

Australian Agency for International Development (AusAID)

Agency resources and planned performance

AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AusAID)

Section 1: Agency overview and resources	97
1.1 Strategic Direction Statement	97
1.2 Agency Resource Statement	99
1.3 Budget Measures	101
Section 2: Outcomes and planned performance	103
2.1 Outcomes and performance information	103
Section 3: Explanatory tables and budgeted financial statements	117
3.1 Explanatory tables	117
3.2 Budgeted Financial Statements	120

AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AusAID)

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The 2011-12 Budget reaffirms the Government's ongoing commitment to increase Australia's development assistance program to 0.5 per cent of Gross National Income (GNI) by 2015-16.

It is in Australia's national interest to increase the level of Australian aid to help the people and governments of developing countries reduce poverty, and achieve economic stability and development. Poverty breeds instability and extremism in our region and globally and creates conditions that lead to more refugees, as people flee from violence or hardship. Two thirds of the world's poor live in Australia's region – of our twenty nearest neighbours, eighteen are developing countries. Many of these countries are also important trading partners. We export almost \$90 billion in goods and services to the major countries where Australian aid is delivered.

Australia's increased aid program will assist developing countries to reduce poverty and progress towards the United Nations (UN) Millennium Development Goals (MDGs), the internationally agreed targets for poverty reduction and human development. It will assist them to recover from the global economic and food crises. It will help them adapt to the challenges of climate change and work towards sustainable economic growth.

This year's budget includes additional funding of \$1.9 billion over the next four years to meet the Government's commitments on aid to Indonesia and Africa, for additional volunteers and expanded NGOs programs, to address maternal and child health, improve education, tackle avoidable blindness, end violence against women and increase access to safe water and sanitation.

The Asia Pacific region will remain the focus of Australia's assistance. Indonesia, PNG, Solomon Islands, Afghanistan and Vietnam will be the five largest recipients of Australia's aid.

AusAID will continue to provide support for health and education with an emphasis on maternal and child health and basic education needs. Addressing the spread of infectious diseases including HIV and malaria and strengthening the development of

health systems and water and sanitation will be priorities, as will improving basic education systems, improving school infrastructure and enhancing vocational and technical training.

AusAID will help partner countries to promote economic growth through programs in transport, communication and energy as well as in agriculture, rural development and food security.

AusAID will also support efforts to improve government performance at all levels in partner countries. This will include programs to improve public sector management, especially economic and financial management, strengthen law and justice systems, combat corruption, improve responsiveness and accountability of government institutions and strengthen democratic processes and the role of civil society.

AusAID, together with humanitarian agencies such as the World Food Programme will continue emergency, humanitarian and refugee support to relieve humanitarian crises, address the needs of people displaced by conflict, and improve disaster preparedness response and risk reduction.

As aid expenditure increases towards the Government's 0.5 per cent of GNI target, AusAID will continue to develop its planning systems, operational approaches and reporting systems, to improve effectiveness.

Following the review of advisers in the aid program conducted late last year, AusAID will phase out 257 adviser positions – a quarter of all advisers – over the next two years. Further, an Adviser Remuneration Framework has been put in place which caps the maximum fees and allowances payable to advisers, and there are now measures in place to ensure that where an adviser is used, it is the most effective and appropriate response to an identified development priority.

In November 2010, the Government commissioned the first independent review of the aid program in almost 15 years. The panel submitted its report to the Minister for Foreign Affairs in late April. The Government will make a formal response to the Review in the middle of the year.

For detail in regards to official development assistance flows and further detail on the implementation of the new measures designed to take forward the Australian Government's development assistance priorities, please refer to the associated budget paper "Australia's International Development Assistance Program 2011-12 – Statement by the Minister for Foreign Affairs."

