

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS
2006-07**

**FOREIGN AFFAIRS AND TRADE
PORTFOLIO**

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**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS**

USER GUIDE

INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. However, unlike the Portfolio Budget Statements, the PAES summarise only the *changes* in resourcing by outcome since the Budget, that is, they do not include a complete resourcing table for the agency. The PAES include new Measures, summarise the changes by Appropriation Bill, and, where relevant, by Special Appropriation and Special Account.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) 2006-07. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2006-07* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

User guide

Provides an introduction explaining the purpose of the PAES as well as information in relation to the styles and conventions used.

Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for agencies in the portfolio.

Agency additional estimates statements

A statement (under the name of the agency) for each agency affected by Additional Estimates.

Section 1: Agency overview, variations and measures

This section details the link between the resources appropriated, savings, the impact of any post-Budget measures, and their application to the outputs and administered items (usually programmes) that contribute to the achievement of outcomes. This section also reports changes to receipts from independent sources; changes to estimates of expenses from Special Appropriations; and changes to estimated Special Account flows.

Section 2: Revisions to outcomes, administered items and outputs

This section details changes to planned Government outcomes, or to the contributing administered items and agency outputs.

Section 3: Budgeted financial statements

This section contains revisions to the budgeted financial statements in accrual format covering Budget year, previous year and the three out-years for each agency.

Glossary

Explains key terms.

Index (Optional)

Alphabetical guide to the Statements

STYLES AND CONVENTIONS USED

(a) The following notations may be used:

NEC/nec	not elsewhere classified
AEST	Australian Eastern Standard Time
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million

(b) Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

ENQUIRIES

Should you have any enquiries regarding this publication please contact Ann Thorpe, Chief Finance Officer, Department of Foreign Affairs and Trade on (02) 6261 1240.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

The structure of the portfolio has changed to reflect the recommendations agreed in the assessment by the Minister for Foreign Affairs of the Australia-Japan Foundation (AJF) under the 'Review of Corporate Governance of Statutory Authorities and Office Holders' (the Uhrig review). The *Australia-Japan Foundation (Repeal and Transitional Provisions) Act 2006* came into effect on 1 December 2006 thereby revoking the statutory authority status of the AJF. The AJF has been re-established as a bilateral foundation within the Department of Foreign Affairs and Trade.

As a result of the Government's response to the Uhrig review, Austrade's governance arrangements changed on 1 July 2006 from an agency under the auspices of the *Commonwealth Authorities and Companies Act 1997* (CAC) to one managed by a Chief Executive Officer under the *Financial Management and Accountability Act 1997* (FMA) and the *Public Service Act 1999*.

There have been no other changes to the structure of the portfolio since the *Portfolio Budget Statements 2006-07*.

ADDITIONAL ESTIMATES AND VARIATIONS — PORTFOLIO LEVEL

The portfolio is seeking a net increase of \$66.548 million in appropriations for 2006-07. These comprise Bill No. 3 and Bill No. 4 appropriations (Departmental and Administered) as listed below. Further details are provided in each agency's additional estimates statements.

Department of Foreign Affairs and Trade (DFAT) - \$61.790 million

Departmental Items

- **\$30.395m** adjustment for Lebanon evacuation, recovery and reconstruction;
- **(\$9.253m)** interagency transfer;
- **\$0.803m** adjustment for integration of the AJF;
- **\$13.726m** passport funding;
- **\$2.323m** adjustment for foreign exchange movements;
- **\$3.163m** overseas inflation;
- **\$1.769m** VAT refunds; and
- **(\$0.054)** APEC 2007 rephasing.

Portfolio Overview

Administered Items

- **\$17.979m** adjustment for *Australia Network*;
- **\$1.873m** adjustment for EFIC National Interest Account;
- **(\$0.600m)** adjustment for EFIC administration costs;
- **\$0.800m** adjustment for pension schemes;
- **\$0.500m** adjustment for Lebanon evacuation, recovery and reconstruction - donation to Israel National Society (*Magen David Adom*); and
- **(\$1.634m)** adjustment for contributions to international organisations.

Australian Trade Commission (Austrade) - (\$8.355 million)

Departmental Items

- **\$0.309m** adjustment for foreign exchange movements; and
- **\$0.216m** adjustment for overseas inflation.

Administered Items

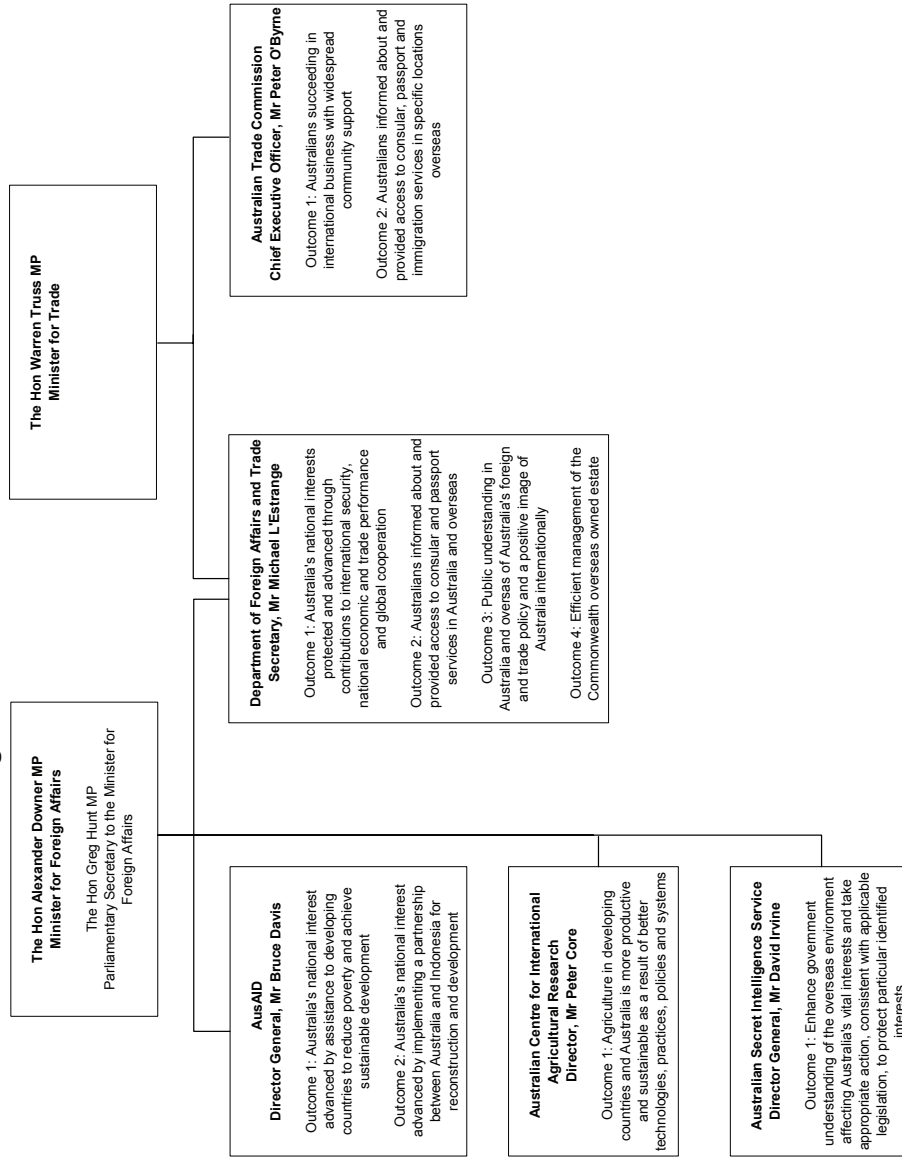
- **(\$8.880m)** adjustment to Export Market Development Grants scheme.

Australian Secret Intelligence Service (ASIS) - \$13.113 million

Departmental Items

- **\$13.113m** additional appropriation funding due to interagency transfers.

Figure 1: Portfolio structure and outcomes



Note: The Australia-Japan Foundation, previously a separate statutory agency in the portfolio, was re-established as a bilateral foundation within the Department of Foreign Affairs and Trade on 1 December 2006.

AGENCY ADDITIONAL ESTIMATES STATEMENTS

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DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

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DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

Section 1: Agency overview and resources; variations and measures

OVERVIEW

As indicated in the *Portfolio Budget Statements 2006-07*, the Department of Foreign Affairs and Trade works towards achieving four outcomes:

- Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation;
- Australians informed about and provided access to consular and passport services in Australia and overseas;
- public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally; and
- efficient management of the Commonwealth overseas owned estate.

The unpredictable nature of the international environment continued to impact on the safety and security of Australians overseas. The Government provided funding for the emergency evacuation of Australian citizens, permanent residents and their immediate families from Lebanon in July and August 2006 in response to hostilities there. As well as funding through the aid programme for humanitarian relief and reconstruction efforts in Lebanon, the Government also contributed funding to the Israel National Society to provide humanitarian assistance to people caught in the crisis.

To advance the objective of promoting a positive image of Australia internationally, the Government agreed to provide funding over five years for the continued provision of a television service to the Asia-Pacific region. This service provided by the Australian Broadcasting Corporation – called *Australia Network* – supports Australia's national interests by delivering high quality, contemporary programming and information about Australia's engagement with the region.

In implementing the decision to revoke the status of the Australia-Japan Foundation (AJF) as a statutory authority and re-establish it as a bilateral foundation within the department, all assets and liabilities of the AJF have been transferred to the department.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Department of Foreign Affairs and Trade is seeking an increase of \$61.790 million in appropriations in 2006-07, comprising of \$48.874 million for two new measures and \$12.916 million in other variations.

Table 1.2: Additional estimates and variations to outcomes – measures

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Measures - All Outcomes				
Increase in administered appropriations				
<i>Expenses</i>				
Lebanon evacuation, recovery and reconstruction - Israel National Society (Magen David Adom)	500	-	-	-
Australia Network	17,979	18,737	18,831	19,289
<i>Capital</i>				
Nil	-	-	-	-
Increase in departmental appropriations				
<i>Expenses</i>				
Lebanon evacuation, recovery and reconstruction	30,395	-	-	-
<i>Capital</i>				
Nil	-	-	-	-

Table 1.3: Additional estimates and variations to outcomes – other variations

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Variations - All Outcomes				
Variations in administered appropriations				
Adjustment for EFIC National Interest Account	1,873	4,500	4,600	4,900
Adjustment for EFIC administration costs	(600)	(600)	(300)	(200)
Adjustment for contributions to international organisations	(1,634)	(1,602)	(1,602)	(1,602)
Adjustment for pension schemes	800	800	800	800
Adjustment for domestic inflation	-	58	57	106
Variations in departmental appropriations				
Adjustment to passport funding due to higher than expected number of passports issued in 2005-06	8,713	-	-	-
Adjustment for within year foreign exchange for 2006-07	4,950	-	-	-
Adjustment for foreign exchange rebasing	(2,627)	(2,627)	(2,627)	(2,627)
Adjustment for domestic inflation in 2006-07	-	3,125	3,599	4,002
Adjustment for overseas inflation 2005-06	3,163	3,163	3,163	3,163
Adjustment for SATIN depreciation rephasing	-	-	(6,286)	898
Adjustment for VAT refunds 2005-06	1,769	-	-	-
Adjustment to rephase post security funding	-	(765)	(1,904)	2,669
Adjustment for APEC 2007 rephasing	(54)	54	-	-
Interagency transfer	(9,253)	(9,329)	(9,430)	(9,522)
Adjustment to passport funding due to higher than expected number of passports issued in first half of 2006-07	5,013	-	-	-
Adjustment for integration of AJF into DFAT	803	1,303	1,328	1,369

Foreign exchange (forex) funding adjustments

The Government's forex risk management policy operates on a "no win, no loss" basis, such that DFAT's departmental funding is adjusted for losses or gains due to fluctuations in foreign exchange rates. Adjustments are based on the Budget Exchange Rates (BER) issued annually by the Department of Finance and Administration.

