

# **Department of Foreign Affairs and Trade**

**Agency resources and planned  
performance**



# DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

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# DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

In 2008-09, the department will advance the Government's foreign and trade policy objectives through a range of strategies. Australia's foreign policy is directed towards strengthening the United States alliance, a renewed focus on multilateralism, increasing Australia's comprehensive engagement with the Asia-Pacific, building a new partnership with Europe, and achieving positive outcomes on international economic and security issues.

Central to Australia's trade policy approach are the twin strategies of achieving trade liberalisation through multilateral, regional and bilateral negotiations and economic reform behind the border. Multilateral trade reform, specifically an ambitious outcome to the World Trade Organization (WTO) Doha Round of trade negotiations, is Australia's most important trade negotiation priority.

The department will deepen Australia's fundamentally important relationship with the United States, our most important strategic ally, across the breadth of our political, economic and security interests. It will advocate Australia's interests in the United States and the importance of the relationship during the political transition following US elections in November 2008. It will identify and implement practical cooperation with the United States to advance our common strategic, trade and investment objectives bilaterally, regionally and globally.

The department will ensure that Australia takes opportunities to make a difference in international affairs through a renewed focus on multilateralism. It will increase Australia's support for and participation in the United Nations, other international organisations and strategic groupings. A key element of the strategy will be Australia's bid for a non-permanent seat on the UN Security Council in 2013-14. The department will seek to secure further senior Australian representation in the United Nations and will support efforts to enhance the effectiveness of the Human Rights Council.

The department will work to strengthen Australia's engagement in Asia and bring a renewed focus in the Pacific. It will enhance the relationship with Japan, our largest export market and most important strategic partner in Asia, broaden the base of productive relations with China and deepen relations with Indonesia as key regional partners. It will take Australia's strategic and economic relationship with India to a higher level. The department will adopt a more activist role in East Asian institutional

arrangements. It will participate actively within the Asia Pacific Economic Cooperation (APEC) forum to promote freer trade and investment, economic reform and an improved business environment in the region.

Consistent with Prime Minister Rudd's Port Moresby Declaration, the department will promote and coordinate a new whole-of-government strategy for Australia's enhanced engagement with the Pacific, including implementing long-term Pacific Development Partnerships promoting economic growth, good governance and improved development outcomes in Pacific island countries.

The department will also work to strengthen political and economic engagement with Europe and pursue a new partnership with the European Union to achieve closer cooperation and dialogue including on international events.

An abiding responsibility of the department is to contribute to the protection of Australia's national security in the face of an increasingly complex range of threats and a high threat environment. The department will lead whole-of-government efforts to combat international terrorism, support efforts to strengthen the counter-terrorism capacity of our South-East Asian neighbours, and work with other partners in South Asia.

The department will lead Australia's efforts to achieve a more comprehensive and integrated international strategy to achieve our objectives in Afghanistan. The 2008-09 Budget measure *Afghanistan – Australian diplomatic presence – continuation and expansion* will provide for the continuation of the Australian Embassy in Kabul to support the Government's objective of helping stabilise Afghanistan and contribute to the Afghan Government's capacity to deny sanctuary to international terrorists.

The department will work to re-energise the international non-proliferation, disarmament and arms control regimes. It will look to strengthen practical means to counter the proliferation of Weapons of Mass Destruction, including through the Proliferation Security Initiative and the tightening of export controls.

Working with the Department of Climate Change, the department will contribute to the launch of a post-2012 global agreement on climate change. It will pursue Australian interests in international fishing, including progress toward the "Niue Plus" Pacific regional fisheries enforcement cooperation negotiations. The department will maintain pressure on Japan to halt its 'scientific whaling' program.

The department will work actively to secure an ambitious outcome to the WTO Doha Round of trade negotiations in 2008 – one that delivers substantial outcomes on agriculture, industrial products and services. It will work closely with key WTO members to conclude the Round, including through Australia's leadership of the Cairns Group of agricultural exporting countries.

The department will work closely with key stakeholders to develop a strategic whole-of-government approach to advancing Australia's international economic and commercial interests. To this end, it will support the comprehensive review of export policies and programs which is being chaired by David Mortimer AO, and consider the review's findings and recommendations. The review will examine Australia's export policies and programs, including investment promotion; consider the merits of the Export Market Development Grants scheme; and incorporate the results of a separate research project on Australia's approach to Free Trade Agreements.

The department will lead initiatives to ensure that Australia takes advantage of the strong growth of key trading partners in Asia, such as China and India. At the same time, it will monitor closely the impact on Australia's trade interests of the turbulence in global financial markets and other developments that have the potential to affect the Australian economy.

The department will work to ensure our Free Trade Agreement (FTA) negotiations with Japan, China, ASEAN and New Zealand, Chile, the Gulf Cooperation Council and Malaysia open markets for Australian business and deliver high quality agreements that support the multilateral trading system. The department will pursue preparations for negotiating a comprehensive FTA with Pacific island countries ("PACER Plus"). It will take appropriate action arising from the recommendations of feasibility studies into possible FTAs with Indonesia and the Republic of Korea. It will aim to complete the joint FTA feasibility study with India in 2009.

To promote Australia internationally, the 2008-09 Budget measure *Shanghai World Expo 2010 - Australian participation* provides funding towards Australia's participation in the expo, to present Australian business expertise, culture and values to the strategically important and rapidly expanding China market and to a wider global audience. The funding will contribute to the construction and operation of Australia's expo pavilion and management of on-site business promotion, communications and cultural programs.

The department will continue to assist Australians overseas by providing effective consular services consistent with the Consular Services Charter against the background of growing numbers of Australians travelling overseas each year and an increasing proportion of these travellers seeking consular assistance. It will continue to enhance its consular crisis response and planning systems, including for the 2008 Beijing Olympics, and will ensure accurate, accessible and up-to-date country-specific travel advice is available to Australians. It will also provide public information and outreach to help Australians to plan their travel prudently, to have a realistic understanding of the scope of consular assistance and to manage risks.

The department will manage the pressures associated with increasing numbers of passport applications and will develop a plan for the replacement of ageing passport issuance systems. The department will implement the 2008-09 Budget measure *Increase in Passport Fees*.

## *DFAT Budget Statements*

The department will monitor, maintain and improve security and strengthen communications capability at Australia's overseas missions in the face of a challenging security environment. The department has a central role providing communications and security services to other Australian government agencies operating in Australia's diplomatic missions overseas and will seek to strike a balance between whole-of-government expectations and our operational capacity to deliver them.

In 2008-09, the Government will conduct a review of DFAT's outcomes, priorities and resources. The department, like other agencies, is delivering savings to contribute to the Government's commitment to responsible budget management. The Government has decided to reduce the total savings required of the department in 2008-09 by \$12 million, from \$33.2 to \$21.2 million, pending the findings of the review.