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: AusAID Resource Statement — Budget Estimates for 2011-12 as at Budget May 2011

	Estimate of prior + year amounts available in 2011-12 \$'000	Proposed at Budget = 2011-12 \$'000	Total estimate 2011-12 \$'000	Actual available appropriation 2010-11 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	33,242	33,242	33,242	-
Departmental appropriation ³	-	278,075	278,075	252,347
s31 Relevant agency receipts ⁴	-	231	231	231
Total	33,242	311,548	311,548	252,578
Administered expenses¹				
Outcome 1 ^{5 & 6}	2,081,749	3,765,581	5,847,330	3,669,972
Outcome 2	-	-	-	3,668
Total	2,081,749	3,765,581	5,847,330	3,673,640
Total ordinary annual services	A 2,114,991	4,077,129	6,158,878	3,926,218
Other services⁷				
Administered revenue				
Outcome 1	-	9,465	9,465	8,605
Total	-	9,465	9,465	8,605
Departmental non-operating⁸				
Equity injections	-	15,780	15,780	12,326
Total	-	15,780	15,780	12,326
Administered non-operating⁸				
Administered assets and liabilities	-	47,903	47,903	553,630
Total	-	47,903	47,903	553,630
Total other services	B -	73,148	73,148	574,561
Total available annual appropriations	2,114,991	4,150,277	6,232,026	4,500,779
Special appropriations	-	-	-	-
Total special appropriations	C -	-	-	-
Total appropriations excluding Special Accounts	2,114,991	4,150,277	6,232,026	4,500,779

**Table 1.1: AusAID Resource Statement — Budget
Estimates for 2011-12 as at Budget May 2011 (continued)**

	Estimate of prior + year amounts available in 2011-12 \$'000	Proposed at Budget = 2011-12 \$'000	Total estimate 2011-12 \$'000	Actual available appropriation 2010-11 \$'000
Special Accounts				
Opening balance ⁹	144,734	-	144,734	222,371
Non-appropriation receipts to Special Accounts	-	5,000	5,000	-
Total Special Account	D 144,734	5,000	149,734	222,371
Total resourcing A+B+C+D	2,259,725	4,155,277	6,381,760	4,723,150
Total net resourcing for AusAID	2,259,725	4,155,277	6,381,760	4,723,150

1 Appropriation Bill (No.1) 2011-12.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$3.748m in 2011-12 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency receipts — estimate.

5 Includes an amount of \$2.209m in 2011-12 for the Administered Capital Budget (refer to table 3.2.10 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

6 Estimated adjusted balance carried forward from previous years for Administered Annual Appropriations and Administered Assets and Liabilities relates to amounts appropriated in a previous year for multilateral replenishments. The full amount of these replenishments are appropriated in the year the commitment is entered into, with cash payments usually made over a nine to ten year period.

7 The majority of this funding relates to unused funds returned from contractors and non-government organisations and taxation paid to partner governments and returned to AusAID, which were appropriated in former years and will be returned to the Official Public Account (OPA)

8 Appropriation Bill (No.2) 2011-12.

9 Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Monies Special accounts (SOETM)). For further information on special accounts see Table 3.1.2.

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

Budget measures relating to AusAID are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: AusAID 2011-12 Budget measures

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures						
Official development assistance - support for education and ending violence against women in Papua New Guinea and the Pacific						
Administered expenses	1.1	-	4,000	7,500	50,000	85,000
Departmental expenses	PS	-	448	1,192	1,204	1,216
Total		-	4,448	8,692	51,204	86,216
Official development assistance - Expanding aid in Indonesia and South East Asia						
Administered expenses	1.2	-	38,000	75,000	216,000	349,000
Departmental expenses	PS	-	3,755	4,608	4,640	4,697
Total		-	41,755	79,608	220,640	353,697
Official development assistance - Expanding aid to Africa, South and Central Asia and the Middle East						
Administered expenses	1.3	-	29,000	124,000	235,000	369,000
Departmental expenses	PS	-	2,073	7,175	7,134	7,223
Total		-	31,073	131,175	242,134	376,223
Official development assistance - Non-Government Organisations, Volunteer and Community Programs						
Administered expenses	1.7	-	18,000	39,000	77,000	106,000
Departmental expenses	PS	-	685	1,083	1,089	1,095
Total		-	18,685	40,083	78,089	107,095
Official development assistance - Australian Civilian Corps - deployment funding						
Administered expenses	1.3	-	5,000	7,000	10,000	10,000
Total		-	5,000	7,000	10,000	10,000
Official development assistance - termination of the Pacific Land Program						
Administered expenses	1.1	-	(21,000)	(21,483)	(21,977)	(22,483)
Departmental expenses	PS	-	(813)	(821)	(828)	(835)
Total		-	(21,813)	(22,304)	(22,805)	(23,318)

