates of special account flows and balances**

	Opening balance <b>2005-06</b> 2004-05 Outcome				Closing balance <b>2005-06</b> 2004-05 \$'000
		Receipts <b>2005-06</b> 2004-05 \$'000	Payments <b>2005-06</b> 2004-05 \$'000	Adjustments <b>2005-06</b> 2004-05 \$'000	
Name of account					
AJF Reserve	600	1,056	1,195	0	461
s18 AJF Act (D)	773	1,056	1,229	0	600
Other Trust Monies Account	0	0	0	0	0
-s20 FMA Act (D)	0	0	0	0	0
Services for Other Governments and Non- Agency Bodies Accounts - s20 FMA Act	0	0	0	0	0
	0	0	0	0	0
<b>Total special accounts</b>					
<b>2005-06 Budget estimate</b>	<b>600</b>	<b>1,056</b>	<b>1,195</b>	<b>0</b>	<b>461</b>
Total Special Accounts					
2004-05 estimate actual	773	1,056	1,229	0	600

D = Departmental; A = Administered

AJF Act = *Australia-Japan Foundation Act 1976*

FMA Act = *Financial Management and Accountability Act 1997*

1. The opening balance for 2005-06 is the same as the closing balance for 2004-05.
2. Receipts from appropriations and other sources are further specified in Table 3.1. Total resources for outcome.
3. There are no adjustments.

## 2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Foundation does not have an appropriation for an equity injection or loan or an appropriation for administered capital.

## Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs to the one outcome for the Australia-Japan Foundation.

### **3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS**

The Australia-Japan Foundation has no administered items.

The Foundation works to achieve a single outcome through three outputs. The following is an overview of the Foundation's method of pricing outputs.

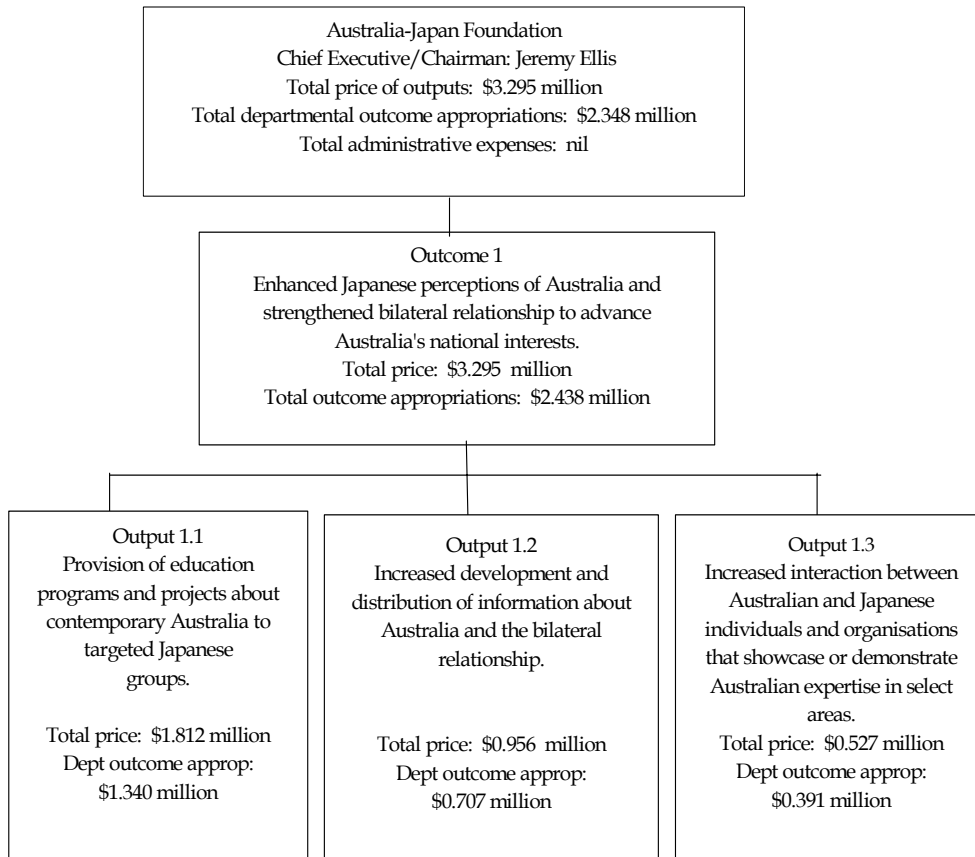
The Foundation's program budgets determine the allocation of costs across the three outputs. Program costs include all associated purchases attributable directly to any given program, including costs for hiring staff with specific expertise and/or costs of tendered services required to execute the activity; all travel costs associated with development and implementation; and the majority of associated promotional costs of the program.