The department will maintain a professional workforce with the capacity to respond effectively and flexibly to emerging foreign and trade policy and consular priorities in an unpredictable international environment.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2008-09 as at Budget May 2008**

	Estimate of prior <sup>+</sup> year amounts available in 2008-09 <sup>1</sup> \$'000	Proposed at Budget <sup>=</sup> 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
<b>Ordinary Annual Services</b>				
<b>Departmental outputs</b>				
Departmental outputs <sup>2</sup>	225,049	821,935	1,046,984	1,013,423
s31 Relevant agency receipts <sup>3</sup>	-	47,677	47,677	46,341
<b>Total</b>	<b>225,049</b>	<b>869,612</b>	<b>1,094,661</b>	<b>1,059,764</b>
<b>Administered expenses<sup>2</sup></b>				
Outcome 1	-	261,798	261,798	219,580
Outcome 1- Payments to CAC Act Bodies	-	10,600	10,600	10,800
Outcome 2	-	500	500	500
Outcome 3	-	23,572	23,572	28,278
<b>Total</b>	<b>-</b>	<b>296,470</b>	<b>296,470</b>	<b>259,158</b>
<b>Total ordinary annual services</b>	<b>A 225,049</b>	<b>1,166,082</b>	<b>1,391,131</b>	<b>1,318,922</b>
<b>Other services</b>				
<b>Administered expenses</b>				
<b>New administered expenses<sup>2</sup></b>				
Outcome 3 <sup>3</sup>	-	10,000	10,000	-
<b>Total</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>
<b>Departmental non-operating<sup>4</sup></b>				
Equity injections	52,223	27,745	79,968	96,991
Previous years' outputs	-	7,851	7,851	11,100
<b>Total</b>	<b>52,223</b>	<b>35,596</b>	<b>87,819</b>	<b>108,091</b>
<b>Administered non-operating</b>				
Administered Assets and Liabilities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>B 52,223</b>	<b>45,596</b>	<b>97,819</b>	<b>108,091</b>
<b>Total Available Annual Appropriations</b>	<b>277,272</b>	<b>1,211,678</b>	<b>1,488,950</b>	<b>1,427,013</b>
<b>Special Appropriations</b>				
<b>Special Appropriations limited by criteria/entitlement<sup>2</sup></b>				
Special Appropriation FMA Act, 1997 s28	-	500	500	1,174
<b>Total Special Appropriations</b>	<b>C -</b>	<b>500</b>	<b>500</b>	<b>1,174</b>
<b>Total Appropriations excluding Special Accounts</b>	<b>277,272</b>	<b>1,212,178</b>	<b>1,489,450</b>	<b>1,428,187</b>

**Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2008-09 as at Budget May 2008 (continued)**

	Estimate of prior <sup>+</sup> year amounts available in <b>2008-09</b> \$'000	Proposed at Budget <sup>=</sup> <b>2008-09</b> \$'000	Total Estimate <b>2008-09</b> \$'000	Estimated Appropriation Available <b>2007-08</b> \$'000
<b>Special Accounts</b>				
Opening balance <sup>5</sup>	218,157	-	218,157	192,196
Appropriation Receipts	-	12,963	12,963	5,553
Appropriation Receipts - other agencies	-	-	-	-
Non-Appropriation receipts to Special Accounts <sup>3</sup>	-	180,769	180,769	171,151
<b>Total Special Account</b>	<b>D 218,157</b>	<b>193,732</b>	<b>411,889</b>	<b>368,900</b>
<b>Total resourcing</b>				
A+B+C+D	<b>495,429</b>	<b>1,405,910</b>	<b>1,901,339</b>	<b>1,797,087</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through	-	126,057	126,057	112,116

<sup>1</sup> Estimated adjusted balance carried from previous year for Annual Appropriations

<sup>2</sup> Appropriation Bill (No.1) 2008-09

<sup>3</sup> The Government will also seek an estimated \$22 million in additional funding through corporate sponsorships and partnerships with the states and territories towards Australia's participation in the Shanghai World Expo 2010. See Table 2.1.3.

<sup>4</sup> Appropriation Bill (No.2) 2008-09

<sup>5</sup> Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.3, Section 3

Note: All figures are GST exclusive

**Third Party Drawdowns from and on behalf of other agencies**

	\$'000
Payments made to CAC Act bodies within the Portfolio (disclosed above)	
Department of Foreign Affairs and Trade (source of appropriation)	10,600

### **1.3 BUDGET MEASURES**

Budget measures relating to the Department of Foreign Affairs and Trade are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

**Table 1.2: Agency 2008-09 Budget measures**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Revenue measures</b>					
Increase in Passport Fees	2.1				
Administered revenues		6,400	7,400	8,100	8,800
<b>Total</b>		<b>6,400</b>	<b>7,400</b>	<b>8,100</b>	<b>8,800</b>
<b>Total revenue measures</b>	Administered	6,400	7,400	8,100	8,800
	Departmental	-	-	-	-
	<b>Total</b>	<b>6,400</b>	<b>7,400</b>	<b>8,100</b>	<b>8,800</b>
<b>Expense measures</b>					
Shanghai World Expo 2010 - Australian participation <sup>1</sup>	3.1				
Administered outputs		10,000	31,000	20,000	-
Departmental outputs		-	-	-	-
Afghanistan - Australian diplomatic presence - continuation and expansion <sup>2</sup>	1.1,1.2,1.3,1.4, 2.1				
Administered outputs		-	-	-	-
Departmental outputs		15,705	16,669	-	-
<b>Total</b>		<b>15,705</b>	<b>16,669</b>	<b>-</b>	<b>-</b>
<b>Total expense measures</b>	Administered	10,000	31,000	20,000	-
	Departmental	15,705	16,669	-	-
	<b>Total</b>	<b>25,705</b>	<b>47,669</b>	<b>20,000</b>	<b>-</b>
<b>Capital measures</b>					
Afghanistan - Australian diplomatic presence - continuation and expansion <sup>2</sup>	1.1,1.2,1.3,1.4, 2.1				
Administered capital		-	-	-	-
Departmental capital		6,894	41	-	-
<b>Total</b>		<b>6,894</b>	<b>41</b>	<b>-</b>	<b>-</b>
<b>Total capital measures</b>	Administered	-	-	-	-
	Departmental	6,894	41	-	-
	<b>Total</b>	<b>6,894</b>	<b>41</b>	<b>-</b>	<b>-</b>

Prepared on a Government Financial Statistics (fiscal) basis.

<sup>1</sup> The Government will also seek an estimated \$22 million in additional funding through corporate sponsorships and partnerships with the states and territories towards Australia's participation in the Shanghai World Expo 2010. See Table 2.1.3.

<sup>2</sup> The Government is providing \$39.3 million over two years. This includes \$13.7 million already in the forward estimates. Budget Paper No. 2 shows only the additional funding of \$25.6 million over and above the forward estimates.

Note: The Government will supplement DFAT by \$12 million in 2008-09, pending the outcomes of the review of the adequacy of the department's base funding. This supplementation will be provided under the revised 2006-07 Budget measure *Department of Foreign Affairs and Trade – budget sustainability* as set out in 2008-09 Budget Paper No 2.

Note: In addition to the above, there are a number of measures which were published in the 2007-08 Foreign Affairs and Trade Portfolio Additional Estimates Statements which are also shown in Budget Paper No. 2.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the outputs which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by outputs, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Foreign Affairs and Trade in achieving government outcomes.

The department allocates resources to outputs based on its activity based costing model. Allocations in 2008-09 have been calculated based on the underlying model coupled with contemporary estimates data. The Overseas Property Office costs are excluded from the department's costing model as all activities are accounted for separately and allocated directly to Outcome 4 (Output 4.1).

#### **2.1.1 Outcome 1: Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation**

##### **Outcome 1 Strategy**

This outcome reflects the department's primary responsibility for developing and implementing foreign and trade policies on matters of international security, trade policy and global cooperation that advance Australia's national interests. The majority of the department's financial and human resources are directed to the achievement of Outcome 1.

As highlighted in the 2008-09 DFAT Agency Overview: Strategic Directions, the department will give priority to: strengthening relations with the United States and key strategic allies; advancing the multilateral trade agenda; increasing Australia's involvement and participation in the United Nations system and significant regional fora; and enhancing Australia's comprehensive engagement with the Asia-Pacific.

These strategies are aimed at: enhancing Australia's security and promoting a more stable regional and global security environment; contributing to national prosperity by obtaining improved access to overseas markets for Australian exports through multilateral, regional and bilateral means; and strengthening global cooperation in such areas as the environment, human rights and good governance. A vital dimension to achieve this is the maintenance of strong bilateral partnerships.

As the lead agency managing Australia's external affairs, the department also has a central whole-of-government role in the management and maintenance of Australia's overseas diplomatic network, including the provision of services to other agencies represented overseas, and services to diplomatic and consular representatives in Australia.

**Outcome 1 Resource statement**

Table 2.1.1 provides additional detail of Budget appropriations and the total resourcing for outcome one.