Table 1.2: AusAID 2011-12 Budget measures (cont)

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Efficiency dividend - temporary increase in the rate						
Departmental expenses	PS	-	(1,393)	(2,750)	(3,382)	(4,158)
Total		-	(1,393)	(2,750)	(3,382)	(4,158)
Total expense measures						
Administered		-	73,000	231,017	566,023	896,517
Departmental		-	4,755	10,487	9,857	9,238
Total		-	77,755	241,504	575,880	905,755
Capital measures						
Official development assistance - Expanding aid in Indonesia and South East Asia						
Departmental capital	PS	-	1,050	350	-	-
Total		-	1,050	350	-	-
Official development assistance - Expanding aid to Africa, South and Central Asia and the Middle East						
Departmental capital	PS	-	700	1,750	-	-
Total		-	700	1,750	-	-
Efficiency dividend - temporary increase in the rate						
Administered capital		-	(11)	(25)	(32)	(35)
Departmental capital	PS	-	(19)	(94)	(195)	(186)
Total		-	(30)	(119)	(227)	(221)
Total capital measures						
Departmental		-	1,731	2,006	(195)	(186)
Administered		-	(11)	(25)	(32)	(35)
Total		-	1,720	1,981	(227)	(221)

Prepared on a Government Financial Statistics (fiscal) basis.

Measures announced between 2010-11 Budget and 2011-12 Budget but not yet reported in a subsequent portfolio statement

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Measures						
Official development assistance - Expanding aid to Africa, South and Central Asia and the Middle East						
Administered expenses	1.3	44,000	-	-	-	-
Total		44,000	-	-	-	-
Total measures						
Administered		44,000	-	-	-	-
Total		44,000	-	-	-	-

Prepared on a Government Financial Statistics (fiscal) basis.

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of AusAID in achieving Government outcomes.

Outcome 1: To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest

Outcome 1 Strategy

As highlighted in the Strategic Direction Statement for the Agency, AusAID will, in 2011-12, advance the Government's objective of assisting developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest.

In 2011-12, AusAID will continue implementation of the Government's commitment to increase Australia's official development assistance (ODA) to 0.5 per cent of Gross National Income (GNI) by 2015-16.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for outcome 1, by program.

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
Program 1.1: Official Development Assistance - PNG & Pacific		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	881,523	935,737
Other services (Appropriation Bill No. 2)	3,813	3,893
Total for Program 1.1	885,336	939,630
Program 1.2: Official Development Assistance - East Asia		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	791,247	943,962
Total for Program 1.2	791,247	943,962
Program 1.3: Official Development Assistance - Africa, South and Central Asia, Middle East and Other		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	877,585	1,079,103
Expenses not requiring appropriation in the Budget year	45,669	1,703
Special Accounts	5,000	5,000
Total for Program 1.3	928,254	1,085,806
Program 1.4: Official Development Assistance - Emergency, Humanitarian and Refugee Program		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	297,689	324,494
Total for Program 1.4	297,689	324,494
Program 1.5: Official Development Assistance - Multilateral Replenishments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	372,350	14,000
Expenses not requiring appropriation in the Budget year	447,587	-
Other services (Appropriation Bill No. 2)	549,817	44,010
Total for Program 1.5	1,369,754	58,010
Program 1.6: Official Development Assistance - UN Commonwealth and Other International Organisations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	269,671	291,852
Total for Program 1.6	269,671	291,852
Program 1.7: Official Development Assistance - NGO, Volunteer and Community Programs		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	131,010	171,033
Total for Program 1.7	131,010	171,033

Table 2.1: Budgeted Expenses for Outcome 1 (cont)

	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
Program Support		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	251,207	274,327
Revenues from independent sources (s31)	231	231
Expenses not requiring appropriation in the Budget year	7,528	9,915
Total for Program Support	258,966	284,473
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,667,999	3,760,181
Other services (Appropriation Bill No. 2)	553,630	47,903
Special Accounts	5,000	5,000
Expenses not requiring appropriation in the Budget year	493,256	1,703
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	251,207	274,327
Revenues from independent sources (s31)	231	231
Expenses not requiring appropriation in the Budget year	7,528	9,915
Total expenses for Outcome 1	4,978,851	4,099,260
	2010-11	2011-12
Average Staffing Level (number)	1,000	1,073

1 Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

2 Departmental Appropriation 'Ordinary annual services (Appropriation Bill No. 1)' excludes Departmental Capital Budget estimates.