Within this policy framework there are two types of funding adjustments:

Between year forex rebasing

Between year forex rebasing maintains the foreign currency spending power by adjusting the department's funding for movements in the BER from one year to the next. For example, if the BER falls, funding is increased, whereas funding is reduced when the BER rises between years.

Within year forex adjustments

Within year forex adjustments adjust the department's funding for the difference between the BER and the actual exchange rate of the transaction. For example, if the actual exchange rate is less than the BER, funding is increased whereas funding is reduced when the actual exchange rate is greater than the BER.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2006-07 Budget

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures														
Lebanon evacuation, recovery and reconstruction	2,3	2.1	500	30,395	30,895	-	-	-	-	-	-	-	-	-
Australia Network	3	na	17,979	-	17,979	18,737	-	18,737	18,831	-	18,831	19,289	-	19,289
Total Expense Measures			18,479	30,395	48,874	18,737	-	18,737	18,831	-	18,831	19,289	-	19,289
Total Capital Measures			-	-	-	-	-	-	-	-	-	-	-	-
Total of All Measures			18,479	30,395	48,874	18,737	-	18,737	18,831	-	18,831	19,289	-	19,289

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
ADMINISTERED ITEMS					
Outcome 1					
Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	3,590	196,151	196,590	439	-
Outcome 2					
Australians informed about and provided access to consular and passport services in Australia and overseas	112	500	500	-	-
Outcome 3					
Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	0	4,241	22,720	18,479	-
Total	3,702	200,892	219,810	18,918	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	525,005	544,046	562,861	18,815	-
Outcome 2					
Australians informed about and provided access to consular and passport services in Australia and overseas	156,702	201,134	212,836	11,702	-
Outcome 3					
Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	52,258	54,154	56,027	1,873	-
Outcome 4					
Efficient management of the Commonwealth overseas owned estate	-	-	-	-	-
Total	733,965	799,334	831,724	32,390	-
Total administered and departmental	737,667	1,000,226	1,051,534	51,308	-

Note 1: 2005-06 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to:

Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32.

Note 2: No appropriation is provided in Appropriation Bill No. 3 for the agency where the total funding change across outcomes for departmental outputs is negative.

Table 1.6: Appropriation Bill (No. 4) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections	80,470	49,236	49,236	-	-
Loans					
Previous years' outputs	11,886	-	10,482	10,482	-
Administered assets and liabilities					
Total non-operating	92,356	49,236	59,718	10,482	-
Department of Foreign Affairs and Trade					
Total	92,356	49,236	59,718	10,482	-

Note 1: 2005-06 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down and is equal to:

Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2006-07 Budget	2006-07 Revised	Variation
Outcome 1			
Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	2,290	2,325	35
Outcome 2			
Australians informed about and provided access to consular and passport services in Australia and overseas	801	807	6
Outcome 3			
Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	216	217	1
Outcome 4			
Efficient management of the Commonwealth overseas owned estate	21	21	-
Total	3,328	3,370	42

Average Staffing Levels are expressed as Full Time Equivalent (FTE) staff. The table shows total estimated FTE movement. The department uses an activity-based costing model to allocate resources to outcomes. Staffing numbers, including corporate support staff, are attributed to outcomes following the same methodology.

There is an overall increase of 42 staff between the 2006-07 Budget and the Revised Estimates. The 2006-07 Budget figures of 3,328 comprised 1,924 Australia-based (A-based) staff and 1,404 locally-engaged staff (LES). The 2006-07 Revised figure of 3,370 comprises 1,971 A-based and 1,399 LES.

SUMMARY OF AGENCY SAVINGS

The department has no savings to report as part of the 2006-07 Additional Estimates.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 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 1.9: Other receipts available to be used

	Budget estimate 2006-07 (\$'000)	Revised estimate 2006-07 (\$'000)
Departmental other receipts		
Sales of goods and services	91,772	91,772
Resources received free of charge	390	390
Other	1,100	1,100
Total departmental other receipts available to be used	93,262	93,262
Administered other receipts		
Passport and consular fees	214,000	227,300
Interest and dividends	13,515	127,980
Other	3,340	20,690
Total administered other receipts available to be used	230,855	375,970

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.10: Estimates of expenses from special appropriations

	Budget estimate 2006-07 \$'000	Revised estimate 2006-07 \$'000
Estimated expenses		
Special appropriation FMA Act, s28. (A) ¹	500	500
Total estimated expenses	500	500

Note 1: The department refunds passport and consular fees, under s28 of the FMA Act, "Refund of Revenue". This amount is treated as an expense in the Income Statement. The amount of refunds varies from year to year depending on passport demand and the level of consular services provided.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	Note	Outcome	Opening balance ⁵		Credits		Debits		Adjustments		Closing balance	
			2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia-China Council Special Account - s20 FMA Act (A)	1	3	1	0	742	743	436	435	0	0	0	0
Australia-France Endowment Special Account - s20 FMA Act (A)	1	1	29	0	53	82	62	33	0	0	0	1
Australia-India Council Special Account - s20 FMA Act (A)	1	3	328	0	750	1,078	851	523	0	0	0	29
Australia-Indonesia Institute Special Account - s20 FMA Act (A)	1	3	1	0	836	837	659	658	0	0	0	328
Australia-Korea Foundation Special Account - s20 FMA Act (A)	1	3	8	0	752	760	419	411	0	0	0	1
Consular Services Special Account - s20 FMA Act (A)	1	2	43	0	150	193	194	151	0	0	0	8
Australia-China Council Account - s20 FMA Act (A)	2	3	0	0	0	0	750	768	0	0	0	43
Australia-France Endowment Account - s20 FMA Act (A)	2	1	18	0	0	0	53	118	0	0	0	0
Australia-India Council Account - s20 FMA Act (A)	2	3	65	0	0	0	746	835	0	0	0	0
Australia-Indonesia Institute Account - s20 FMA Act (A)	2	3	89	0	0	0	1,036	1,250	0	0	0	0
			214									0

Table 1.11: Estimates of special account flows (continued)

	Note	Outcome	Opening balance ⁵		Credits		Debits		Adjustments		Closing balance	
			2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
			\$'000		\$'000		\$'000		\$'000		\$'000	
Australia-Korea Foundation Account - s20 FMA Act (A)	2	3	0	0	0	0	0	0	0	0	0	0
			27	0	771	798	0	0	0	0	0	0
Consular Services Trust Account - s20 FMA Act (A)	2	2	0	0	0	0	0	0	0	0	0	0
			35	0	114	149	0	0	0	0	0	0
Australia-Japan Foundation Special Account - s20 FMA Act (A)	3	3	0	0	1,000	1,000	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
Services for Other Governments & Non-Agency Bodies Account - s20 FMA Act (A)	1,2,3	1,2,3	1,040	0	2,000	3,040	0	0	0	0	0	0
			4,290	0	4,161	7,411	0	0	0	0	1,040	0
Other Trust Moneys Account - s20 FMA Act (A)	1,2,3	1,2,3	527	0	800	1,327	0	0	0	0	0	0
			336	0	369	178	0	0	0	0	0	527
Administered Payments and Receipts for Other Entities Special Account - s20 FMA Act (A)	4	1,2,3	5,000	0	230,000	230,000	0	0	0	0	0	5,000
			5,000	0	131,650	131,650	0	0	0	0	0	5,000
Overseas Property Account - Finance Determination 2002-01 (D)	4	4	131,181	0	159,603	159,398	0	0	0	0	0	131,386
			164,401	0	141,272	174,492	0	0	0	0	0	131,181
Total special accounts			138,158	0	396,686	398,458	0	0	0	0	0	136,386
2006-07 Budget estimate			174,475	0	283,543	319,860	0	0	0	0	0	138,158
<i>Total special accounts</i>												
<i>2005-06 estimate actual</i>												

(A) = Administered (D) = Departmental
 Acts Glossary: FMA Act = Financial Management and Accountability Act, 1997

1 Determination to open new special account effective from 2 November 2005. 2 Account abolished and closed on the 31 December 2005.

3 Determination to open new special account effective from 17 August 2006.

4 Official Administered Payment Account for Other Agencies Account - s20 FMA Act (A) renamed to Administered Payment and Receipts for Other Entities Special Account - s20 FMA Act (A). New name and associated variation in function effective from 31 Decemb

5 The Opening Balance for 2006-07 is the same as the closing balance for 2005-06.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