**Table 2.1.1: Total resources for Outcome 1**

<b>Outcome 1: Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation</b>		2008-09	2007-08
		Total estimate of available resources <sup>1</sup>	Estimated actual
		\$'000	\$'000
<b>Departmental Outputs: Outcome 1</b>			
<b>Output 1.1: Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity</b>			
Departmental Outputs			
Revenues from Government	B1	354,621	331,904
Revenues from other sources (s.31)		21,171	20,240
<b>Subtotal for Output 1.1</b>		<b>375,792</b>	<b>352,144</b>
<b>Output 1.2: Secure government communications and security of overseas missions</b>			
Departmental Outputs			
Revenues from Government	B1	93,975	113,397
Revenues from other sources (s.31)		10,951	10,470
<b>Subtotal for Output 1.2</b>		<b>104,927</b>	<b>123,867</b>
<b>Output 1.3: Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)</b>			
Departmental Outputs			
Revenues from Government	B1	70,219	84,730
Revenues from other sources (s.31)		15,725	15,033
<b>Subtotal for Output 1.3</b>		<b>85,943</b>	<b>99,764</b>
<b>Output 1.4: Services to diplomatic and consular representatives in Australia</b>			
Departmental Outputs			
Revenues from Government	B1	3,279	3,957
Revenues from other sources (s.31)		180	172
<b>Subtotal for Output 1.4</b>		<b>3,459</b>	<b>4,129</b>
<b>Administered Items - Outcome 1</b>			
Payments to International Organisations	B1	258,941	214,471
Export Finance and Investment Corporation	B1	10,600	10,800
Other	B1	2,804	5,056
Special Accounts			
Australia-France Endowment Special Account - FMA Act 1997 s20			
Opening balance		0	0
Appropriation receipts		53	53
Non-Appropriation receipts to Special Accounts		0	0
<b>Subtotal for Administered Items - Outcome 1</b>		<b>272,398</b>	<b>230,380</b>
<b>Total resources for Outcome 1</b>		<b>842,520</b>	<b>810,284</b>
<b>Average staffing level (number)<sup>1</sup></b>		<b>2,033</b>	<b>2,338</b>

<sup>1</sup> 2008-09 resourcing and ASL figures reflect the implementation of an updated methodology for allocation of resources between outcomes and across outputs.

(B1) - Annual Appropriation Bill 1 (Ordinary Annual Services)

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

**Contributions to Outcome 1**

<b>Output 1.1: Protection and advocacy of Australia’s international interests through the provision of policy advice to ministers and overseas diplomatic activity</b>	
<p>To protect and advance the national interest, the department will engage in effective advocacy and overseas diplomatic activity to promote Australia’s international political, security, economic and multilateral interests. It will ensure the accurate and timely provision of policy advice to Ministers to meet the challenges of an unpredictable international environment.</p>	
Key Performance Indicators	2008-09 Target
<p>Deepening of Australia’s relationship with the United States</p>	<p>Strengthen further our alliance with the United States by continued strategic, defence and intelligence cooperation</p> <p>Influence the development of US strategic, foreign and trade policy through high level political engagement, including ministerial visits, the Australia United States Ministerial Consultations (AUSMIN) and the AUSFTA Joint Committee</p>
<p>Enhancement of Australia’s security through contributions to national, regional and international efforts to promote a more stable regional and global security environment</p>	<p>Strengthen engagement with the United Nations, including by building support for Australia’s election to the UN Security Council in 2013-14</p> <p>Strengthen non-proliferation regimes by enhancing Australia’s role in international non-proliferation and disarmament efforts</p> <p>Deliver effective policy coordination on whole-of-government approaches on Afghanistan and Iraq</p> <p>Advance coordination on key regional issues through the Trilateral Strategic Dialogue</p> <p>Build support for Australian inclusion in any regional security mechanisms arising from the Six Party Talks</p> <p>Advance Australia’s international Chemical, Biological, Radiological and Nuclear counter-terrorism programs and strengthen counter-terrorism cooperation and capacity building with key partners</p> <p>Strengthen whole-of-government efforts for regional cooperation on people smuggling</p>

<p>Enhancement of engagement with the Asia Pacific region</p>	<p>Develop further strong relations with Japan, including under the Joint Declaration on Security Cooperation, advance economic, political and strategic relations with China and enhance relations with the Republic of Korea</p> <p>Strengthen relations in South Asia, particularly through high level political engagement, stronger institutional and economic links with India and by broadening relations with Pakistan</p> <p>Strengthen ties with the countries of South-East Asia, notably with Indonesia by building on the Framework for Security Cooperation, and relations with ASEAN</p> <p>Enhance the role of the East Asia Summit in East Asian economic integration</p> <p>Participate effectively in APEC and other regional forums to build support for freer trade, make practical improvements in the business environment and encourage economic reform in the Asia-Pacific region</p> <p>Strengthen relations with Pacific island countries, particularly through long-term Pacific Partnerships and effective coordination to implement the Government's enhanced Pacific engagement strategy</p> <p>Promote political stability and economic growth in the region, including in East Timor, and in Solomon Islands through effective leadership of the Regional Assistance Mission to Solomon Islands (RAMSI)</p> <p>Deepen economic and social integration with New Zealand</p>
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<p>Advancement of Australia's national interests with partners in Europe, the Americas, the Middle East and Africa</p>	<p>Progress towards a new policy framework for practical cooperation with the European Union (EU) on economic and security interests</p> <p>Advance Australia-UK links, including cooperation on shared defence and security interests, and the promotion of strategies to address regional and global problems</p> <p>Strengthen ties with the Middle East and make practical contributions to the Middle East peace process</p> <p>Sustain momentum in the relationship with Canada and deepen relations with key Latin American partners</p> <p>Strengthen engagement with Africa</p>
<p>Contribution to national prosperity through improved access to overseas markets for Australian business through multilateral, bilateral, regional means; efforts to maintain and strengthen the multilateral trading system; and effective use of the WTO to protect and pursue Australia's trade interests</p>	<p>Progress towards an ambitious outcome to the WTO Doha Round that delivers commercially-worthwhile outcomes on agriculture, industrial products and services</p> <p>Maintain Australia's influence in the WTO negotiations, including through leadership of the Cairns Group, participation in smaller groups and dialogue with key members</p> <p>Defend any WTO challenges on quarantine; use the WTO dispute settlement system to advance Australian trade objectives; and provide high-quality legal advice on WTO obligations</p> <p>Develop strategies to ensure FTAs support the multilateral trading system, including through enhanced WTO oversight of FTAs</p> <p>Progress current FTA negotiations, implement existing FTAs effectively and examine the merits of new bilateral FTAs, including through feasibility studies</p> <p>Progress the PACER Plus Pacific trade liberalisation negotiations</p> <p>Assist with the completion of the comprehensive review of export policies and programs, and consider the review's findings</p>

<p>Promotion of outcomes to international deliberations on global environmental and energy-related issues consistent with Australian policy positions</p>	<p>Maintain high level pressure on Japan to halt its 'scientific whaling' program</p> <p>Contribute to the launch of post 2012 global agreement on climate change</p> <p>Ensure trade and environment outcomes are mutually supportive</p> <p>Work with other agencies to enhance procedures for handling illegal, unregulated and unreported fishing in Australia's fishing zone and progress 'Niue Plus' Pacific regional fisheries enforcement cooperation negotiations</p>
<p>Contribution to the development of a strong international legal framework</p>	<p>Satisfy all treaty and statutory obligations</p> <p>Intensify advocacy of the importance of an international rules based system</p> <p>Adopt a more active role and involvement in international institutions and multilateral fora</p>
<p>Encouragement of wider international application of universal human rights standards, democratic principles and good governance</p>	<p>Support efforts to enhance the effectiveness of the Human Rights Council</p> <p>Advocate human rights bilaterally, regionally and in international fora</p> <p>Strengthen advocacy of good governance and democracy</p>