3 Administered Appropriation 'Ordinary annual services (Appropriation Bill No. 1)' excludes Administered Capital Budget estimates.

4 Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Make-good Expense, and Audit Fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 1

In addition to AusAID managing and monitoring development assistance programs in accordance with the policies of the Government and priorities of partner countries, AusAID also provides policy advice and analysis to the Government on international development issues.

The Australian aid program tracks and reports on performance at two main levels:

- 1) at the activity level, i.e. the extent to which individual aid activities are meeting their objectives and are being well designed and implemented; and
- 2) at the strategy level, i.e. the extent to which objectives set in country, regional or global program strategies are expected to be achieved.

Activity level

The Australian development assistance program consists of over 1,000 individual aid activities. These include aid projects, training and scholarships, funding to multilateral organisations and NGOs, technical advice and funding for partner country programs through their own budget. Activity quality is assessed through a quality reporting system (QRS). QRS ratings are based on self assessments by activity managers and subjected to peer review.

The QRS provides activity-level reporting at all stages of the activity cycle: at entry, during implementation and at completion. The QRS rates several quality principles, notably the extent to which objectives are relevant and likely to be, are being, or have been met; sustainability; and the adequacy of monitoring and evaluation systems.

The QRS rates activities on a six-point scale from very poor to very high quality. Activities rated four or higher are considered satisfactory. This includes activities that are of adequate quality but need improvement. Activities rated below adequate (three or less) are considered unsatisfactory.

AusAID seeks to exceed a target of 75% of activities (or organisations) achieving a satisfactory quality rating against the effectiveness criterion during implementation. AusAID seeks to achieve a target of 90% of activities comply with the Quality at Implementation process.

The QRS also generates information that can be used to assess activity quality by sector and country.

Strategy level

The extent to which higher level program strategy objectives are being achieved is also assessed. This goes beyond individual activity performance to consider the extent to which Australia's broader aid engagement, i.e. the sum of its activities, partnerships

with stakeholders, analysis and policy dialogues is contributing to achieving higher level development outcomes at the sector or country level.

Strategy level objectives are specified in country, regional or global strategies. Progress is assessed by program managers annually and reported in Annual Program Performance Reports which are subject to external peer review. Strategy objectives are rated in terms of their likelihood to be achieved within the timeframe. This level of reporting is new to AusAID and rare for a donor agency. AusAID seeks to surpass a target of 75 per cent of country and regional program strategy objectives to be fully or partially achieved.

The Office of Development Effectiveness, a unit within AusAID but separate to program management, reports on the effectiveness of the Australian aid program through the Annual Review of Development Effectiveness which it tables in Parliament.

Further detail on AusAID's approach to performance reporting is contained in the aid program's Performance Management and Evaluation Policy, available on www.ausaid.gov.au.

Contributions to Outcome 1 (cont)

Program 1.1 Official Development Assistance – PNG & Pacific

Program 1.1 objective and deliverables

- To assist developing countries in PNG and the Pacific region to reduce poverty and achieve sustainable development.

Program expenses

	2010-11 Revised budget \$'000s	2011-12 Budget \$'000s	2012-13 Forw ard year 1 \$'000s	2013-14 Forw ard year 2 \$'000s	2014-15 Forw ard year 3 \$'000s
Annual administered expenses:					
Administered item (Bill 1)	881,523	935,737	1,041,853	1,046,857	1,117,399
Administered item (Bill 2)	3,813	3,893	3,978	4,066	-
Total program expenses	885,336	939,630	1,045,831	1,050,923	1,117,399

Key Performance Indicators

- Significant development results.
- Significant activity outputs.
- At least 75 per cent of activities receive a satisfactory quality rating.
- At least 75 per cent of program strategy objectives fully or partially achieved.
- Strategies in place for 100 per cent of country, regional and thematic programs.
- 90 percent compliance with Quality at Implementation process.

Program 1.2 Official Development Assistance – East Asia

Program 1.2 objective and deliverables

- To assist developing countries in the East Asia region to reduce poverty and achieve sustainable development.