Individual programs are categorised in accordance with the Foundation's three outputs. Aggregate output costs equate to the sum of all programs run under each output category.

The Foundation allocates overheads and other expenses between outputs as part of determining the full price of each output. Direct costs are allocated to specified outputs. Indirect costs are attributed as the percentage of total staff spent on each output.

The relationship between activities of the Australia-Japan Foundation and the outcomes is summarised in Figure 4.

**Figure 4: Outcomes and outputs and administered items**



There has been no change to the Foundation’s outcome and outputs structure from the 2004-05 Portfolio Budget Statements.

### **3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED**

#### **Departmental appropriations by outcome**

As the Australia-Japan Foundation only has one outcome, 100 per cent of its departmental appropriations go to that outcome.

The Foundation received approval for a new reporting structure in 2003-04 involving the move to a single outcome and three outputs (Figure 4 refers). Appropriations for this outcome totalled \$2.461 million in 2004-05 and will reduce to \$2.438 million in 2005-06 as a result of rebasing of the Foundation's budget for anticipated foreign exchange gains.

#### **Administered appropriations by outcome**

The Foundation does not receive administered appropriations.

### **3.3: OUTCOMES RESOURCING**

#### **Outcome 1 resourcing**

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

**Table 3.1: Total resources for Outcome 1 (\$'000)**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>Departmental appropriations</b>		
Output 1.1 -	799	810
To Australia-Japan Foundation Reserve Account (Section 18) <i>Australia-Japan Foundation Act 1976</i>	530	530
<b>Subtotal Output 1.1</b>	<b>1,329</b>	<b>1,340</b>
<b>Departmental appropriations</b>		
Output 1.2 -	445	437
To Australia-Japan Foundation Reserve Account (Section 18) <i>Australia-Japan Foundation Act 1976</i>	270	270
<b>Subtotal Output 1.2</b>	<b>715</b>	<b>707</b>
<b>Departmental appropriations</b>		
Output 1.3 -	272	191
To Australia-Japan Foundation Reserve Account (Section 18) <i>Australia-Japan Foundation Act 1976</i>	200	200
<b>Subtotal Output 1.3</b>	<b>472</b>	<b>391</b>
<b>Total revenue from government (appropriations)</b>	<b>2,516</b>	<b>2,438</b>
<b>Contributing to price of departmental outputs</b>		<b>74%</b>
<b>Revenue from other sources</b>		
Resources received free of charge	801	801
Interest	38	38
Sales of goods and services	18	18
<b>Total revenue from other sources</b>	<b>857</b>	<b>857</b>
<b>Total price from departmental outputs</b>	<b>3,373</b>	<b>3,295</b>
(Total revenue from government and from other sources)		
<b>from Special Accounts (estimated payments from Special Account balances)<sup>2</sup></b>		
Australia-Japan Foundation Reserve Account (Section 18) <i>Australia-Japan Foundation Act 1976</i>		1,195
<b>Total departmental Special Account outflows</b>		<b>1,195</b>
<b>Total estimated resourcing for Outcome 1</b>		<b>3,295</b>
(Total price of outputs and administered appropriations)		
	2004-05	2005-06
<b>Average staffing level (number)</b>	<b>5.8</b>	<b>6.0</b>

- 1 Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 2.6.
- 2 Special Account outflows are shown in the payments column of the Special Account table in Table 2.6. The estimated payments from special account balances are provided by way of note only and do not form part of the total estimated resourcing.
- 3 Where names of Acts have been abbreviated, the full name of the Act can be found in the Acts Glossary at the end of Table 2.6.

## Measures affecting Outcome 1<sup>1</sup>

The Australia-Japan Foundation has no measures in the 2005-06 Budget that affect its one Outcome.