<b>Output 1.2: Secure government communications and security of overseas missions</b>	
To protect and advance the national interest, the department will sustain and improve security and strengthen communications capability at Australia's overseas missions	
Key Performance Indicators	2008-09 Target
Availability to clients, reliability of and client satisfaction with communications through the secure network and secure telecommunications infrastructure, including the Overseas Diplomatic Information Network (ODIN) cable delivery system	<p>Implement the outcomes of the Information and Communications Technology (ICT) governance and systems health check reviews</p> <p>Finalise ICT services Memorandums of Understanding with other Australian Government agencies</p> <p>Implement a strategy to recruit and retain technical staff</p> <p>Plan, cost and adequately maintain critical ICT resources, including effective transitions to new systems and replacement projects</p>
Client satisfaction with the level of physical security at overseas chanceries and residences, including responsiveness to unexpected events	<p>Enhance further physical security of posts, including through relocation, security construction projects and the implementation of new and improved security arrangements, including staff security training</p> <p>Ensure project works comply with legal and security requirements, and are completed on-time, to the extent possible</p>

<b>Output 1.3: Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)</b>	
To protect and advance the national interest, the department will provide support for official overseas visits, ensure whole-of-government coordination of services in relation to the overseas diplomatic network and ensure consultation on trade policy development	
Key Performance Indicators	2008-09 Target
Client satisfaction with visit facilitation	Provide efficient and appropriate support for overseas visits by ministers and parliamentarians, representatives of state or territory governments and state or territory parliamentarians
Client satisfaction with services provided	Continue effective implementation of the Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas  Maintain high quality financial, personnel and property management services to other government agencies at overseas posts in line with service level agreements
Effective consultation on the development of trade policy	Provide accurate and timely statistical trade information and advice (fee for service basis) to the public  Maintain close relationships with state and territory governments, including through the Council of Australian Governments (COAG) and the newly-created COAG Ministerial Council on International Trade  Manage effectively consultative processes with industry representatives, state and territory governments, NGOs and community groups to seek their views on bilateral, regional and multilateral trade negotiations

<b>Output 1.4: Services to diplomatic and consular representatives in Australia</b>	
The department will provide high-quality services to the diplomatic and consular corps in Australia	
Key Performance Indicators	2008-09 Target
Efficient delivery of high quality services to the diplomatic and consular corps	<p>Ensure timely, accurate and transparent decisions on diplomatic visas, accreditation and privileges</p> <p>Progress policy issues affecting financial privileges, including rates payments and reciprocal tax concessions</p> <p>Ensure that diplomatic privileges and immunities are not abused and that foreign officials respect Australian law</p> <p>Promote awareness within relevant agencies of Commonwealth, State and Territory governments of the rights and obligations of diplomatic and consular officials</p>
Client satisfaction with the standard and responsiveness of protection services provided to diplomatic and consular representatives	<p>Maintain close engagement with the Protective Security Coordination Centre and diplomatic missions to protect the security and dignity of missions in line with Australia's obligations under the Vienna Conventions</p> <p>Cooperate with agencies, airlines and diplomatic missions to protect the dignity of high level foreign visitors to Australia</p>

## **2.1.2 Outcome 2: Australians informed about and provided access to consular and passport services in Australia and overseas**

### **Outcome 2 Strategy**

The department is committed to supporting Australians overseas through a world-class consular service, accurate and timely travel advice, practical contingency planning and rapid crisis response. The department will further improve the systems in place to assist Australians overseas and manage consular crises, including through the Consular Enhancement Program.

Major projects under this program for the coming year include:

- the roll-out of remote and roaming communications equipment for use by Emergency Response Teams (ERTs) to enable the establishment of temporary consular offices in remote locations;
- further development of the new Consular Assistance and Information System (CAIS) to facilitate exchanges of information on consular case and crisis management;
- rolling-out new comprehensive consular training to bolster the effectiveness of officials deployed to consular duties, including in times of crisis.

The department will continue to give priority to managing the growing demands of consular casework. It will focus on further educating Australians about the importance of making informed travel choices and having realistic expectations of the consular services the department can provide. The department will ensure contingency arrangements are in place for the 2008 Olympics in Beijing.

The department will further improve Australia's world class passports regime. It has adopted more accurate forecasting models to enhance its strategic and operational planning to meet passport demand and maintain short turnaround times over the next five years. Work is continuing to enhance the department's passport fraud detection, investigation and prevention measures. Passport security remains a focus and progress will be made on the next version of the passport.

**Outcome 2 Resource statement**

Table 2.1.2 provides additional detail of Budget appropriations and the total resourcing for outcome two.

**Table 2.1.2: Total resources for Outcome 2**

<b>Outcome 2: Australians informed about and provided access to consular and passport services in Australia and overseas</b>		2008-09	2007-08
		Total estimate of available resources <sup>2</sup>	Estimated actual
		\$'000	\$'000
<b>Departmental Outputs: Outcome 2</b>			
<b>Output 2.1: Consular and passport services</b>			
Departmental Outputs			
Revenues from Government	B1	244,015	229,209
Revenues from other sources (s.31)		-	-
		<b>244,015</b>	<b>229,209</b>
<b>Administered Items - Outcome 2</b>			
<b>Output 2.1: Consular and passport services</b>			
Consular Services	B1	500	500
Special Appropriations:			
<i>Special Appropriation FMA Act, 1997 s28 (A)</i> <sup>1</sup>		500	1,174
<b>Subtotal for Administered Items - Outcome 2</b>		<b>1,000</b>	<b>1,674</b>
<b>Subtotal for Output 2.1</b>		<b>245,015</b>	<b>230,883</b>
<b>Total resources for Outcome 2</b>		<b>245,015</b>	<b>230,883</b>
		2008-09	2007-08
<b>Average staffing level (number)</b> <sup>2</sup>		<b>949</b>	<b>867</b>

<sup>1</sup> The department refunds passports 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.

<sup>2</sup> 2008-09 resourcing and ASL figures reflect the implementation of an updated methodology for allocation of resources between outcomes and across outputs.

(B1) - Annual Appropriation Bill 1 (Ordinary Annual Services)

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

## Contributions to Outcome 2

Output 2.1: Consular and passport services	
<p>The department will support and assist Australian travellers and Australians overseas by providing high quality consular and passport services.</p> <p>Output 2.1 includes the following administered items:</p> <ul style="list-style-type: none"> <li>Travellers' Emergency Loans</li> </ul> <p><i>Australian travellers assisted through emergency loans, in accordance with the guidelines in the Consular Handbook.</i></p> <ul style="list-style-type: none"> <li>Consular Emergency Services</li> </ul> <p><i>Australian travellers provided with consular emergency services in accordance with the guidelines in the Consular Handbook.</i></p>	
Key Performance Indicators	2008-09 Target
Delivery of comprehensive, responsive, high-quality consular services	<p>Respond in an effective and timely manner to large-scale crises involving conflict, civil unrest, natural disaster or significant transport incidents</p> <p>Maintain high quality consular services while managing increased case numbers</p> <p>Deliver enhanced consular training to departmental staff</p>
Delivery of effective activities to improve awareness among Australian travelers of potential trouble spots and an understanding of the extent of assistance that the Australian Government can provide	<p>Maintain up to date travel advice</p> <p>Monitor and track effectiveness of the <i>smartraveller</i> campaign</p>
Ensure highly developed crisis management procedures are in place and tested	<p>Ensure continuous improvement of contingency planning to respond to overseas crises and major events</p> <p>Deliver a revised Contingency Planning and Crisis Management Manual</p>
Delivery of high-quality and responsive passport services	<p>Develop a strategy paper on the outlook for the passport business over the next 5 years</p> <p>Manage increasing workload effectively and meet 10 day turnaround for passports as outlined in Client Service Charter</p> <p>Develop a plan for the timely replacement of ageing passport systems</p>

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	<p>Engage with Australia Post and other service providers to improve efficiency of processes and client service levels</p> <p>Develop a plan for the improvement of online services</p> <p>Enhance fraud intelligence gathering and analytical capabilities</p> <p>Continue the development of a new passport series</p> <p>Expand the specialist training program aimed at improving the integrity of the passport system</p>
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### **2.1.3 Outcome 3: Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally.**

#### **Outcome 3 Strategy**

The department will deliver high-quality and innovative public and cultural diplomacy programs to advance Australia's foreign and trade policies. It will promote the Government's foreign and trade policy agenda to domestic and international audiences. The department will manage sustained media interest in its work, including in consular cases, through the provision of timely and accurate briefings and responses to Ministers.