Program expenses

	2010-11 Revised budget \$'000s	2011-12 Budget \$'000s	2012-13 Forw ard year 1 \$'000s	2013-14 Forw ard year 2 \$'000s	2014-15 Forw ard year 3 \$'000s
Annual administered expenses:					
Administered item (Bill 1)	791,247	943,962	1,149,339	1,288,409	1,576,758
Total program expenses	791,247	943,962	1,149,339	1,288,409	1,576,758

Program 1.2 Key Performance Indicators

- Significant development results.
- Significant activity outputs.
- At least 75 per cent of activities receive a satisfactory quality rating.
- At least 75 per cent of program strategy objectives fully or partially achieved.
- Strategies in place for 100 per cent of country, regional and thematic programs.
- 90 percent compliance with Quality at Implementation process.

Program 1.3 Official Development Assistance – Africa, South and Central Asia, Middle East and Other**Program 1.3 objective and deliverables**

- To assist developing countries in Africa, South and Central Asia and the Middle East to reduce poverty and achieve sustainable development.

Program expenses

	2010-11 Revised budget \$'000s	2011-12 Budget \$'000s	2012-13 Forw ard year 1 \$'000s	2013-14 Forw ard year 2 \$'000s	2014-15 Forw ard year 3 \$'000s
Annual administered expenses:					
Administered item (Bill 1)	877,585	1,082,294	1,054,132	1,165,355	1,449,848
Expenses not requiring appropriation in the budget year	45,699	1,703	2,713	1,507	1,507
Special Account Expenses:					
Services for other Governments and non agency bodies	5,000	5,000	5,000	5,000	5,000
Total program expenses	928,284	1,088,997	1,061,845	1,171,862	1,456,355

Program 1.3 Key Performance Indicators

- Significant development results.
- Significant activity outputs.
- At least 75 per cent of activities receive a satisfactory quality rating.
- At least 75 per cent of program strategy objectives fully or partially achieved.
- Strategies in place for 100 per cent of country, regional and thematic programs.
- 90 percent compliance with Quality at Implementation process.

Program 1.4 Official Development Assistance – Emergency, Humanitarian and Refugee Program

Program 1.4 objective and deliverables

- To assist developing countries respond to emergencies and assist refugees.

Program expenses

	2010-11 Revised budget \$'000s	2011-12 Budget \$'000s	2012-13 Forw ard year 1 \$'000s	2013-14 Forw ard year 2 \$'000s	2014-15 Forw ard year 3 \$'000s
Annual administered expenses:					
Administered item (Bill 1)	297,689	324,494	332,719	339,255	341,018
Total program expenses	297,689	324,494	332,719	339,255	341,018

Program 1.4 Key Performance Indicators

- Significant organisation outputs.
- Significant humanitarian results.
- At least 75 per cent of activities receive a satisfactory quality rating.
- At least 75 per cent of program strategy objectives fully or partially achieved.
- 90 percent compliance with Quality at Implementation process.

Program 1.5 Official Development Assistance – Multilateral Replenishments

Program 1.5 objective and deliverables

- To assist developing countries through contributions to multilateral organisations.

Program expenses

	2010-11 Revised budget \$'000s	2011-12 Budget \$'000s	2012-13 Forw ard year 1 \$'000s	2013-14 Forw ard year 2 \$'000s	2014-15 Forw ard year 3 \$'000s
Annual administered expenses:					
Administered item (Bill 1)	372,350	14,000	79,382	173,364	12,622
Expenses not requiring appropriation in the budget year	447,587	-	224,024	275,003	-
Administered item (Bill 2)	549,817	44,010	238,145	315,003	-
Total program expenses	1,369,754	58,010	541,551	763,370	12,622

Program 1.5 Key Performance Indicators

- Significant organisation outputs.
- Significant development results.
- At least 75 per cent of organisations receive a satisfactory quality rating.
- At least 75 per cent of program strategy objectives fully or partially achieved.
- 90 percent compliance with Quality at Implementation process.

Program 1.6 Official Development Assistance – UN, Commonwealth and Other International Organisations**Program 1.6 objective and deliverables**

- To assist developing countries through contributions to UN, Commonwealth and other international organisations.