## Performance information for Outcome 1

**Table 3.2: Performance information for Outcome 1**

Effectiveness - Overall achievement of the Outcome - (Measures, indicators and targets used as appropriate)	
Enhanced Japanese perceptions of Australia and strengthened bilateral relationship to advance Australia's national interests.	
Performance indicators for individual outputs	
Output	Performance indicator
<b>Output 1.1</b>	
Output 1.1 Provision of education programmes and projects about contemporary Australia to targeted Japanese groups.	<p>Quality: Extent to which programmes engage participation from target groups. Extent to which target audiences show an understanding of contemporary Australia.</p> <p>Quantity: Number of Japanese people involved in AJF education activities.</p> <p>Price: \$1.812 million</p>
<b>Output 1.2</b>	
Output 1.2: Increased development and distribution of information about Australia and the bilateral relationship.	<p>Quality: Relevance and demand for information distributed. Extent to which the information assisted the users in understanding the bilateral relationship.</p> <p>Quantity: Volume and scope of information produced annually. Number of people and organisers to whom information is distributed.</p> <p>Price: \$0.956 million</p>
<b>Output 1.3</b>	
Output 1.3: Increased interaction between Australian and Japanese individuals and organisations that showcase or demonstrate Australian expertise in select areas.	<p>Quality: Extent to which projects expand relations in areas that reflect Australia's sophistication and expertise Extent to which programmes expand the range of stakeholders engaged in the bilateral relationship.</p> <p>Quality: Number of events/ formal interactions facilitated.</p> <p>Price: \$0.527 million</p>

<sup>1</sup> This relates to measures disclosed in the 2005-06 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook 2004-05* (MYEFO)).

### **Evaluations for Outcome 1**

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

The Foundation, through its Chairman and members, also conducts periodic assessments (every 12-18 months) of its direction and strategies during which it reviews activities and considers potential opportunities for expanded interaction with Japanese. The most recent assessment took place in February 2005.

An Audit Committee consisting of three members of the Foundation, also regularly reviews Foundation activities. The Foundation is audited on an annual basis by the Australian National Audit Office and presents an annual report to Parliament.

## Section 4: Other reporting requirements

### **4.1: PURCHASER-PROVIDER ARRANGEMENTS**

The Australia-Japan Foundation does not have any purchaser-provider arrangements.

### **4.2: COST RECOVERY ARRANGEMENTS**

The Australia-Japan Foundation does not have any cost recovery arrangements.

### **4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)**

Nil.

## Section 5: Budgeted financial statements

### 5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

#### Statement of Finance Performance

The Foundation's total revenue in 2005-06 is estimated to be \$3.295 million, a decrease from the 2004-05 estimated actual of \$3.373 million. The decrease is the result of rebasing of the Foundation's budget for expected foreign exchange gains during the year. The revenue figures also include resources received free of charge from the Department of Foreign Affairs and Trade and financial audit services provided to the Foundation by the Australian National Audit Office.

Total expenses in 2005-06 are estimated to be \$3.274 million. This is a decrease from the 2003-04 estimated actual of \$3.373 million due to savings in depreciation through the revaluation of the library in July 2004. The key component of the Foundation's employee expenses relate to staffing and contractor costs for programs conducted from the Foundation's Tokyo secretariat. The Foundation's programs, which are divided between the outputs of Education, Information and Strategic Alliances, account for most supplier expenses.

Under s39 of the *Financial Management and Accountability Act 1997* the Foundation is authorised to invest the balance of its special account, the Australia-Japan Foundation Reserve, with commercial entities. Interest revenue from invested funds is expected to remain at similar levels for 2005-06 and forward years.

#### Statement of Financial Position

The Foundation's primary asset represented under 'Infrastructure, Plant, and Equipment' is its resource centre/library located in the Australian Embassy, Tokyo. The revaluation of the holdings in this asset in July 2004 resulted in a decrease in this non-financial asset.

The Foundation's main liability continues to be employee provisions, including retirement entitlements. The liabilities in 2005-06 will reduce because of the retirement of one long-term employee.

**5.2: BUDGETED FINANCIAL STATEMENTS TABLES****Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June 2006**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from Government	2,516	2,438	2,428	2,413	2,459
Goods and services	18	18	18	18	18
Interest	38	38	38	38	38
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
Rents	0	0	0	0	0
Royalties	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Other	801	801	801	801	801
<b>Revenues from ordinary activities</b>	<b>3,373</b>	<b>3,295</b>	<b>3,285</b>	<b>3,270</b>	<b>3,316</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	1,219	1,186	1,174	1,153	1,197
Suppliers	2,026	1,998	2,021	2,036	2,038
Grants	0	0	0	0	0
Subsidies	0	0	0	0	0
Depreciation and amortisation	128	90	66	48	48
Write-down of assets 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
Correction of fundamental error	0	0	0	0	0
Other	0	0	0	0	0
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>3,373</b>	<b>3,274</b>	<b>3,261</b>	<b>3,237</b>	<b>3,283</b>
Borrowing costs expense	0	0	0	0	0
Share of net profits or (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

**Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June 2006 (continued)**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>0</b>	<b>21</b>	<b>24</b>	<b>33</b>	<b>33</b>
Gain or (loss) on extraordinary items					
Correction of fundamental error	0	0	0	0	0
<b>Net surplus or (deficit)</b>	<b>0</b>	<b>21</b>	<b>24</b>	<b>33</b>	<b>33</b>
Outside equity interests in net surplus or (deficit)	0	0	0	0	0
<b>Net surplus or deficit attributable to the Australian Government</b>	<b>0</b>	<b>21</b>	<b>24</b>	<b>33</b>	<b>33</b>
Net credit or (debit) to asset revaluation reserve	0	0	0	0	0
Net exchange difference recognised as a direct debit or (credit) to equity	0	0	0	0	0
Adjustments arising from standards recognised as direct debit or (credit) to equity	0	0	0	0	0
Initial adjustments from transitional UIG consensus view recognised as direct debit or (credit) to equity	0	0	0	0	0
<b>Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity*</b>	<b>0</b>	<b>21</b>	<b>24</b>	<b>33</b>	<b>33</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>0</b>	<b>21</b>	<b>24</b>	<b>33</b>	<b>33</b>

\* This total is not required if there is only one relevant preceding row.

**Table 5.2: Budgeted departmental statement of financial position as at 30 June 2006**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	640	501	412	474	536
Receivables	2	2	2	2	2
Investments accounted for under the equity method	0	0	0	0	0
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	0	0	0	0	0
Other investments	0	0	0	0	0
Accrued revenues	0	0	0	0	0
Other financial assets	10	10	10	10	10
<b>Total financial assets</b>	<b>652</b>	<b>513</b>	<b>424</b>	<b>486</b>	<b>548</b>
<b>Non-financial assets</b>					
Land and buildings	0	0	0	0	0
Infrastructure, plant and equipment	568	545	522	499	476
Investment properties	0	0	0	0	0
Heritage and cultural assets	0	0	0	0	0
Inventories	0	0	0	0	0
Intangibles	60	18	0	0	0
Other non-financial assets	0	0	0	0	0
<b>Total non-financial assets</b>	<b>628</b>	<b>563</b>	<b>522</b>	<b>499</b>	<b>476</b>
<b>Total assets</b>	<b>1,280</b>	<b>1,076</b>	<b>946</b>	<b>985</b>	<b>1,024</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	0	0	0	0	0
Leases	0	0	0	0	0
Deposits	0	0	0	0	0
Overdraft	0	0	0	0	0
Other interest bearing liabilities	0	0	0	0	0
<b>Total interest bearing liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Provisions</b>					
Employees	450	225	71	77	83
Other provisions	0	0	0	0	0
<b>Total provisions</b>	<b>450</b>	<b>225</b>	<b>71</b>	<b>77</b>	<b>83</b>
<b>Payables</b>					
Suppliers	60	60	60	60	60
Grants	0	0	0	0	0
Dividends	0	0	0	0	0
Borrowing costs	0	0	0	0	0
Other payables	0	0	0	0	0
<b>Total payables</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
<b>Total liabilities</b>	<b>510</b>	<b>285</b>	<b>131</b>	<b>137</b>	<b>143</b>

**Table 5.2: Budgeted departmental statement of financial position as at 30 June 2006 (continued)**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity					
Reserves	148	148	148	148	148
Statutory funds	0	0	0	0	0
Retained surpluses or accumulated deficits	622	643	667	700	733
<b>Total parent entity interest</b>	<b>770</b>	<b>791</b>	<b>815</b>	<b>848</b>	<b>881</b>
<b>Outside equity interest</b>					
Contributed equity	0	0	0	0	0
Reserves	0	0	0	0	0
Retained surpluses or accumulated deficits	0	0	0	0	0
<b>Total outside equity interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>770</b>	<b>791</b>	<b>815</b>	<b>848</b>	<b>881</b>
<b>Current assets</b>	<b>652</b>	<b>513</b>	<b>424</b>	<b>486</b>	<b>548</b>
<b>Non-current assets</b>	<b>628</b>	<b>563</b>	<b>522</b>	<b>499</b>	<b>476</b>
<b>Current liabilities</b>	<b>330</b>	<b>250</b>	<b>90</b>	<b>90</b>	<b>90</b>
<b>Non-current liabilities</b>	<b>180</b>	<b>35</b>	<b>41</b>	<b>47</b>	<b>53</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.

**Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June 2006**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	18	18	18	18	18
Appropriations	2,516	2,438	2,428	2,413	2,459
Interest	38	38	38	38	38
Dividends	0	0	0	0	0
Other	50	50	50	50	50
Extraordinary items	0	0	0	0	0
<b>Total cash received</b>	<b>2,622</b>	<b>2,544</b>	<b>2,534</b>	<b>2,519</b>	<b>2,565</b>
<b>Cash used</b>					
Employees	857	1,035	952	771	815
Suppliers	1,619	1,623	1,646	1,661	1,663
Grants	0	0	0	0	0
Borrowing costs	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
<b>Total cash used</b>	<b>2,476</b>	<b>2,658</b>	<b>2,598</b>	<b>2,432</b>	<b>2,478</b>
<b>Net cash from or (used by) operating activities</b>	<b>146</b>	<b>(114)</b>	<b>(64)</b>	<b>87</b>	<b>87</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	0	0	0	0	0
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
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	1,590	1,500	1,000	1,000	1,000
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
<b>Total cash received</b>	<b>1,590</b>	<b>1,500</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	25	25	25	25	25
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
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	1,590	1,500	1,000	1,000	1,000
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
<b>Total cash used</b>	<b>1,615</b>	<b>1,525</b>	<b>1,025</b>	<b>1,025</b>	<b>1,025</b>
<b>Net cash from or (used by) investing activities</b>	<b>(25)</b>	<b>(25)</b>	<b>(25)</b>	<b>(25)</b>	<b>(25)</b>

**Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June 2006 (continued)**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	0	0	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
<b>Total cash received</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash used</b>					
Repayments of debt	0	0	0	0	0
Capital use charge paid	0	0	0	0	0
Dividends paid	127	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
<b>Total cash used</b>	<b>127</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cash from/(used by) financing activities</b>	<b>(127)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net increase or (decrease) in cash held</b>	<b>(6)</b>	<b>(139)</b>	<b>(89)</b>	<b>62</b>	<b>62</b>
Cash at the beginning of the reporting period	646	640	501	412	474
Effect of exchange rate movements on cash at the beginning of reporting period					
<b>Cash at the end of the reporting period</b>	<b>640</b>	<b>501</b>	<b>412</b>	<b>474</b>	<b>536</b>

**Table 5.4: Departmental capital budget statement**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	0	0	0	0	0
Total loans	0	0	0	0	0
<b>Total capital appropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Represented by:</b>					
Purchase of non-financial assets	0	0	0	0	0
Other	0	0	0	0	0
<b>Total represented by</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation					
Funded internally by					
Departmental resources	25	25	25	25	25
<b>Total</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>

**Table 5.5: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)**

	Land	Investment	Buildings	Specialist	Other	Heritage	Computer	Other	Total
	property	property		military	infrastructure	and cultural	software	intangibles	
	\$'000	\$'000	\$'000	equipment	plant and	assets	\$'000	\$'000	\$'000
					equipment				
<b>As at 1 July 2005</b>									
Gross book value	0	0	0	0	760	0	315	0	1,075
Accumulated depreciation	0	0	0	0	(192)	0	(255)	0	(447)
<b>Opening net book value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>568</b>	<b>0</b>	<b>60</b>	<b>0</b>	<b>628</b>
Additions:									
by purchase	0	0	0	0	25	0	0	0	25
by finance lease	0	0	0	0	0	0	0	0	0
from acquisitions of entities or operations (including restructuring)	0	0	0	0	0	0	0	0	0
Net revaluation increment/decrement	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Depreciation/amortisation expense	0	0	0	0	48	0	42	0	90
Recoverable amount write-downs	0	0	0	0	0	0	0	0	0
Other movements	0	0	0	0	0	0	0	0	0
Disposals:									
from disposal of entities or operations (including restructuring)	0	0	0	0	0	0	0	0	0
other disposals	0	0	0	0	0	0	0	0	0
<b>As at 30 June 2006</b>									
Gross book value	0	0	0	0	785	0	315	0	1,100
Accumulated depreciation	0	0	0	0	(240)	0	(297)	0	(537)
<b>Closing net book value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>545</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>563</b>

### **5.3: NOTES TO THE FINANCIAL STATEMENTS**

#### **Appropriations in the accrual budgeting framework**

Under the Australian Government's accrual budgeting framework, and consistent with Australian Accounting Standards, all transactions are budgeted for and reported on. The Australia-Japan Foundation receives a departmental appropriation for administrative costs and an appropriation for its special account for program delivery. Expenses include employee and supplier expenses and other operating costs incurred by the Foundation.

#### **Asset Valuation**

The Foundation uses either the cost basis or the fair value basis to measure property, plant, equipment and intangibles. Fair value essentially reflects the current market value of an asset.