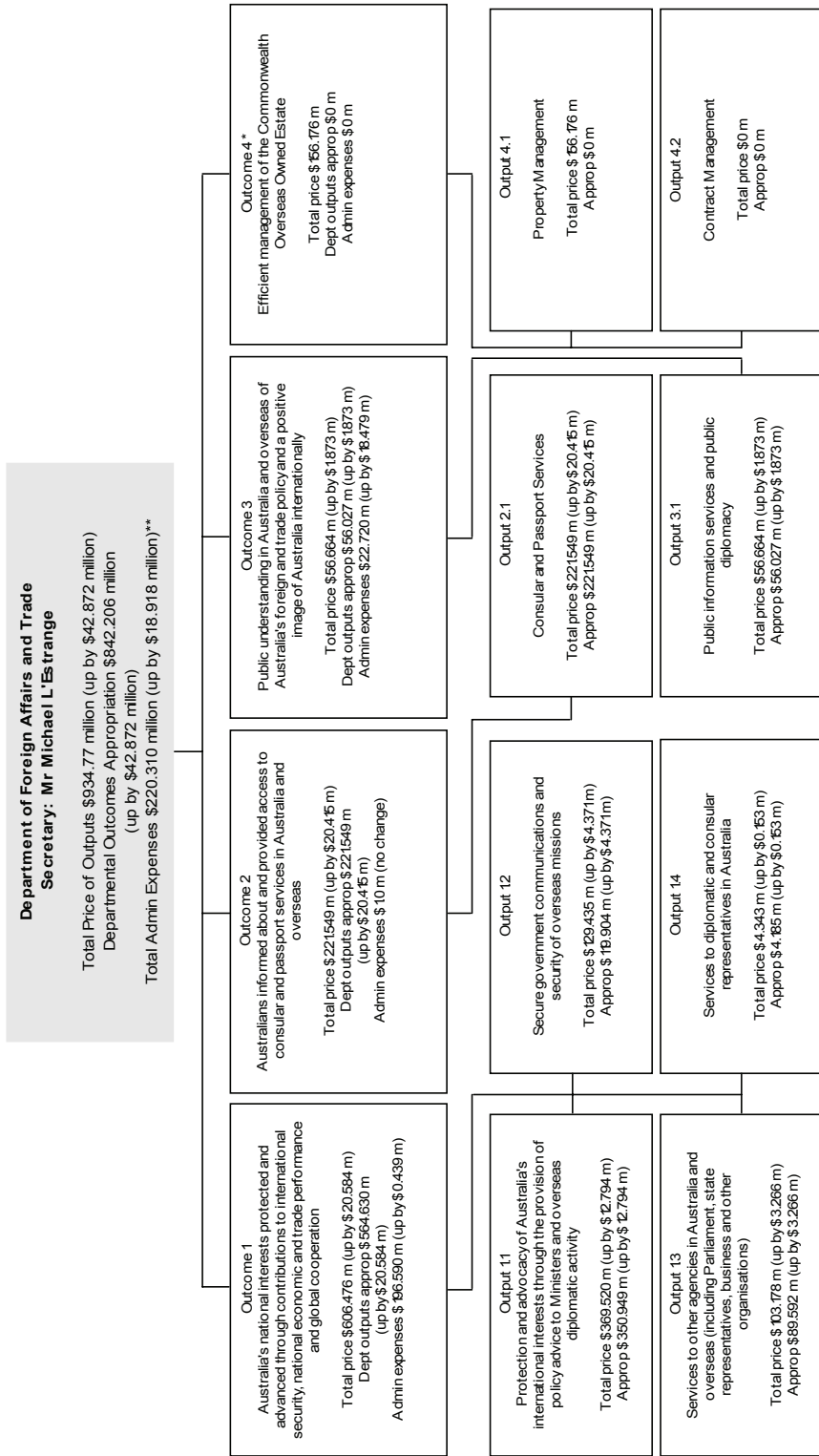
There has been no change to Agency outcomes and outputs groups.

The price of all of the DFAT outputs, except in Outcome 4, will change as a result of Additional Estimates. Information on these changes is provided below under each outcome.

Output cost attribution

The department allocates resources to outputs based on its activity-based costing model. Allocations for the Additional Estimates update have been calculated based on internal budget distribution and the model. The Overseas Property Office costs are excluded from the department's model as all of its activities are accounted for separately and allocated directly to Outcome 4 (Output 4.1).

Figure 2: Outcome and output structure



*Price of outputs shown under this outcome includes an amount of \$106,095 m 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 \$50,081 m.

**This figure shows total expenses funded only by an appropriation.

Outcome 1

Variations include a proportionate share (based on the Outcome/Outputs share of the department's overall budget) of the following items: overseas inflation and foreign exchange variations and rebasing; domestic inflation adjustment; VAT refunds; and other minor adjustments. These variations have affected the price of outputs under Outcome 1.

The Administered appropriation will increase by \$0.439 million as a result of a decrease of \$1.634 million in the estimated cost of contributions to international organisations, an increase of \$1.273 million in the net expenses relating to EFIC and an increase of \$0.800 million in pension schemes payments.

Revised performance information — 2006-07

The performance information that the Department of Foreign Affairs and Trade will use to assess the level of its achievement against Outcome 1 during 2006-07 is shown below. The general effectiveness indicators for Outcome 1 are unchanged from the *Portfolio Budget Statements 2006-07*. The price of all outputs has changed as a result of Additional Estimates.

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1

Output	Performance information 2006-07 Budget	Performance information 2006-07 revised
Output 1.1 Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity	<p><u>Quality:</u> 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 Australian Government 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> <p><u>Quantity:</u> 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 Australian Government 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 Australian Government agencies</p>	<p><u>Quality:</u> <i>No change</i></p> <p><u>Quantity:</u> <i>No change</i></p>

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1 (continued)

Output	Performance information 2006-07 Budget	Performance information 2006-07 revised
	<p>Number of official programs prepared for portfolio ministers and senior officials</p> <p>Number of official programs prepared for the Prime Minister, other Australian Government ministers and senior officials</p> <p>Number of reporting cables produced by our overseas posts</p> <p>Number of occasions on which the department has contributed to the development of policies by other Australian Government agencies</p> <p>Number of Foreign Affairs Council and Trade Policy Advisory Council meetings organised</p> <p>Price: \$356.601 million</p>	<p>Price: \$369.520 million</p>
Output 1.2	<u>Quality:</u>	<u>Quality:</u>
Secure government communications and security of overseas missions	<p>Client satisfaction with the secure communications network and secure telecommunications infrastructure</p> <p>Availability to clients, and reliability, of communications through the secure network (including cable delivery)</p> <p>Client satisfaction with the level of physical security at overseas chanceries and residences, including responsiveness to unexpected events</p>	<p><i>No change</i></p>
	<u>Quantity:</u>	<u>Quantity:</u>
	<p>Number of posts and Australian Government entities with access to the secure communications network and secure telecommunications infrastructure</p> <p>Number of clients serviced, types of services provided and volume of traffic handled</p> <p>Number of overseas missions for which security services are provided, including security review services</p> <p>Number of security clearances and reviews processed</p> <p>Price: \$125.075 million</p>	<p><i>No change</i></p> <p>Price: \$129.435 million</p>

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1 (continued)

Output	Performance information 2006-07 Budget	Performance information 2006-07 revised
Output 1.3 Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)	<u>Quality:</u> Client satisfaction with briefing, administrative, visit facilitation, communications and other services provided	<u>Quality:</u> <i>No change</i>
	<u>Quantity:</u> Scope and composition of administrative services provided to other agencies overseas Number of official programs organised for members of the Australian 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	<u>Quantity:</u> <i>No change</i>
	Price: \$100.027 million	Price: \$103.178 million
Output 1.4 Services to diplomatic and consular representatives in Australia	<u>Quality:</u> Client satisfaction with the provision of services to diplomatic and consular representatives	<u>Quality:</u> <i>No change</i>
	<u>Quantity:</u> Number of diplomatic and consular representatives for whom the department provides services Number and category of services provided	<u>Quantity:</u> <i>No change</i>
	Price: \$4.189 million	Price: \$4.343 million

Table 2.2: Performance information for outputs affected by additional estimates — outcome 1 (Administered items)

Output	Performance information 2006-07 Budget	Performance information 2006-07 revised
Contributions to international organisations	<u>Quality:</u> Efficiency and timeliness of administration of contributions paid in accordance with the requirements of relevant organisations	<u>Quality:</u> <i>No change</i>
	<u>Quantity:</u> Number of international organisations to which Australia contributes	<u>Quantity:</u> <i>No change</i>
	Price: \$177.5 million	Price: \$175.866 million
Export Finance and Insurance Corporation National Interest Account	<u>Quality:</u> National interest payments and receipts managed in accordance with the national interest provisions of the <i>Export Finance and Insurance Corporation Act 1991</i>	<u>Quality:</u> <i>No change</i>
	<u>Quantity:</u> Value of exports supported by EFIC's National Interest Account; value of claims paid on National Interest Account business	<u>Quantity:</u> <i>No change</i>
	Price: \$14.4 million	Price: \$15.673 million
Compensation for detriment caused by defective administration	<u>Quality:</u> Efficiency and timeliness of case management, where necessary	<u>Quality:</u> <i>No change</i>
	<u>Quantity:</u> Where necessary, number of cases successfully managed	<u>Quantity:</u> <i>No change</i>
	Price: \$0.054 million	Price: <i>No change</i>

Outcome 2

The department will receive an additional appropriation of \$30.395 million for the costs associated with evacuating Australian citizens, permanent residents and their immediate families from Lebanon in 2006.

Other variations include a proportionate share (based on the Outcome/Outputs share of the department's overall budget) of the following items: overseas inflation and foreign exchange variations and rebasing; domestic inflation adjustment; VAT refunds; and other minor adjustments. These variations have affected the price of outputs under Outcome 2.

Revised performance information — 2006-07

The performance information that the Department of Foreign Affairs and Trade will use to assess the level of its achievement against Outcome 2 during 2006-07 is shown below. The general effectiveness indicators for Outcome 2 are unchanged from the *Portfolio Budget Statements 2006-07*. The price of all outputs has changed as a result of Additional Estimates.

Table 2.3: Performance information for outputs affected by additional estimates — outcome 2

Output	Performance information 2006-07 Budget	Performance information 2006-07 revised
Output 2.1: Consular and passport services		
Consular services	<p><u>Quality:</u> Satisfaction of the public and travel industry with consular services</p> <p>Extent to which highly developed crisis management procedures are in place and tested</p> <p>Client satisfaction with the suitability and effectiveness of contingency plans at overseas posts</p> <p>Response time to consular issues</p> <p><u>Quantity:</u> Number of Australians assisted overseas, including the number of public inquiries handled, notarial acts performed and travel advisories issued</p> <p>Number of unexpected events or crises handled by the department, number of associated Emergency Task Force meetings held, and the duration of Crisis Centre operations</p>	<p><u>Quality:</u> <i>No change</i></p> <p><u>Quantity:</u> <i>No change</i></p>
Passport services	<p><u>Quality:</u> Satisfaction of the public and travel industry with passport services</p> <p>Turnaround time for passport issue, including urgent issues</p> <p><u>Quantity:</u> Number of passport inquiries handled by the Australian Passport Information Service</p> <p>Number of travel documents issued, including urgent issues</p> <p>Price: \$201.134 million</p>	<p><u>Quality:</u> <i>No change</i></p> <p><u>Quantity:</u> <i>No change</i></p> <p>Price: \$221.549 million</p>

Table 2.4: Performance information for outputs affected by additional estimates — outcome 2 (Administered items)

Output	Performance information 2006-07 Budget	Performance information 2006-07 revised
Travellers emergency loans	<u>Quality:</u> Travellers emergency loans granted to Australian travellers in accordance with the guidelines laid down in the Consular instructions	<u>Quality:</u> <i>No change</i>
	<u>Quantity:</u> Number of Australian travellers assisted by emergency loans	<u>Quantity:</u> <i>No change</i>
	Success of debt recovery activities	
	Price: \$0.500 million	Price: <i>No change</i>

Outcome 3

Variations include a proportionate share (based on the Outcome/Outputs share of the department's overall budget) of the following items: overseas inflation and foreign exchange variations and rebasing; domestic inflation adjustment; VAT refunds; and other minor adjustments. These variations have affected the price of outputs under Outcome 3.

The administered appropriation will increase by \$18.479 million as a result of the Government's decision to fund the provision of the *Australia Network* television service to the Asia-Pacific region and the \$0.500 million donation to the Israel National Society (*Magen David Adom*).