The 2008-09 Budget measure *Shanghai World Expo 2010 – Australian participation* will enable the department to lead Australia's participation in the expo. The department will commence the construction and planning of the operation of Australia's expo pavilion, as well as business promotion, communications and cultural programs.

The department will continue to target its cultural diplomacy programs to ensure their relevance and efficacy in reinforcing an accurate, informed and positive understanding of Australia and its standing in international affairs. It will continue to work with the Australia Network to ensure that the television service to Asia and the Pacific remains of high quality, and appeals to its target audience.

**Outcome 3 Resource statement**

Table 2.1.3 provides additional detail of Budget appropriations and the total resourcing for outcome three.

**Table 2.1.3: Total resources for Outcome 3**

<b>Outcome 3: Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally</b>		2008-09	2007-08
		Total estimate of available resources <sup>2</sup> \$'000	Estimated actual \$'000
<b>Departmental Outputs: Outcome 3</b>			
<b>Output 3.1: Public information services and public diplomacy</b>			
Departmental Outputs			
Revenues from Government	B1	55,826	53,563
Revenues from other sources (s.31)		731	699
		<b>56,557</b>	<b>54,262</b>
<b>Administered Items: Outcome 3</b>			
<b>Output 3.1: Public information services and public diplomacy</b>			
<b>Australia Network</b>	B1	18,831	18,737
<b>Shanghai World Expo 2010 - Australian participation</b>			
Expositions Special Accounts - FMA Act 1997 s20			
Opening balance		-	-
Appropriation receipts	B1	10,000	1,500
Non-Appropriation receipts to Special Accounts <sup>1</sup>		22,000	91
<b>Subtotal for Shanghai World Expo 2010 - Australian participation</b>		<b>32,000</b>	<b>1,591</b>
<b>Grants</b>	B1	4,741	8,041
<b>Subtotal for Administered Items - Outcome 3</b>		<b>55,572</b>	<b>28,369</b>
<b>Subtotal for Output 3.1</b>		<b>112,129</b>	<b>82,631</b>
<b>Total resources for Outcome 3</b>		<b>112,129</b>	<b>82,631</b>
		2008-09	2007-08
<b>Average staffing level (number)<sup>2</sup></b>		<b>465</b>	<b>229</b>

(B1) - Annual Appropriation Bill 1 (Ordinary Annual Services)

<sup>1</sup> The Government will seek an estimated \$22 million through corporate sponsorships and partnerships with the states and territories towards Australia's participation in the Shanghai World Expo 2010.

<sup>2</sup> 2008-09 resourcing and ASL figures reflect the implementation of an updated methodology for allocation of resources between outcomes and across outputs.

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

### Contributions to Outcome 3

Output 3.1: Public information services and public diplomacy	
<p>The department's public diplomacy activities project a positive and contemporary image of Australia and promote a clear understanding of Government policy and programs.</p> <p>Output 3.1 includes the following administered items:</p> <ul style="list-style-type: none"> <li>• <b>Australia Network</b> <i>Television service delivered to the Asia Pacific Region that, inter-alia, provides a credible, reliable voice in the region and presents images and perceptions of Australia in an independent and impartial manner.</i></li> <li>• <b>Grants</b> <i>Grants delivered in support of the Government's foreign and trade policy goals, including to bilateral foundations, councils and institutes to promote people-to-people links and accurate, contemporary images of Australia.</i></li> <li>• <b>World Expo 2010 Shanghai</b> <i>Australia contributes to World Expo 2010 in a manner that highlights Australian business expertise, culture and values to the rapidly-expanding China market and to a wider global audience.</i></li> </ul>	
Key Performance Indicators	2008-09 Target
Provision to Australians of comprehensive, relevant, up-to-date information on Australia's foreign and trade policy	<p>Maintain high standards of media and parliamentary services</p> <p>Maintain effective, up-to-date and user-friendly websites</p>
Effective promotion of accurate and positive image of Australia overseas	<p>Enhance the reach and appeal of the Australia Network television service</p> <p>Prepare for Australia's participation at the Shanghai World Expo in 2010 by finalising the design and commencing construction of the pavilion; and developing the business promotion, communications and cultural programs with state and territory governments and the corporate sector</p> <p>Deliver effective and targeted international media and cultural visits programs</p> <p>Implement accepted recommendations from the Senate Standing Committee on Foreign Affairs Defence and Trade's report <i>Australia's public diplomacy: building our image</i></p>

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	Administer International Relations Grants Program effectively and in accordance with government guidelines
Effective management of information and record keeping	Process FOI requests efficiently Strengthen record keeping policy and procedures

## **2.1.4 Outcome 4: Efficient Management of the Commonwealth overseas owned estate**

### **Outcome 4 Strategy**

The department will continue to manage the Government's \$1.5 billion owned overseas estate in an efficient and effective manner. In managing the overseas estate, the department operates in an inherently high risk overseas environment, but maintains a capability to respond when new or unforeseen security-related challenges arise.

The department will ensure the maintenance of a strategic forward five-year rolling plan for its overseas property estate that identifies future requirements for capital works and other major expenditure in the overseas estate. The plan aims to ensure that financial objectives, including the annual return of an agreed dividend to Government, a sound return on investment and a management-expense ratio consistent with property industry benchmarks, are achieved.

In 2008-09, the department will manage the Government's substantial construction and refurbishment program across the overseas property estate in accordance with legislative and governance requirements. The department will ensure the efficient management of the overseas owned estate within the new outsourced property services contract.

**Outcome 4 Resource statement**

Table 2.1.4 provides additional detail of Budget appropriations and the total resourcing for outcome four.

**Table 2.1.4: Total resources for Outcome 4**

<b>Outcome 4: Efficient management of the Commonwealth overseas owned estate</b>	2008-09	2007-08
	Total estimate of available resources \$'000	Estimated actual \$'000
<b>Output 4.1: Property Management</b>		
Special Accounts		
Special Account Overseas Property Account - Finance determination 2002-01 (D)		
Opening balance <sup>1</sup>	218,157	190,825
Appropriation receipts	-	-
Non-Appropriation receipts to Special Accounts <sup>2</sup>	158,769	170,268
<b>Subtotal for Output 4.1</b>	<b>376,926</b>	<b>361,093</b>
<b>Output 4.2: Contract Management</b>		
Special Accounts		
Special Account Overseas Property Account - Finance determination 2002-01 (D)		
Opening balance	-	-
Appropriation receipts	-	-
Non-Appropriation receipts to Special Accounts	-	-
<b>Subtotal for Output 4.2</b>	<b>-</b>	<b>-</b>
<b>Total resources for Outcome 4</b>	<b>376,926</b>	<b>361,093</b>
	2008-09	2007-08
<b>Average staffing level (number)<sup>3</sup></b>	<b>28</b>	<b>24</b>

<sup>1</sup> The opening balance of the Overseas Property Account represents equity from accumulated surpluses required to fund the management of the overseas owned estate including the forward program of construction projects.

<sup>2</sup> The Non-Appropriation receipts to the Overseas Property Account represent the rent paid by Commonwealth agencies and other tenants, and proceeds from property sales. These receipts include an intra-entity amount of \$102.494 million representing rent paid by DFAT to the Overseas Property Office. Proceeds from sale are returned to the consolidated revenue fund.

<sup>3</sup> 2008-09 ASL figures reflect the implementation of an updated methodology for allocation of resources between outcomes and across outputs.