Revised performance information — 2006-07

The performance information that the Department of Foreign Affairs and Trade will use to assess the level of its achievement against Outcome 3 during 2006-07 is shown below. The general effectiveness indicators for Outcome 3 are unchanged from the *Portfolio Budget Statements 2006-07*. The price of all outputs has changed as a result of Additional Estimates.

Table 2.5: Performance information for outputs affected by additional estimates — outcome 3

Output	Performance information 2006-07 Budget	Performance information 2006-07 revised
Output 3.1 Public information services and public diplomacy	<p><u>Quality:</u> 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> <p><u>Quantity:</u> Number of Australian performing groups, artists, exhibitors and other cultural visitors supported</p> <p>Number of public briefings given by departmental staff in Australia and overseas</p> <p>Number of other public diplomacy/cultural activities organised</p> <p>Number of media-related inquiries handled by the media liaison section</p> <p>Number of visits organised under the International Media and Special Visits Programs and the International Cultural Visits program</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> <p>Price: \$54.154 million</p>	<p><u>Quality:</u> <i>No change</i></p> <p><u>Quantity:</u> <i>No change</i></p> <p>Price: \$56.664 million</p>

Table 2.6: Performance information for outputs affected by additional estimates — outcome 3 (Administered items)

Output	Performance information 2006-07 Budget	Performance information 2006-07 revised
Grants	<u>Quality:</u> Grants administered in accordance with Government guidelines on the administration of the Discretionary Grants Programme.	<u>Quality:</u> <i>No change</i>
	<u>Quantity:</u> Number of grants. Price: \$4.241 million	<u>Quantity:</u> <i>No change</i> Price: <i>No change</i>
Asia Pacific television service - Australia Network	<u>Quality:</u> na	<u>Quality:</u> ABC to meet its contractual obligations with the department in regard to the quality, coverage and management of the Asia Pacific television service - Australia Network
	<u>Quantity:</u> na	<u>Quantity:</u> Performance of the television service measured by tests and assessments prescribed in the contract
	Price: Nil	Price: \$17.979 million

Section 3: Budgeted financial statements

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 2006-07 Annual Report and the basis for the input into the whole of government accounts.

The budgeted financial statements are prepared in accordance with the Australian Equivalents to International Financial Reporting Standards (AEIRFS).

Budgeted departmental income statement

This statement provides a picture of the actual 2005-06 financial results and the expected financial results for 2006-07 and forward years for the department by identifying full accrual expenses and revenues. This provides an assessment as to whether the department is operating at a sustainable level.

The department has budgeted for a surplus of \$112 million in 2006-07 of which \$94.5 million relates to the Overseas Property Office. Total income has increased from 2005-06 and from the *Portfolio Budget Statements 2006-07*. Impact on Revenue from Government since the *Portfolio Budget Statements 2006-07* includes foreign exchange, inflation and parameter adjustments as well as a new measure and funding for passports.

Expenses have increased due to passports funding and the new measure.

Budgeted departmental balance sheet

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

This statement has been revised since the publication of the *Portfolio Budget Statements 2006-07* to reflect the reassessment of expected closing balances based on actual results and performance in 2005-06. Inventories have increased since the publication of the *Portfolio Budget Statements 2006-07* due to an increase in passport inventory balance in 2005-06. Assets have changed due to the rephrasing of a number of security works in overseas missions. Liabilities have decreased as a result of adjustments done to reflect 2005-06 actual results.

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, investing and financial activities.

This statement has been revised since the publication of the *Portfolio Budget Statements 2006-07* to reflect the reassessment and change in the expected closing balances in the budgeted departmental income statement and the budgeted departmental balance sheet.

The Overseas Property Office (OPO) has a special account and it funds new projects from existing resources which impacts on the amount to be paid as a dividend. The estimated dividend for 2006-07 is \$23.553 million.

Departmental statement of changes in equity — summary of movement

This schedule discloses details of movements in departmental equity.

Departmental capital budget statement

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

Departmental property, plant, equipment and intangibles — summary of movement

This schedule discloses details in movements in departmental non-financial assets.

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 income and expenses administered on behalf of government

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

Administered revenues have been budgeted at \$277.839 million in 2006-07. Total revenue is estimated to increase by \$16.384 million since the *Portfolio Budget Statements 2006-07*, primarily due to increases in projected passport revenue and dividend received from the Export Finance and Insurance Corporation (EFIC). In the forward years, goods and services revenue is impacted by the expectation that passport revenue will continue to increase. Interest revenue collected from EFIC is expected to decrease in forward years due to the early settlement of the Russian Government debt on the National Interest Account (NIA) in August 2006.

Total expenses administered on behalf of the Government are budgeted at \$224.310 million in 2006-07. Total estimated expenses have increased by \$18.918 million since the *Portfolio Budget Statements 2006-07*, primarily due to payments associated with two new measures totalling \$18.479 million and adjustments to pension schemes and EFIC related costs.

Schedule of budgeted assets and liabilities administered on behalf of government

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

This statement has been revised since the publication of the *Portfolio Budget Statements 2006-07* to reflect the final actual closing balances in 2005-06 (including fair value adjustments required under the new Australian Equivalents to International Financial Reporting Standards (AEIFRS)) and subsequent adjustments for the disposal of the investment in Austrade (following its change to an FMA Agency on 1 July 2006) and the early repayment of the Russian Government NIA debt receivable in August 2006.

Schedule of budgeted administered cash flows

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

Administered cash received moves in line with the administered revenue, with the exception of AEIFRS fair value revenue which has no cash impact, and is returned to the Consolidated Revenue Fund. Total cash received is expected to increase by \$145.115 million since the *Portfolio Budget Statements 2006-07*, primarily due to the early repayment of the Russian Government NIA debt in August 2006 and increased projected passport revenue. Administered cash used moves according to estimated expenses incurred on behalf of Government, with the exception of AEIFRS fair value expense which has no cash impact. Cash used is funded by an annual appropriation.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	733,965	842,206	805,720	821,690	781,185
Goods and services	92,331	91,772	92,423	90,287	77,913
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	5,914	1,100	1,100	1,100	1,521
Total revenue	832,210	935,078	899,243	913,077	860,619
Gains					
Net foreign exchange gains	2,059	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	350	390	390	390	390
Total gains	2,409	390	390	390	390
Total income	834,619	935,468	899,633	913,467	861,009
EXPENSE					
Employees	310,621	355,871	367,126	374,355	379,124
Suppliers	320,166	393,936	352,108	363,546	349,079
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	62,260	71,878	79,027	83,834	85,969
Finance costs	3,874	673	649	624	457
Write-down of assets and impairment of assets	388	-	-	-	-
Net losses from sale of assets	1,939	1,175	-	464	800
Net foreign exchange losses	-	-	-	-	-
Other	108	-	-	-	-
Total expenses	699,356	823,533	798,910	822,823	815,429
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result before Income Tax					
Income Tax expense	-	-	-	-	-
Net operating result	135,263	111,935	100,723	90,644	45,580

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2007) (continued)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
Operating result from continuing operations	135,263	111,935	100,723	90,644	45,580
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
Operating result					
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	135,263	111,935	100,723	90,644	45,580

Table 3.2: Budgeted departmental balance sheet (as at 30 June 2007)

	Actual	Revised	Forward	Forward	Forward
	2005-06	budget	estimate	estimate	estimate
	\$'000	2006-07	2007-08	2008-09	2009-10
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	28,713	39,610	39,500	39,526	39,552
Receivables	376,485	302,206	421,960	429,289	479,687
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	543	543	543	543	543
Other financial assets	-	-	-	-	-
Total financial assets	405,741	342,359	462,003	469,358	519,782
Non-financial assets					
Land and buildings	1,466,919	1,536,810	1,563,083	1,547,601	1,566,362
Infrastructure, plant and equipment	74,818	118,674	120,823	99,202	132,684
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	20,467	22,335	22,335	22,335	22,335
Intangibles	12,706	19,112	30,123	24,321	19,028
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	1,409	1,145	1,145	1,145	1,145
Other non-financial assets	71,958	117,807	78,496	132,077	152,617
Total non-financial assets	1,648,277	1,815,883	1,816,005	1,826,681	1,894,171
Total assets	2,054,018	2,158,242	2,278,008	2,296,039	2,413,953
LIABILITIES					
Payables					
Suppliers	52,527	53,306	61,102	61,102	51,305
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Financing costs	-	-	-	-	-
Other payables	7,823	9,102	9,794	10,501	11,044
Total payables	60,350	62,408	70,896	71,603	62,349
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	2,918	2,215	1,460	649	1
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	2,918	2,215	1,460	649	1
Provisions					
Employees	105,611	106,516	106,232	106,283	106,434
Other provisions	7,985	7,985	7,985	7,985	7,985
Total provisions	113,596	114,501	114,217	114,268	114,419
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	176,864	179,124	186,573	186,520	176,769

**Table 3.2: Budgeted departmental balance sheet (as at 30 June 2007)
(continued)**

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	1,385,519	1,434,832	1,481,586	1,505,914	1,570,932
Reserves	257,560	227,352	199,536	190,439	207,506
Retained surpluses or accumulated deficits	234,075	316,934	410,313	413,166	458,746
Total parent entity interest	1,877,154	1,979,118	2,091,435	2,109,519	2,237,184
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	1,877,154	1,979,118	2,091,435	2,109,519	2,237,184
Current assets	438,730	373,261	492,905	500,260	550,684
Non-current assets	1,615,288	1,784,981	1,785,103	1,795,779	1,863,269
Current liabilities	161,011	162,037	168,794	168,034	157,740
Non-current liabilities	15,853	17,087	17,779	18,486	19,029

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	78,489	91,094	91,731	89,579	77,372
Appropriations	693,100	905,710	739,980	776,830	716,336
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	20,069	19,008	19,362	19,362	19,362
Other cash received	30,273	1,400	1,469	1,100	1,911
Total cash received	821,931	1,017,212	852,542	886,871	814,981
Cash used					
Employees	306,649	356,989	368,262	375,580	379,056
Suppliers	331,677	394,690	335,833	361,813	332,966
Grants	-	-	-	-	-
Financing costs	-	-	-	20	20
Net GST paid	21,714	19,377	19,637	19,362	19,362
Other cash used	(157)	81	20	3,080	20,182
Total cash used	659,883	771,137	723,752	759,855	751,586
Net cash from or (used by) operating activities	162,048	246,075	128,790	127,016	63,395
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	3,598	5,838	2,361	5,632	4,497
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	3,598	5,838	2,361	5,632	4,497
Cash used					
Purchase of property, plant and equipment	134,817	210,478	68,704	50,242	88,212
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash used	-	50,577	32,319	53,930	84,528
Total cash used	134,817	261,055	101,023	104,172	172,740
Net cash from or (used by) investing activities	(131,219)	(255,217)	(98,662)	(98,540)	(168,243)