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

**Contributions to Outcome 4**

<b>Output 4.1: Property management</b>	
The department will manage the Government's overseas owned estate in an efficient and effective manner.	
Key Performance Indicators	2008-09 Target
Management of the overseas property estate meets the Government's property needs, achieves the agreed dividend and return on investment and accords with the principles set out in the Australian Government Property Ownership Framework	<p>Maintain building condition to industry standards and meet tenant requirements</p> <p>Plan and implement approved construction and fit-out projects in accordance with government priorities</p> <p>Pay agreed dividend from the operations of the overseas owned estate to the Government</p> <p>Achieve a rate of return on investment commensurate with risk factors in the overseas environment and the nature of the property</p> <p>Achieve management expense ratio consistent with external industry benchmarks</p>

<b>Output 4.2: Contract management</b>	
The department will ensure the efficient and effective contract management of the overseas owned estate	
Key Performance Indicators	2008-09 Target
Effective management of the United Group Limited contract for the provision of outsourced property services to the overseas estate	Implement successfully the new contract with United Group Limited, and establish an agreed operational model
Efficient and effective management of construction project contracts in the overseas estate	Manage construction project contracts effectively to meet performance and cost targets

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between the agency and outcome resource statements, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency’s asset base and to meet employee entitlement liabilities.

**Table 3.1.1: Reconciliation of total available appropriation and outcomes**

	\$'000
<b>Total available departmental operating appropriation (outputs)</b>	1,094,661
Less estimated payments in 2008-09	(884,709)
<b>Estimated departmental operating appropriation carry-forward for 2009-10 (outputs)</b>	209,952

#### 3.1.2 Movement of administered funds between years

The department did not move administered funds from 2007-08 to 2008-09.

#### 3.1.3 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Foreign Affairs and Trade.

**Table 3.1.3: Estimates of Special Account cash flows and balances**

		Opening balance <b>2008-09</b> 2007-08	Receipts <b>2008-09</b> 2007-08	Payments <b>2008-09</b> 2007-08	Adjustments <b>2008-09</b> 2007-08	Closing balance <b>2008-09</b> 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Australia China Council Special Account - FMA Act 1997 s20 (A)	3	-	550	550	-	-
		38	783	821	-	-
Australia-France Endowment Special Account - FMA Act 1997 s20 (A)	1	-	53	53	-	-
		7	53	60	-	-
Australia India Special Account - FMA Act 1997 s20 (A)	3	-	495	495	-	-
		308	778	1,086	-	-
Australia-Indonesia Institute Special Account - FMA Act 1997 s20 (A)	3	-	550	550	-	-
		59	1,402	1,461	-	-
Australia-Korea Foundation Special Account - FMA Act 1997 s20 (A)	3	-	515	515	-	-
		3	791	794	-	-
Consular Services Special Account - FMA Act 1997 s20 (A)	2	-	200	200	-	-
		42	182	224	-	-
Australia Japan Foundation Special Account - FMA Act 1997 s20 (A)	3	-	800	800	-	-
		956	1,038	1,994	-	-
Expositions Special Accounts - FMA Act 1997 s20 (A)	3	-	32,000	32,000	-	-
		-	1,591	1,591	-	-
Services for Other Governments & Non-Agency Bodies Account - FMA Act 1997 s20 (A)	1,2,3	-	2,000	2,000	-	-
		1,392	2,000	3,392	-	-
Other Trust Monies Account - FMA Act 1997 s20 (A)	1,2,3	-	800	800	-	-
		305	800	1,105	-	-
Administered Payments and Receipts for Other Entities Special Account - FMA Act 1997 s20 (A)	1,2,3	5,000	230,000	230,000	-	5,000
		5,000	230,000	230,000	-	5,000
Overseas Property Account - Finance Determination 2002-01 (D)	4	218,157	158,769	174,500	-	202,426
		190,825	170,268	142,936	-	218,157
<b>Total special accounts</b>						
<b>2008-09 Budget estimate</b>		<b>223,157</b>	<b>426,732</b>	<b>442,463</b>	<b>-</b>	<b>207,426</b>
Total special accounts 2007-08 estimate actual		198,935	409,686	385,464	-	223,157

(A) = Administered  
(D) = Departmental

### 3.1.4 Australian Government Indigenous Expenditure (AGIE)

**Table 3.1.4: Australian Government Indigenous Expenditure**

Outcome	Appropriations				Other \$'000	Total \$'000
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000		
	<b>Foreign Affairs and Trade</b>					
<b>Outcome 1</b>						
Administered 2008-09	-	-	-	-	-	-
<i>Administered 2007-08</i>	-	-	-	-	-	-
Departmental 2008-09	395	-	-	395	-	395
<i>Departmental 2007-08</i>	<u>301</u>	-	-	<u>301</u>	-	<u>301</u>
Total Outcome 2008-09	<u>395</u>	-	-	<u>395</u>	-	<u>395</u>
<i>Total Outcome 2007-08</i>	<u>301</u>	-	-	<u>301</u>	-	<u>301</u>
<b>Outcome 3</b>						
Administered 2008-09	-	-	-	-	-	-
<i>Administered 2007-08</i>	-	-	-	-	-	-
Departmental 2008-09	170	-	-	170	-	170
<i>Departmental 2007-08</i>	<u>166</u>	-	-	<u>166</u>	-	<u>166</u>
Total Outcome 2008-09	<u>170</u>	-	-	<u>170</u>	-	<u>170</u>
<i>Total Outcome 2007-08</i>	<u>166</u>	-	-	<u>166</u>	-	<u>166</u>
Total Administered 2008-09	-	-	-	-	-	-
<i>Total Administered 2007-08</i>	-	-	-	-	-	-
Total Departmental 2008-09	<u>565</u>	-	-	<u>565</u>	-	<u>565</u>
<i>Total Departmental 2007-08</i>	<u>467</u>	-	-	<u>467</u>	-	<u>467</u>
<b>Total AGIE 2008-09</b>	<u>565</u>	-	-	<u>565</u>	-	<u>565</u>
<i>Total AGIE 2007-08</i>	<u>467</u>	-	-	<u>467</u>	-	<u>467</u>

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

#### Budget Departmental Statement of Financial Performance

The department will receive additional appropriation funding of \$20.7 million (excluding capital funding) in 2008-09. This comprises funding for new measures valued at \$17.6 million (of which \$6.9 million was already in the forward estimates) and \$25.3 million for increased passport production, less \$15.3 million in other adjustments, primarily relating to foreign exchange, overseas inflation and rephasing of security funding.

The Overseas Property Office forecasts that it will return \$84.7 million to the Official Public Account in the form of a dividend payment in 2008-09.

#### Budgeted Departmental State of Financial Position

For 2008-09, the Department's non financial asset position is budgeted to be \$1,992.2 million at year-end. The major asset component is \$1,789.4 million for Land and Buildings which includes \$1,658.7 million managed by the Overseas Property Office (OPO). The budgeted departmental non-financial asset position has increased mainly due to the capitalisation of OPO work-in-progress (\$62 million) and estimated changes to the OPO portfolio value (\$70 million).

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

Total administered revenues have been budgeted at \$361.1 million in 2008-09. This represents an estimated increase of \$84.0 million from the Portfolio Budget Statements 2007-08, due primarily to an increase in projected passport revenue (\$66.5 million including \$6.4 million in the passport fees revenue measure and \$60.1 million due to projected increased passports issues and fee adjustments included in previous budget estimates) offset by an expected decrease in National Interest Account Dividend collected from the Export Finance and Insurance Corporation (\$4.1 million).

The Government will seek contributions from private sector entities in the order of \$22.0 million in 2008-09 towards the costs of Australia's participation in the Shanghai World Expo 2010. All sponsorship received will be retained in the Expo Administered Special Account to fund expenditure on the *Shanghai World Expo 2010 - Australian participation* measure.