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2007) (continued)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	39,864	49,236	46,754	24,328	65,018
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other cash received	-	-	(69,648)	31,953	39,856
Total cash received	39,864	49,236	(22,894)	56,281	104,874
Cash used					
Repayments of debt (including finance lease principal)	-	-	-	-	-
Dividends paid	79,073	25,837	7,344	84,731	-
Other cash used	1,682	3,349	-	-	-
Total cash used	80,755	29,186	7,344	84,731	-
Net cash from or (used by) financing activities	(40,891)	20,050	(30,238)	(28,450)	104,874
Net increase or (decrease) in cash held	(10,062)	10,908	(110)	26	26
Cash at the beginning of the reporting period	36,873	28,713	39,610	39,500	39,526
Effect of exchange rate movements on cash at the beginning of reporting period	1,902	-	-	-	-
Asset/Liability Transfers	-	(92)	-	-	-
Net Effect	-	81	-	-	-
Cash at the end of the reporting period	28,713	39,610	39,500	39,526	39,552

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	234,076	257,559	-	1,385,520	1,877,155
Adjustment for changes in accounting policies					
Adjusted opening balance	234,076	257,559	-	1,385,520	1,877,155
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	(30,212)	-	-	(30,212)
Sub-total income and expense recognised directly in equity	-	(30,212)	-	-	(30,212)
Net operating result	111,935	-	-	-	111,935
Total income and expenses	111,935	(30,212)	-	-	81,723
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	(25,837)	-	-	-	(25,837)
Returns of capital					
Restructuring	-	-	-	-	-
Other:					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	49,236	49,236
Other:					
Restructuring				76	76
Sub-total transactions with owners	(25,837)	-	-	49,312	23,475
Amount (to)/from OPA - Agency					
Cash transfers to OPA	(3,240)	-	-	-	(3,240)
Transfers between equity components	-	-	-	-	-
Other movements	-	-	5	-	5
Estimated closing balance as at 30 June 2007	316,934	227,347	5	1,434,832	1,979,118

Table 3.5: Departmental capital budget statement

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	39,864	49,236	46,754	24,328	65,018
Appropriation of Previous Year Accrued Revenue		10,482			
Total capital appropriations	39,864	59,718	46,754	24,328	65,018
Represented by:					
Purchase of non-financial assets	39,864	49,236	46,754	24,328	65,018
Other		10,482			
Total represented by	39,864	59,718	46,754	24,328	65,018
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	39,864	49,236	46,754	24,328	65,018
Funded internally by					
Departmental resources	94,953	179,476	101,883	31,583	60,631
Total	134,817	228,712	148,637	55,911	125,649

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land investment property	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
As at 1 July 2006								
Gross book value	725,687	750,872	-	99,954	-	36,163	-	1,612,676
Accumulated depreciation	-	(9,640)	-	(25,136)	-	(23,458)	-	(58,234)
Opening net book value	725,687	741,232	-	74,818	-	12,705	-	1,554,442
Additions:								
by purchase	40,466	105,215	-	67,303	-	15,728	-	228,712
by finance lease	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	92	-	-	-	92
Revaluations and impairment through equity	(10,246)	(42,096)	-	-	-	-	-	(52,342)
Reclassifications	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(11,232)	-	(12,260)	-	(9,321)	-	(32,813)
Impairments recognised in operating result	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Disposals:								
from disposal of entities or operations (including restructuring)	(3,634)	(8,582)	-	(11,279)	-	-	-	(23,495)
other disposals	-	-	-	-	-	-	-	-
As at 30 June 2007								
Gross book value	752,273	805,409	-	156,070	-	51,891	-	1,765,643
Accumulated depreciation	-	(20,872)	-	(37,396)	-	(32,779)	-	(91,047)
Estimated closing net book value	752,273	784,537	-	118,674	-	19,112	-	1,674,596

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Goods and services	192,055	227,300	238,928	262,186	251,662
Interest	23,280	16,149	6,615	6,415	6,215
Dividends	14,700	14,400	13,500	13,900	9,000
Other sources of non-taxation revenues	117,050	19,990	15,931	14,257	13,284
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Total non-taxation	347,085	277,839	274,974	296,758	280,161
Total revenues administered on behalf of Government	347,085	277,839	274,974	296,758	280,161
Gains					
Net foreign exchange gains	186	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	186	-	-	-	-
Total income administered on behalf of Government	347,271	277,839	274,974	296,758	280,161
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	202,122	180,607	179,968	179,943	179,668
Subsidies	-	-	-	-	-
Personal benefits	6,288	4,050	3,800	3,550	3,550
Employees	403	-	-	-	-
Suppliers	9,088	1,501	1,501	1,501	1,501
Depreciation and amortisation	-	-	-	-	-
Write down and impairment of assets	446	-	-	-	-
Finance costs	15,257	15,400	14,500	13,900	13,300
Other	13,341	22,752	25,666	26,084	26,866
Losses					
Net foreign exchange losses	-	-	-	-	-
Net loss from sale of assets	-	-	-	-	-
Other losses	-	-	-	-	-
Total expenses administered on behalf of Government	246,945	224,310	225,435	224,978	224,885

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	5,220	5,220	5,220	5,220	5,220
Receivables	140,419	27,488	27,488	27,488	27,488
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	409,869	321,700	321,700	321,700	321,700
Accrued revenues	1,121	1,121	1,121	1,121	1,121
Other financial assets	-	-	-	-	-
Total financial assets	556,629	355,529	355,529	355,529	355,529
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	556,629	355,529	355,529	355,529	355,529
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Australian Government securities	-	-	-	-	-
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	114,270	114,270	114,270	114,270	114,270
Total interest bearing liabilities	114,270	114,270	114,270	114,270	114,270
Provisions					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	41,494	41,494	41,494	41,494	41,494
Total provisions	41,494	41,494	41,494	41,494	41,494

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June 2007) (continued)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
Payables					
Suppliers	220	220	220	220	220
Grants and subsidies	-	-	-	-	-
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Taxation refunds due	-	-	-	-	-
Other payables	30,874	30,874	30,874	30,874	30,874
Total payables	31,094	31,094	31,094	31,094	31,094
Liabilities included in disposal groups held for sale					
Total liabilities administered on behalf of Government	186,858	186,858	186,858	186,858	186,858

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Sales of goods	191,715	227,300	238,928	262,186	251,662
Rendering of services	-	-	-	-	-
Interest	1,416	113,580	215	215	215
Dividends	14,700	14,400	13,500	13,900	9,000
Other	26,244	20,690	16,631	14,957	13,984
Total cash received	234,075	375,970	269,274	291,258	274,861
Cash used					
Financing costs	10,840	11,400	10,500	9,900	9,300
Employees	403	-	-	-	-
Grant payments	203,849	180,607	179,968	179,943	179,668
Interest paid	-	-	-	-	-
Subsidies paid	-	-	-	-	-
Personal benefits	2,127	4,050	3,800	3,550	3,550
Suppliers	7,542	1,501	1,501	1,501	1,501
Other	5,555	23,452	26,345	26,732	27,498
Total cash used	230,316	221,010	222,114	221,626	221,517
Net cash from or (used by) operating activities	3,759	154,960	47,160	69,632	53,344
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Proceeds from sales of equity instruments	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Transfers from other entities	-	-	-	-	-
Investments (s.39 FMA Act, s.18 CAC Act, s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June 2007) (continued)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
Cash used					
Purchase of property, plant and equipment and intangibles	-	-	-	-	-
Purchase of equity instruments	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Investments (s.39 FMA Act, s.18 CAC Act, s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	223,830	221,010	222,114	221,626	221,517
Other	-	-	-	-	-
Total cash received	223,830	221,010	222,114	221,626	221,517
Cash used					
Net repayment of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	225,082	375,270	268,574	290,558	274,161
Other	2,402	700	700	700	700
Total cash used	227,484	375,970	269,274	291,258	274,861
Net cash from or (used by) financing activities	(3,654)	(154,960)	(47,160)	(69,632)	(53,344)
Net increase or (decrease) in cash held	105	-	-	-	-
Cash at beginning of reporting period	5,115	5,220	5,220	5,220	5,220
Cash from Official Public Account for:					
- appropriations	-	-	-	-	-
- special accounts	-	-	-	-	-
Transfers from other entities (Finance - Whole of Government)	-	-	-	-	-
Cash to Official Public Account for:					
- appropriations	-	-	-	-	-
- special accounts	-	-	-	-	-
Transfers to other entities (Finance - Whole of Government)	-	-	-	-	-
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	5,220	5,220	5,220	5,220	5,220

NOTES TO THE FINANCIAL STATEMENTS

Under the Australian Government's accrual-based budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported from transactions over which agencies do not have control (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.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments).

Departmental

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; and
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies.

Administered

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- 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.

Administered investments in controlled entities

Each Commonwealth Department is required to show an Administered investment in each *Commonwealth Authority and Company Act 1997* (CAC) entity within their portfolio. The department has one administered investment in the Export Finance and Insurance Corporation. This Administered investment is valued at the Commonwealth's ownership interest in the net assets of the CAC entity.

Asset Revaluation

Australian Government agencies and authorities are required to measure property, plant and equipment (except for specialist military equipment) at up-to-date fair value. Fair value is market value unless there is no market-based evidence of fair value. In such cases, fair value is estimated using depreciated replacement cost. Revaluations will be conducted with such regularity as to ensure that the carrying value of assets at the reporting date is not materially different from fair value. Software is not considered to be property, plant and equipment and is measured at cost.

AUSTRALIAN TRADE COMMISSION (AUSTRADE)

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AUSTRALIAN TRADE COMMISSION

Section 1: Agency overview and resources; variations and measures

OVERVIEW

As a result of the Government's response to the Uhrig review, Austrade's governance arrangements changed on 1 July 2006 from an agency under the auspices of the *Commonwealth Authorities and Companies Act 1997* (CAC) to one managed by a Chief Executive Officer under the *Financial Management and Accountability Act 1997* (FMA) and the *Public Service Act 1999*. There were no significant changes to Austrade's role/mission, outcomes and outputs and/or its evaluation, competitive tendering and contracting and purchaser/provider practices as a result of either this new arrangement or Additional Estimates.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Outputs
Outcome 1		
Australian's succeeding in international business with widespread community support.	<p>Austrade focuses its effort and resources on delivering:</p> <ul style="list-style-type: none"> - International business opportunities to Australians; - Export and outward investment services; - Access to the Export Market Development Grants scheme as an incentive and support for Australian SMEs to enter export markets and become sustainable exporters; - Programmes designed to improve community awareness of, and commitment to, trade and international investment; - Advice to the Australian Government about, and coordination of, its export and international business facilitation activities 	<p>Output 1.1 - Awareness raising: Community commitment to trade and investment; understanding of the Australian Government's export assistance programme and a positive image of Australia overseas</p> <p>Output 1.2 - Government advice and coordination: Advice to the Australian Government and coordination of Australia's export activities</p> <p>Output 1.3 - Services and Opportunities: Export and investment services and opportunities for Australians through a national and global network</p> <p>Output 1.4 - Austrade Administered: Export Market Development Grants for small to medium sized businesses</p>
Outcome 2		
Australians informed about and provided access to consular; passport and immigration services in specific locations overseas.	Consular, passport and immigration services in designated locations.	Output 2.1 - Consular, passport and immigration services

Note: Since the *Portfolio Budget Statements 2006-07*, the description of Output 1.4 has been amended to omit reference to International Trade Enhancement Scheme (ITES) loans/advances as all active facilities in the ITES were finalised in June 2006.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

There are no variations to Austrade's appropriation relating to new measures. Variations to Departmental appropriation of \$0.525 million are provided in relation to operational funding for the current year (future year variations are outlined in Table 1.3). Savings in Administered expenses of \$8.880 million in the Export Market Development Grants (EMDG) scheme are included for the current year only.

Table 1.3: Additional estimates and variations to outcomes – other variations

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Variations (administered)				
Export Market Development Grants scheme	(8,880)	-	-	-
Variations (departmental)				
Forex Adjustments				
Within Year	123	-	-	-
Between Year	186	186	186	186
Price Deflators	216	232	333	358

The variations to Departmental appropriation Outcome 1 are a result of parameter adjustments for foreign exchange and price deflators.

The Government's forex risk management policy operates so that Austrade's purchasing power overseas is maintained and funding is adjusted for gains or losses due to fluctuations in exchange rates. Adjustments are based on Budget Exchange Rates (BER) provided annually by the Department of Finance and Administration.

There are two types of foreign exchange funding adjustments.

Between year forex rebasing

Between year forex rebasing maintains the foreign currency spending power by adjusting Austrade's funding for movements in the BER from one year to the next. If the BER falls funding is increased whereas funding is reduced when the BER rises between years.

Within year forex adjustments

Within year forex adjustments adjust Austrade's funding for the difference between the BER and the actual exchange rate of transactions. If the actual exchange rate is less than the BER, funding is increased whereas funding is reduced when the actual exchange rate is greater than BER.

Administered Expenses

The reduction in Administered expenses of \$8.880 million results from lower budget estimated grant payments in the EMDG scheme for 2006-07 only.

MEASURES — AGENCY SUMMARY

Not applicable to Austrade.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
ADMINISTERED ITEMS					
Outcome 1 - Output Group 1.4					
Export Market development Grants for small to medium sized businesses	144,442	160,400	151,520	-	(8,880)
Total	144,442	160,400	151,520	-	(8,880)
DEPARTMENTAL OUTPUTS					
Outcome 1 - Output Groups 1.1 - 1.3					
Australians succeeding in international business with widespread community support	157,953	163,134	163,659	525	-
Outcome 2 - Output Group 2.1					
Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	7,297	9,783	9,783	-	-
Total	165,250	172,917	173,442	525	-
Total administered and departmental	309,692	333,317	324,962	525	(8,880)

Notes to table:

Note 1: 2005-06 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:

Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32

Note 2: No appropriation is provided in Appropriation Bill 3 for the agency where the total funding change across outcomes for departmental outputs is negative.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2006-07 Budget	2006-07 Revised	Variation
Outcome 1			
Australians succeeding in international business with widespread community support	1,062	1062	-
Outcome 2			
Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	53	53	-
Total	1,115	1,115	-

SUMMARY OF AGENCY SAVINGS

Estimated Administered expenditure has been reduced by \$8.880 million due to lower than budget estimated grant payments.

Table 1.8: Summary of agency savings

R	Reclassification of appropriations	\$0.00 million
E	Estimates reductions	\$8.88 million
P	Policy decisions	\$0.00 million
M	Movement of estimates between years	\$0.00 million
Total agency savings		\$8.88 million

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 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.

The variation to other receipts is a result of a decrease in interest revenue resulting from the change from CAC to FMA agency (Austrade no longer invests surplus cash to earn interest revenue).

Table 1.9: Other receipts available to be used

	Budget estimate 2006-07 (\$'000)	Revised estimate 2006-07 (\$'000)
Departmental other receipts		
Sale of Goods and Services	29,701	29,701
Interest	2,456	-
Other	3,528	3,528
Gain on Sale of Assets	250	250
Total departmental other receipts available to be used	35,935	33,479

Note: Other receipts are collected under an FMA section 31 agreement.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Not applicable to Austrade.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	Outcome No.	Opening Balance 2006-07 ⁽¹⁾ (\$'000)	Receipts 2006-07 (\$'000)	Payments 2006-07 (\$'000)	Adjustments 2006-07 (\$'000)	Closing Balance 2006-07 (\$'000)
Special Account 1	1	0	6,100	6,000	-	100
Special Account 2	1	300	800	800	-	300
Total special accounts		300	6,900	6,800	-	400

Note 1 These accounts were established on 1 July 2006 as Austrade transitioned from CAC to FMA agency

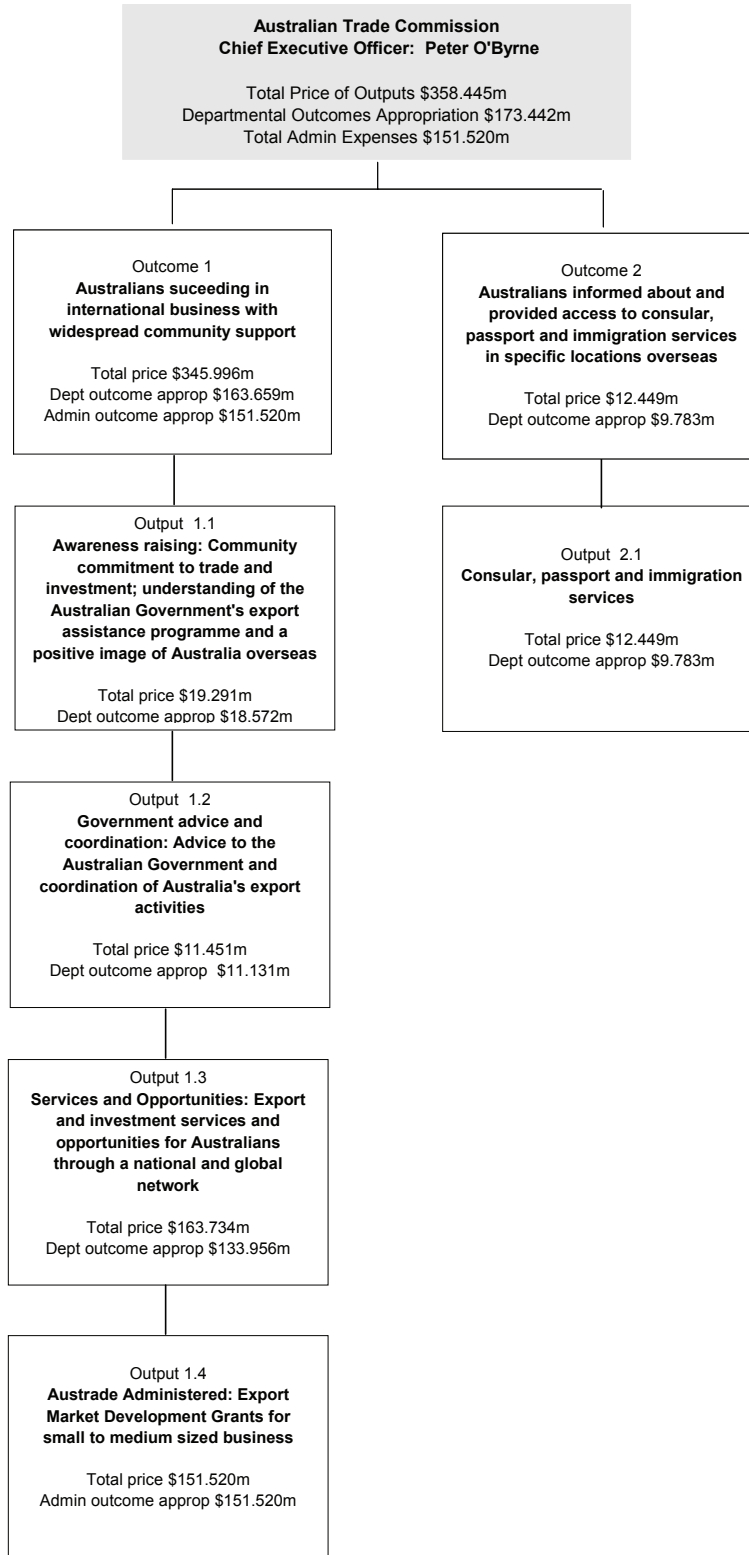
Special Account 1 - Administered Payments and Receipts for Other Entities -
 Australian Trade Commission Special Account - s20 FMA Act (A)
 Special Account 2 - Other Trust Moneys - Australian Trade Commission Special Account
 - s20 FMA Act (A)

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and output groups for the Australian Trade Commission.

Figure 2: New outcome and output structure for Outcome 1



Outcome 1

There is a \$0.525 million increase in Departmental appropriation as a result of parameter adjustments for foreign exchange and price deflators. This is reflected in an adjustment to Output 1.3.

Administered expenditure estimates have been reduced due to a lower than budget estimated grant payments in relation to the EMDG scheme. This is reflected in an adjustment of \$8.880 million to Output 1.4.

Revised performance information — 2006-07

Variations to performance information as a result of Additional Estimates are shown in table 2.1.

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1

Output	Performance information 2006-07 Budget	Performance information 2006-07 revised
Output 1.3		
Services and Opportunities: Export and investment services and opportunities for Australians through a national and global network	Quality: no change to indicators Quantity: no change to indicators Price: \$133.4m	Quality: no change to indicators Quantity: no change to indicators Price: \$133.9m
Output 1.4		
Austrade Administered - Export Market Development Grants for small to medium sized businesses	Quality: no change to indicators Quantity: Total number of grant applicants (4,000) [1] Total number of grant recipients (3,635) [1] Number of first-time grant applicants (1,590) [1] Number of first-time grant recipients (1,360) [1] Price: \$160.4m	Quality: no change to indicators Quantity: Total number of grant applicants (3,812) Total number of grant recipients (3,530) [1] Number of first-time grant applicants (1,277) [1] Number of first-time grant recipients (1,150) [1] Price: \$151.5m

[1] Estimate is a quantity based on historical performance

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of Austrade's budgeted financial statements, as reflected in the budgeted Departmental financial statements and Administered schedules for 2006-07, is provided below.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

The statement provides a picture of the expected financial results for Austrade by identifying its full accrual expenses and revenues. Austrade is budgeting for an operating loss of \$6.5 million. This loss represents the costs incurred to best position Austrade to fulfil its role to drive growth in export value and double the number of Australian exporters.

Total income is estimated to be \$206.9 million, a decrease of \$2.0 million from Budget. This is made up of an increased appropriation from the Government reflecting parameter adjustments (\$0.5 million) and the loss of interest revenue resulting from Austrade's changed governance arrangements (\$2.5 million).

Total expenses are estimated to be \$213.3 million, an increase of \$0.5 million (equal to the increase in appropriation revenue), to be used for export facilitation activities.