Total expenses administered on behalf of the Government are budgeted at \$329.6 million in 2008-09. The major components are contributions to international organisations (\$258.9 million), Australia's participation in the World Expo 2010 - Shanghai (\$32.0 million in 2008-09 funded from \$10.0 million in Administered Appropriation and \$22.0 million in expected sponsorship revenue), payments to the Australia Network television service (\$18.8 million), expenses associated with the EFIC National Interest Account (\$10.6 million) and payments under the International

Relations Grants Program (\$4.7 million). Total estimated expenses have increased by approximately \$80.1 million from the Portfolio Budget Statements 2007-08, primarily due to a forecast increase in estimated payments to international organisations (\$50.3 million) and the *Shanghai World Expo 2010 – Australian participation* measure (\$32.0 million in 2008-09).

**Asset and Liabilities Administered on behalf of Government**

Administered asset and liabilities are budgeted at \$387.8 million and \$99.1 million respectively for the year ending 30 June 2008. The assets represent mainly the whole-of-government component of the EFIC National Interest Account (\$359.8 million). Liabilities comprise primarily amounts relating to the National Interest Account (\$39.8 million), Locally Engaged Staff Pension Schemes (\$33.2 million) and other payables and provisions (\$26.0 million). Changes to the schedule of budgeted assets and liabilities administered on behalf of the Government since the Portfolio Budget Statements 2007-08 reflect fair value adjustments required under the Australian Equivalents to International Financial Reporting Standards (AEIFRS) at June 2007.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	827,860	821,935	814,221	809,849	819,524
Goods and services	97,075	97,151	86,006	89,017	90,428
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	1,100	1,100	1,521	1,911	1,780
<b>Total revenue</b>	<b>926,035</b>	<b>920,186</b>	<b>901,748</b>	<b>900,777</b>	<b>911,732</b>
<b>Gains</b>					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	3	-	-	-	-
Other	2,390	390	390	390	391
<b>Total gains</b>	<b>2,393</b>	<b>390</b>	<b>390</b>	<b>390</b>	<b>391</b>
<b>Total income</b>	<b>928,428</b>	<b>920,576</b>	<b>902,138</b>	<b>901,167</b>	<b>912,123</b>
<b>EXPENSE</b>					
Employees	369,873	376,252	381,679	383,839	388,582
Suppliers	369,085	372,823	388,832	369,308	366,141
Grants	900	900	900	900	900
Subsidies	-	-	-	-	-
Depreciation and amortisation	76,726	78,949	79,667	92,523	97,526
Finance costs	649	624	457	400	300
Write-down of assets and impairment of assets	28,004	3,360	-	-	-
Net losses from sale of assets	158	996	4	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>845,395</b>	<b>833,904</b>	<b>851,539</b>	<b>846,970</b>	<b>853,449</b>
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June) (continued)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>Surplus (Deficit) before income tax</b>	83,033	86,672	50,599	54,197	58,674
<b>Income tax expense</b>					
<b>Surplus/(Deficit)</b>					
Minority interest in surplus (deficit)	-	-	-	-	-
<b>Surplus (deficit) attributable to the Australian Government</b>	83,033	86,672	50,599	54,197	58,674

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	31,386	37,568	42,223	43,625	44,998
Trade and other Receivables	568,977	565,750	617,852	602,863	605,663
Investments accounted for under the equity method	-	-	-	-	-
Investments	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Other	3,895	3,895	3,895	3,895	3,895
<b>Total financial assets</b>	<b>604,258</b>	<b>607,213</b>	<b>663,970</b>	<b>650,383</b>	<b>654,556</b>
<b>Non-financial assets</b>					
Land and buildings	1,654,558	1,789,365	1,826,506	1,857,396	1,964,211
Infrastructure, plant and equipment	98,223	107,404	108,335	124,068	146,938
Investment properties	-	-	-	-	-
Inventories	16,397	16,397	16,396	16,396	16,396
Intangibles	8,902	9,689	8,316	9,273	7,576
Biological assets	-	-	-	-	-
Other	97,509	69,321	94,045	133,608	91,329
<b>Total non-financial assets</b>	<b>1,875,589</b>	<b>1,992,176</b>	<b>2,053,598</b>	<b>2,140,741</b>	<b>2,226,450</b>
Assets held for sale	3,177	123	123	123	123
<b>Total assets</b>	<b>2,483,024</b>	<b>2,599,512</b>	<b>2,717,691</b>	<b>2,791,247</b>	<b>2,881,129</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	1,459	648	-	-	-
Deposits	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>1,459</b>	<b>648</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	110,113	110,157	110,298	110,317	110,317
Other	8,485	8,485	8,485	8,485	8,485
<b>Total provisions</b>	<b>118,598</b>	<b>118,642</b>	<b>118,783</b>	<b>118,802</b>	<b>118,802</b>
<b>Payables</b>					
Suppliers	86,179	86,170	76,364	76,354	76,354
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Other	11,744	12,451	12,994	12,994	12,994
<b>Total payables</b>	<b>97,923</b>	<b>98,621</b>	<b>89,358</b>	<b>89,348</b>	<b>89,348</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>217,980</b>	<b>217,911</b>	<b>208,141</b>	<b>208,150</b>	<b>208,150</b>
<b>Net assets</b>	<b>2,265,044</b>	<b>2,381,601</b>	<b>2,509,550</b>	<b>2,583,097</b>	<b>2,672,979</b>

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June) (continued)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	1,503,096	1,530,840	1,558,208	1,587,325	1,615,774
Reserves	368,077	461,109	511,184	501,417	504,176
Retained surpluses or accumulated deficits	393,871	389,652	440,158	494,355	553,029
<b>Total parent entity interest</b>	<b>2,265,044</b>	<b>2,381,601</b>	<b>2,509,550</b>	<b>2,583,097</b>	<b>2,672,979</b>
<b>Minority interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>2,265,044</b>	<b>2,381,601</b>	<b>2,509,550</b>	<b>2,583,097</b>	<b>2,672,979</b>
<b>Current assets</b>	623,832	623,733	680,489	666,902	671,075
<b>Non-current assets</b>	1,859,192	1,975,779	2,037,202	2,124,345	2,210,054
<b>Current liabilities</b>	201,458	201,394	192,365	192,373	192,373
<b>Non-current liabilities</b>	16,522	16,517	15,776	15,777	15,777

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	96,383	96,443	85,465	89,017	90,428
Appropriations	794,242	807,361	777,926	800,565	813,503
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other	1,908	1,116	1,931	1,931	1,780
<b>Total cash received</b>	<b>892,533</b>	<b>904,920</b>	<b>865,322</b>	<b>891,513</b>	<b>905,711</b>
<b>Cash used</b>					
Employees	371,015	377,985	382,619	385,305	388,582
Suppliers	353,807	371,783	374,053	370,888	365,750
Grants	900	900	900	900	900
Borrowing costs	-	-	-	-	-
Other	724	40	40	400	300
Income taxes paid	-	-	-	-	-
<b>Total cash used</b>	<b>726,446</b>	<b>750,708</b>	<b>757,612</b>	<b>757,493</b>	<b>755,532</b>
<b>Net cash from or (used by) operating activities</b>	<b>166,087</b>	<b>154,212</b>	<b>107,710</b>	<b>134,020</b>	<b>150,179</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	14,116	8,754	4,596	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>14,116</b>	<b>8,754</b>	<b>4,596</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	108,562	78,126	64,911	86,848	126,541
Purchase of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	42,035	31,242	57,950	102,585	53,935
<b>Total cash used</b>	<b>150,597</b>	<b>109,368</b>	<b>122,861</b>	<b>189,433</b>	<b>180,476</b>
<b>Net cash from or (used by) investing activities</b>	<b>(136,481)</b>	<b>(100,614)</b>	<b>(118,265)</b>	<b>(189,433)</b>	<b>(180,476)</b>

**Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June) (continued)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	11,633	27,744	27,368	29,117	28,449
Proceeds from issuing financial instruments	-	-	-	-	-
Other	(27,349)	15,731	(12,065)	27,698	3,221
<b>Total cash received</b>	<b>(15,716)</b>	<b>43,475</b>	<b>15,303</b>	<b>56,815</b>	<b>31,670</b>
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
Dividends paid	20,439	84,731	-	-	-
Other	11,153	6,160	93	-	-
<b>Total cash used</b>	<b>31,592</b>	<b>90,891</b>	<b>93</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>(47,308)</b>	<b>(47,416)</b>	<b>15,210</b>	<b>56,815</b>	<b>31,670</b>
<b>Net increase or (decrease) in cash held</b>	<b>(17,702)</b>	<b>6,182</b>	<b>4,655</b>	<b>1,402</b>	<b>1,373</b>
Cash at the beginning of the reporting period	49,088	31,386	37,568	42,223	43,625
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>31,386</b>	<b>37,568</b>	<b>42,223</b>	<b>43,625</b>	<b>44,998</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	393,871	368,077	-	1,503,096	2,265,044
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>393,871</b>	<b>368,077</b>	<b>-</b>	<b>1,503,096</b>	<b>2,265,044</b>
<b>Income and expense</b>					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	93,032	-	-	93,032
<b>Sub-total income and expense</b>	<b>-</b>	<b>93,032</b>	<b>-</b>	<b>-</b>	<b>93,032</b>
Surplus (deficit) for the period	86,672	-	-	-	86,672
<b>Total income and expenses recognised directly in equity</b>	<b>86,672</b>	<b>93,032</b>	<b>-</b>	<b>-</b>	<b>179,704</b>
<b>Transactions with owners</b>					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	(84,731)	-	-	-	(84,731)
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	27,744	27,744
Other:					
Restructuring	-	-	-	-	-
<i>Amount(to)/from OPA - Agency</i>					
Cash transfers to the OPA	(6,160)	-	-	-	(6,160)
<b>Sub-total transactions with owners</b>	<b>(90,891)</b>	<b>-</b>	<b>-</b>	<b>27,744</b>	<b>(63,147)</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2009</b>	<b>389,652</b>	<b>461,109</b>	<b>-</b>	<b>1,530,840</b>	<b>2,381,601</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
<b>Total taxation</b>	-	-	-	-	-
<b>Non-taxation</b>					
Goods and services	274,974	314,694	332,891	351,261	370,977
Fees and fines	-	-	-	-	-
Interest	6,900	7,391	6,991	6,591	5,891
Dividends	20,400	8,100	8,000	8,000	8,000
Other sources of non-taxation revenues	9,960	30,875	8,459	7,932	7,506
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
<b>Total non-taxation</b>	312,234	361,060	356,341	373,784	392,374
<b>Total revenues administered on behalf of Government</b>	312,234	361,060	356,341	373,784	392,374
<b>Gains</b>					
Foreign exchange	-	-	-	-	-
Sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Reversal of previous asset writedowns	-	-	-	-	-
<b>Total gains administered on behalf of Government</b>	-	-	-	-	-
<b>Total income administered on behalf of Government</b>	312,234	361,060	356,341	373,784	392,374
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	222,712	263,882	253,814	254,461	254,461
Subsidies	-	-	-	-	-
Personal benefits	2,200	1,813	1,813	1,813	1,813
Employees	-	707	1,081	647	-
Suppliers	22,441	51,668	50,777	40,297	20,965
Depreciation and amortisation	-	-	-	-	-
Write down and impairment of assets	-	-	-	-	-
Finance costs	12,600	8,800	8,200	7,700	6,900
Other	4,100	2,700	2,400	1,900	1,900
Asset sales	-	-	-	-	-
Foreign exchange	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	264,053	329,570	318,085	306,818	286,039

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,187	5,187	5,187	5,187	5,187
Receivables	19,738	20,038	20,338	20,127	20,427
Taxation receivables	-	-	-	-	-
Investments	359,800	359,800	359,800	359,800	359,800
Other financial assets	1,216	1,216	1,216	1,216	1,216
<b>Total financial assets</b>	<b>385,941</b>	<b>386,241</b>	<b>386,541</b>	<b>386,330</b>	<b>386,630</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Investment properties	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Other	1,539	1,539	1,539	1,539	1,539
<b>Total non-financial assets</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>
<b>Total assets administered on behalf of Government</b>	<b>387,480</b>	<b>387,780</b>	<b>388,080</b>	<b>387,869</b>	<b>388,169</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
Australian Government securities	-	-	-	-	-
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Other	44,015	39,815	35,815	36,415	31,315
<b>Total interest bearing liabilities</b>	<b>44,015</b>	<b>39,815</b>	<b>35,815</b>	<b>36,415</b>	<b>31,315</b>
<b>Provisions</b>					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	33,216	33,216	33,216	33,216	33,216
<b>Total provisions</b>	<b>33,216</b>	<b>33,216</b>	<b>33,216</b>	<b>33,216</b>	<b>33,216</b>

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June) (continued)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>Payables</b>					
Suppliers	344	344	344	344	344
Subsidies	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Grants	-	-	-	-	-
Other payables	28,366	25,714	23,346	21,446	19,846
<b>Total payables</b>	<b>28,710</b>	<b>26,058</b>	<b>23,690</b>	<b>21,790</b>	<b>20,190</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities administered on behalf of Government</b>	<b>105,941</b>	<b>99,089</b>	<b>92,721</b>	<b>91,421</b>	<b>84,721</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Taxes	-	-	-	-	-
Fees	-	-	-	-	-
Sales of goods and rendering of services	-	-	-	-	-
	274,974	314,694	332,891	351,261	370,977
Interest	100	91	91	91	91
Dividends	20,400	8,100	8,000	8,000	8,000
Net GST received	2,020	2,589	1,929	1,935	1,935
Other	6,660	28,275	6,159	6,032	5,906
<b>Total cash received</b>	<b>304,154</b>	<b>353,749</b>	<b>349,070</b>	<b>367,319</b>	<b>386,909</b>
<b>Cash used</b>					
Borrowing costs	8,600	7,900	7,300	6,600	6,200
Employees	-	707	1,081	647	-
Grant payments	223,012	264,182	254,114	254,761	254,761
Subsidies paid	-	-	-	-	-
Personal benefits	2,200	1,813	1,813	1,813	1,813
Suppliers	22,441	51,668	50,777	40,297	20,965
Net GST paid	2,020	2,589	1,929	1,935	1,935
Other	4,079	2,700	2,400	1,900	1,900
<b>Total cash used</b>	<b>262,352</b>	<b>331,559</b>	<b>319,414</b>	<b>307,953</b>	<b>287,574</b>
<b>Net cash from or (used by) operating activities</b>	<b>41,802</b>	<b>22,190</b>	<b>29,656</b>	<b>59,366</b>	<b>99,335</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Transfers from other entities	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from or (used by) investing activities</b>	-	-	-	-	-
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	260,332	328,970	317,485	306,018	285,639
Other	-	-	-	-	-
<b>Total cash received</b>	260,332	328,970	317,485	306,018	285,639
<b>Cash used</b>					
Net repayment of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	302,134	351,160	347,141	365,384	384,974
Other	-	-	-	-	-
<b>Total cash used</b>	302,134	351,160	347,141	365,384	384,974
<b>Net cash from or (used by) financing activities</b>	(41,802)	(22,190)	(29,656)	(59,366)	(99,335)
<b>Net increase or (decrease) in cash held</b>	-	-	-	-	-
Cash at beginning of reporting period	5,187	5,187	5,187	5,187	5,187
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					
<b>Cash at end of reporting period</b>	5,187	5,187	5,187	5,187	5,187

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the financial statements**

#### **Departmental Financial Statements and Schedule of Administered Activity**

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 on from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

- Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

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

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

- Departmental price of outputs appropriations: representing the Government's funding for outputs from agencies;
- Departmental capital appropriations: for investments by the Government for either additional equity or loans to agencies;
- Administered expense appropriations: for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in Administered equity through funding non-expense Administered payments.

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

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

The department has one administered investment in the Export Finance and Insurance Corporation with an estimated asset value of \$359.8 million as at 30 June 2007.

**Asset Valuation**

In accordance with current Australian accounting standards and the Finance Minister's Orders the department's assets are carried at fair value.