Budgeted departmental balance sheet

This statement shows the financial position of Austrade. Austrade's asset position is \$11.5 million higher than the Budget position with liabilities being \$2.1 million higher (a net asset increase of \$9.4 million due primarily to a revaluation of land and buildings at 30 June 2006).

As a part of the Additional Estimates process, there has been a movement between asset classes, cash and receivables, arising from the change in Austrade's governance arrangements.

Budgeted departmental statement of cash flows

This statement shows the extent and nature of cash flows to and from Austrade's operating, investing and financing activities. End of year cash is estimated to be \$5.5 million, a decrease from Budget of \$7.6 million. This reflects a return of cash to the

OPA at the start of the year due to the change in Austrade’s governance arrangements but this is available to be used as required.

Departmental statement of changes in equity — summary of movement

This statement shows changes in equity resulting from the net impact of movements in accumulated results, assets revaluation and other reserves and contributed equity/capital. An equity injection via appropriation of \$8.4 million is included in the result as is the loss of \$6.5 million (an increase since Budget of \$2.5 million due to the decrease in interest revenue).

Departmental capital budget statement

This statement shows all planned Departmental capital expenditure on non-financial assets, whether funded through capital appropriations, additional equity, borrowings or funds from internal sources. Total capital expenditure is estimated to be \$29.89 million funded by an \$8.3 million equity injection and \$21.6 million from internal sources.

Departmental property, plant, equipment and intangibles — summary of movement

This statement shows budgeted acquisitions and disposals of non-financial assets during the budget year. The major movements anticipated are increased additions in plant and infrastructure and intangibles (particularly software).

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

This schedule shows income and expenses administered on behalf of the Government. The Administered Schedule of Income and Expenses reflects lower than expected grant payments from the EMDG scheme of \$8.88 million.

Schedule of budgeted assets and liabilities administered on behalf of government

This schedule shows the assets and liabilities administered on behalf of the Government. The major variation from Budget is a decrease in cash of \$7.2 million reflecting Austrade’s changed governance arrangements.

Schedule of budgeted administered cash flows

The schedule shows cash flows administered on behalf of the Government. Cash received and used is lower than budget.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	167,026	173,442	171,975	171,407	173,102
Goods and services	30,959	29,705	29,479	29,479	29,479
Interest	2,628	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	2,214	3,528	3,427	3,227	3,227
Total revenue	202,827	206,675	204,881	204,113	205,808
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	1,562	250	250	250	250
Other	-	-	-	-	-
Total gains	1,562	250	250	250	250
Total income	204,389	206,925	205,131	204,363	206,058
EXPENSE					
Employees	98,960	102,836	97,732	97,921	98,055
Suppliers	96,927	96,847	96,154	95,153	96,714
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	10,601	13,298	13,401	13,645	13,645
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	17	200	200	200	200
Net losses from sale of assets	-	200	200	200	200
Net foreign exchange losses	190	-	-	-	-
Other	-	-	-	-	-
Total expenses	206,695	213,381	207,687	207,119	208,814
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result before Income Tax					
Income Tax expense	-	-	-	-	-
Net operating result	(2,306)	(6,456)	(2,556)	(2,756)	(2,756)

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2007)

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2005-06	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating result from continuing operations	(2,306)	(6,456)	(2,556)	(2,756)	(2,756)
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
Operating result	(2,306)	(6,456)	(2,556)	(2,756)	(2,756)
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	(2,306)	(6,456)	(2,556)	(2,756)	(2,756)

Table 3.2: Budgeted departmental balance sheet (as at 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	31,932	5,500	5,500	5,500	5,500
Receivables	8,352	18,790	18,350	17,554	16,758
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total financial assets	40,284	24,290	23,850	23,054	22,258
Non-financial assets					
Land and buildings	36,162	35,892	35,622	35,352	35,082
Infrastructure, plant and equipment	32,656	45,649	48,581	46,996	45,411
Investment properties	9,082	9,082	9,082	9,082	9,082
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	8,834	12,304	12,773	13,155	13,537
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	4,961	4,961	4,961	4,961	4,961
Total non-financial assets	91,695	107,888	111,019	109,546	108,073
Total assets	131,979	132,178	134,869	132,600	130,331
LIABILITIES					
Payables					
Suppliers	9,171	9,171	9,171	9,171	9,074
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Financing costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other payables	6,028	5,720	5,412	5,104	4,796
Total payables	15,199	14,891	14,583	14,275	13,870
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	21,236	20,736	22,236	23,736	25,236
Other provisions	3,175	2,357	1,539	721	-
Total provisions	24,411	23,093	23,775	24,457	25,236
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	39,610	37,984	38,358	38,732	39,106

Table 3.2: Budgeted departmental balance sheet (as at 30 June 2007)

	Actual	Revised budget	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2005-06	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY*					
Parent entity interest					
Contributed equity	21,912	30,193	35,066	35,179	35,292
Reserves	80,519	80,519	80,519	80,519	80,519
Statutory funds	-				
Retained surpluses or accumulated deficits	(10,062)	(16,518)	(19,074)	(21,830)	(24,586)
Total parent entity interest	92,369	94,194	96,511	93,868	91,225
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	92,369	94,194	96,511	93,868	91,225
Current assets	43,890	28,532	28,216	27,362	26,508
Non-current assets	88,089	103,646	106,653	105,238	103,823
Current liabilities	34,033	31,759	32,071	32,384	32,697
Non-current liabilities	5,577	6,225	6,287	6,348	6,409

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	31,310	29,701	29,479	29,479	29,479
Appropriations	165,250	163,008	172,415	172,203	173,898
Interest	2,747	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	5,045	4,893	4,864	4,820	4,892
Other cash received	2,354	3,528	3,427	3,227	3,227
Total cash received	206,706	201,130	210,185	209,729	211,496
Cash used					
Employees	97,613	103,336	96,232	96,307	96,555
Suppliers	100,230	97,973	97,280	96,393	97,840
Grants	-	-	-	-	-
Financing costs	-	-	-	-	-
Net GST paid	5,402	4,893	4,864	4,820	4,892
Other cash used	-	-	-	-	-
Total cash used	203,245	206,202	198,376	197,520	199,287
Net cash from or (used by) operating activities	3,461	(5,072)	11,809	12,209	12,209
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	531	250	250	250	250
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	531	250	250	250	250
Cash used					
Purchase of property, plant and equipment	17,356	29,891	16,932	12,572	12,572
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash used	-	-	-	-	-
Total cash used	17,356	29,891	16,932	12,572	12,572
Net cash from or (used by) investing activities	(16,825)	(29,641)	(16,682)	(12,322)	(12,322)

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	8,669	8,281	4,873	113	113
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other cash received	6,126	-	-	-	-
Total cash received	14,795	8,281	4,873	113	113
Cash used					
Repayments of debt (including finance lease principal)	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other cash used	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	14,795	8,281	4,873	113	113
Net increase or (decrease) in cash held	1,431	(26,432)	-	-	-
Cash at the beginning of the reporting period	30,501	31,932	5,500	5,500	5,500
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	31,932	5,500	5,500	5,500	5,500

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	(10,160)	38,310	42,307	21,912	92,369
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(10,160)	38,310	42,307	21,912	92,369
Income and expense					
Income and expenses recognised directly in equity: [list each item, example follows] Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense recognised directly in equity	-	-	-	-	-
Net operating result	(6,456)	-	-	-	(6,456)
Total income and expenses	(6,456)	-	-	-	(6,456)
Sub-total income and expense attributable to Australian Government					
attributable to minority interest					
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other: [provide details]	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	8,281	8,281
Other: [provide details, example follows] Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	8,281	8,281
Transfers between equity components	-	-	-	-	-
Closing balance less minority interests	(16,616)	38,310	42,307	30,193	94,194
Estimated closing balance as at 30 June 2007	(16,616)	38,310	42,307	30,193	94,194

Table 3.5: Departmental capital budget statement

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2005-06	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	8,669	8,281	4,873	113	113
Total loans	-	-	-	-	-
Total capital appropriations	8,669	8,281	4,873	113	113
Represented by:					
Purchase of non-financial assets	8,669	8,281	4,873	113	113
Other	-	-	-	-	-
Total represented by	8,669	8,281	4,873	113	113
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	8,669	8,281	4,873	113	113
Funded internally by Departmental resources	8,687	21,610	12,059	12,459	12,459
Total	17,356	29,891	16,932	12,572	12,572

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land investment property	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
As at 1 July 2006								
Gross book value	28,378	9,082	8,049	42,115	-	21,322	-	108,946
Accumulated depreciation	-	-	(265)	(9,459)	-	(12,488)	-	(22,212)
Opening net book value	28,378	9,082	7,784	32,656	-	8,834	-	86,734
Additions:								
by purchase	-	-	-	22,942	-	6,949	-	29,891
by finance lease	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-
Reclassifications	-	-	(270)	(9,549)	-	(3,479)	-	(13,298)
Depreciation/amortisation expense	-	-	-	-	-	-	-	-
Impairments recognised in operating result	-	-	-	-	-	-	-	-
Other movements	-	-	-	(200)	-	-	-	(200)
Disposals:								
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-
other disposals	-	-	-	(200)	-	-	-	(200)
As at 30 June 2007								
Gross book value	28,378	9,082	8,049	56,057	-	28,271	-	129,837
Accumulated depreciation	-	-	(535)	(10,408)	-	(15,967)	-	(26,910)
Estimated closing net book value	28,378	9,082	7,514	45,649	-	12,304	-	102,927

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Goods and services	33	-	-	-	-
Interest	3	-	-	-	-
Dividends	-	-	-	-	-
Other sources of non-taxation revenues	614	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Total non-taxation	650	-	-	-	-
Total revenues administered on behalf of Government	650	-	-	-	-
Gains					
Net foreign exchange gains	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	650	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	137,113	143,500	142,880	142,880	142,880
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Employees	6,170	5,792	5,350	5,350	5,350
Suppliers	2,261	2,228	2,170	2,170	2,170
Depreciation and amortisation	-	-	-	-	-
Write down and impairment of assets	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	-	-	-
Losses					
Net foreign exchange losses	-	-	-	-	-
Net loss from sale of assets	-	-	-	-	-
Other losses	-	-	-	-	-
Total expenses administered on behalf of Government	145,544	151,520	150,400	150,400	150,400

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents [this can include investments including s.39 FMA Act]	7,040	50	50	50	50
Receivables	533	533	533	533	533
Investments (s.39 FMA Act)	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total financial assets	7,573	583	583	583	583
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	7,573	583	583	583	583
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Australian Government securities	-	-	-	-	-
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	1,863	1,863	1,863	1,863	1,863
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	-	-	-	-	-
Total provisions	1,863	1,863	1,863	1,863	1,863

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
Payables					
Suppliers	159	159	159	159	159
Grants and subsidies	-	-	-	-	-
Dividends	-	-	-	-	-
Borrow ing costs	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Taxation refunds due	-	-	-	-	-
Other payables	-	-	-	-	-
Total payables	159	159	159	159	159
<i>Liabilities included in disposal groups held for sale</i>	-	-	-	-	-
Total liabilities administered on behalf of Government	2,022	2,022	2,022	2,022	2,022

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Sales of goods	33	-	-	-	-
Rendering of services	-	-	-	-	-
Interest	3	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	208	200	195	195	195
Other	184	-	-	-	-
Total cash received	428	200	195	195	195
Cash used					
Borrowing costs	-	-	-	-	-
Employees	6,228	5,792	5,350	5,350	5,350
Grant payments	137,113	143,500	142,880	142,880	142,880
Interest paid	-	-	-	-	-
Subsidies paid	-	-	-	-	-
Personal benefits	-	-	-	-	-
Suppliers	2,313	2,228	2,170	2,170	2,170
Net GST paid	213	200	195	195	195
Other	-	-	-	-	-
Total cash used	145,867	151,720	150,595	150,595	150,595
Net cash from operating activities	(145,439)	(151,520)	(150,400)	(150,400)	(150,400)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Proceeds from sales of equity instruments	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Transfers from other entities	-	-	-	-	-
Investments (s.39 FMA Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
Cash used					
Purchase of property, plant and equipment and intangibles	-	-	-	-	-
Purchase of equity instruments	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Investments (s.39 FMA Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrow ing	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Net repayment of borrow ings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	7,264	7,040	50	50	50
Cash from Official Public Account for:					
- appropriations	145,215	151,520	150,400	150,400	150,400
- special accounts					
Transfers from other entities (Finance - Whole of Government)	-	-	-	-	-
Cash to Official Public Account for:					
- appropriations	-	(6,990)	-	-	-
- special accounts					
Transfers to other entities (Finance - Whole of Government)	-	-	-	-	-
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	7,040	50	50	50	50

NOTES TO THE FINANCIAL STATEMENTS

The agency budget statements are prepared on AEIFRS basis.

Under the Australian Government's accrual budgeting framework, 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

Departmental assets, liabilities, revenues and expenses in relation to an agency or authority are those which are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs which are incurred by the agency in providing its goods and services.

Administered

Administered items are revenues, expenses, assets and liabilities which are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.

AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

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AUSTRALIAN SECRET INTELLIGENCE SERVICE

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There have been no changes to ASIS functions, outcomes or output groups as advised in the *Portfolio Budget Statements 2006-07*.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.3: Additional estimates and variations to outcomes – other variations

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Variations (departmental)				
Funds Transfer s.32	13,113	11,104	10,159	9,522

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Enhance government understanding of the overseas environment affecting Australia's vital interests and take appropriate action, consistent with applicable legislation, to protect particular identified interests.	100,350	112,862	124,020	11,158	-
Total	100,350	112,862	124,020	11,158	-
Total departmental	100,350	112,862	124,020	11,158	-

Note 1: 2005-06 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:
Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32.

Table 1.6: Appropriation Bill (No. 4) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections	2,687	18,501	20,456	1,955	-
Total non-operating					
Australian Secret Intelligence Service					
Total	2,687	18,501	20,456	1,955	-

Note 1: 2005-06 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:
Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 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.

Section 31 payments relating to goods and services has increased since Budget.

Table 1.9: Other receipts available to be used

	Budget estimate 2006-07 (\$'000)	Revised estimate 2006-07 (\$'000)
Departmental other receipts		
Sale of goods and services	16,361	23,050
FMA Act 1997 s.31		
Resources received free of charge	6,300	97
Total departmental other receipts available to be used		

ESTIMATES OF SPECIAL ACCOUNT FLOWS

There is no change from Budget.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

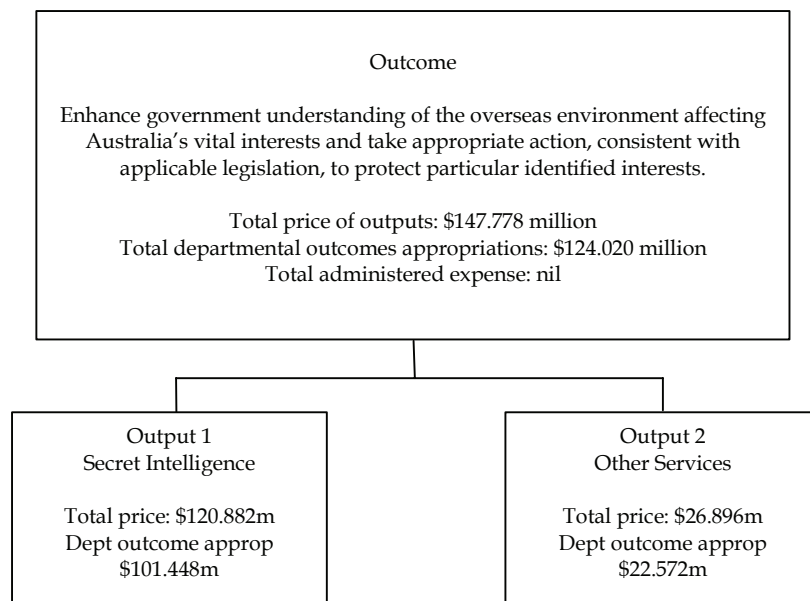
There has been no change in the definition of the Outcome.

Outcome 1

Revised performance information — 2006-07

Overall achievement of the ASIS outcome is assessed by reference to the customers for ASIS services. This is done continuously and is also the subject of comprehensive annual internal and external assessment of results, which are reported to Government. The assessment of performance includes both qualitative and quantitative analysis. No further details of this process are divulged for reasons of national security.

Figure 2: Outcomes and Output Groups for the Agency



Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The increase in the ASIS operating revenues and net increase in assets during the year is due to the increase in appropriations from an inter-agency transfer and an increase in section 31 goods and services revenue. Further analysis of the budgeted financial statements is not provided due to the need to observe the requirements of national security.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

This statement provides a picture of the actual 2005-06 financial results and the expected financial result for 2006-07 and forward years for the Service by identifying full accrual expenses, revenues and gains. This provides an assessment as to whether the Service is operating at a sustainable level.

Budgeted departmental balance sheet

This statement shows the financial position of the Service and enables decision-makers to track the management of assets and liabilities.

This statement has been revised since the publication of the *Portfolio Budget Statements 2006-07* to reflect the reassessment of expected closing balances based on actual results and performance in 2005-06.

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, investing and financing activities.

This statement has been revised since the publication of the *Portfolio Budget Statements 2006-07* to reflect the reassessment and change in the budgeted balance sheet.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	100,190	124,020	147,545	162,389	174,965
Goods and services	17,010	23,050	16,686	17,086	17,486
Other	11	11	15	18	20
Total revenue	117,211	147,081	164,246	179,493	192,471
Gains					
Net foreign exchange gains	178	400	400	400	400
Net gains from sale of assets		200	200	200	200
Other	5,367	97	99	101	103
Total gains	5,545	697	699	701	703
Total income	122,756	147,778	164,945	180,194	193,174
EXPENSE					
Total expenses	115,898	147,778	164,945	180,194	193,174
Net operating result	6,858	-	-	-	-
Net credit (debit) to asset revaluation reserve	(382)				
Net surplus or (deficit) attributable to the Australian Government	6,476	-	-	-	-

Table 3.2: Budgeted departmental balance sheet (as at 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Total financial assets	61,386	17,961	20,705	23,410	26,160
Non-financial assets					
Total non-financial assets	70,023	90,479	104,053	118,627	126,347
Total assets	131,409	108,440	124,758	142,037	152,507
LIABILITIES					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions and payables					
Total provisions and payables	54,876	22,211	24,955	27,660	30,410
Total liabilities	54,876	22,211	24,955	27,660	30,410
EQUITY*					
Contributed equity	12,312	32,768	46,342	60,916	68,636
Reserves	27,429	27,429	27,429	27,429	27,429
Retained surpluses or accumulated deficits	36,792	26,032	26,032	26,032	26,032
Total equity	76,533	86,229	99,803	114,377	122,097
Current assets	61,386	17,961	20,705	23,410	26,160
Non-current assets	70,023	90,479	104,053	118,627	126,347
Current liabilities	48,640	19,990	22,460	24,894	27,369
Non-current liabilities	6,236	2,221	2,496	2,766	3,041

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2007)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	15,809	24,493	18,263	18,742	19,197
Appropriations	90,150	124,020	147,545	162,389	174,965
Other cash received	48,558	4,731	5,441	5,889	6,269
Total cash received	154,517	153,244	171,249	187,020	200,431
Cash used					
Total cash used	124,006	176,706	156,833	169,073	180,563
Net cash from or (used by) operating activities	30,511	(23,462)	14,416	17,947	19,868
INVESTING ACTIVITIES					
Cash received					
Total cash received	123	200	200	200	200
Cash used					
Total cash used	8,677	30,165	26,116	30,408	25,314
Net cash from or (used by) investing activities	(8,554)	(29,965)	(25,916)	(30,208)	(25,114)
FINANCING ACTIVITIES					
Cash received					
Total cash received	1,964	20,456	13,574	14,574	7,720
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	1,964	20,456	13,574	14,574	7,720
Net increase or (decrease) in cash held	23,921	(32,971)	2,074	2,313	2,474
Cash at the beginning of the reporting period	19,616	43,715	10,744	12,818	15,131
Effect of exchange rate movements on cash at the beginning of reporting period	178	-	-	-	-
Cash at the end of the reporting period	43,715	10,744	12,818	15,131	17,605

NOTES TO THE FINANCIAL STATEMENTS

Further analysis of the budgeted financial statements is not provided due to the need to observe the requirements of national security. ASIS has no administered transactions.

GLOSSARY

Accrual Accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
AEIFRS	Australian Equivalents to International Financial Reporting Standards which were issued by the Australian Accounting Standards Board in July 2004.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Acts of Parliament, which provide appropriation for the government's activities during a specific financial year. Three appropriation Bills are introduced into Parliament in May and comprise the Budget. Further supplementary Bills are introduced later in the financial year as part of the Additional Estimates process. The Parliamentary Departments have their own appropriation Bills.

Glossary

Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency to produce outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Indicators to assess the degree of success in achieving outcomes. As outcomes are generally long-term in nature, effectiveness indicators often relate to intermediate outcomes (shorter-term impacts) below the planned outcomes specified.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes Price, Quality and Quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.

Expense	Expenses represent the full costs of an activity, that is, the total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of the entity. Expenses include cash items such as salary payments as well as expenses that have been incurred, such as accruing employee entitlements that will be paid in the future.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Australian Government entities will move to this method incrementally by 30 June 2006 for valuing most infrastructure, plant and equipment.
Intermediate outcomes	More specific medium-term impacts (eg. trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes. (See outcomes)
Operating result	Equals revenue less expenses.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Output Groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.

Glossary

Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (Financial Management and Accountability (FMA) Act 1997, ss.20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act).

Special Appropriations (including Standing Appropriations) An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.

Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.