Program expenses

	2010-11 Revised budget \$'000s	2011-12 Budget \$'000s	2012-13 Forward year 1 \$'000s	2013-14 Forward year 2 \$'000s	2014-15 Forward year 3 \$'000s
Annual administered expenses:					
Administered item (Bill 1)	269,671	291,852	569,694	606,574	301,837
Total program expenses	269,671	291,852	569,694	606,574	301,837

Program 1.6 Key Performance Indicators

- Significant organisation outputs.
- Significant development results.
- At least 75 per cent of organisations receive a satisfactory quality rating.
- At least 75 per cent of program strategy objectives fully or partially achieved.
- 90 percent compliance with Quality at Implementation process.

Program 1.7 Official Development Assistance – NGO, Volunteer and Community Programs

Program 1.7 objective and deliverables

- To assist developing countries through contributions to NGO, Volunteer and Community programs.

Program expenses

	2010-11 Revised budget \$'000s	2011-12 Budget \$'000s	2012-13 Forw ard year 1 \$'000s	2013-14 Forw ard year 2 \$'000s	2014-15 Forw ard year 3 \$'000s
Annual administered expenses:					
Administered item (Bill 1)	131,010	171,033	195,063	236,340	268,687
Total program expenses	131,010	171,033	195,063	236,340	268,687

Program 1.7 Key Performance Indicators

- Significant organisation outputs.
- Significant development results.
- At least 75 per cent of activities receive a satisfactory quality rating.
- At least 75 per cent of program strategy objectives fully or partially achieved.
- 90 percent compliance with Quality at Implementation process.

Program Support: Outcome 1**Program objective**

- To support the implementation and management of Australia's International Aid program.

Program expenses

	2010-11 Revised budget \$'000s	2011-12 Budget \$'000s	2012-13 Forw ard year 1 \$'000s	2013-14 Forw ard year 2 \$'000s	2014-15 Forw ard year 3 \$'000s
Annual departmental expenses:					
Departmental item (Bill 1)	251,207	274,327	270,188	265,523	271,779
Revenues from independent sources (s31)	231	231	231	300	300
Expenses not requiring appropriation in the Budget year	7,276	9,657	13,404	14,520	10,520
Total program expenses	258,714	284,215	283,823	280,343	282,599

Program Support: Key Performance Indicators

- Ministerial and Parliamentary satisfaction.
- Implementation of the aid program's Performance Assessment and Management Policy, including production of the Annual Review of Development Effectiveness.

Contributions to Outcome 2

Outcome 2: Australia’s national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development

Outcome 2 Strategy

AusAID’s second outcome reflects the Government’s commitment to the Australia-Indonesia Partnership for Reconstruction and Development (AIPRD). The AIPRD is part of the overall Australian official development assistance program managed by AusAID.

The AIPRD is funded through \$500 million in grants and \$500 million in highly concessional loan funds held in two special accounts. All AIPRD funds have been committed to high priority reconstruction and development activities currently being implemented in Indonesia.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 2, by program.

Table 2.1: Budgeted Expenses for Outcome 2

Outcome 2: Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
Program 2.1: East Asia		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,611	-
AIPRD grant special account ¹	7,367	-
AIPRD loans special account ¹	70,000	40,000
Total for Program 2.1	80,978	40,000
Program Support		
Departmental expenses		
Departmental item (Bill 1)	5,281	-
Total for Departmental Support	5,281	-
Outcome 2 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,611	-
AIPRD grant special account ¹	7,637	-
AIPRD loans special account ¹	70,000	40,000
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	5,281	-
Total expenses for Outcome 2	86,529	40,000
	2010-11	2011-12
Average Staffing Level (number)	18	-

1. This reflects the amount of funding to be disbursed on a cash basis, not an expense basis.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Program 2.1 Official Development Assistance – East Asia

Program 2.1 objective and deliverables

- To continue to assist Indonesia in reconstruction and development post the 2004 Tsunami.

Program expenses

	2010-11 Revised budget \$'000s	2011-12 Budget \$'000s	2012-13 Forward year 1 \$'000s	2013-14 Forward year 2 \$'000s	2014-15 Forward year 3 \$'000s
Annual administered expenses:					
Administered item (Bill 1)	3,611	-	-	-	-
Special Account Expenses:					
AIPRD grants special account ¹	7,637	-	-	-	-
AIPRD loans special account ¹	70,000	40,000	30,000	30,000	38,732
Total program expenses	81,248	40,000	30,000	30,000	38,732

Program 2.1 Key Performance Indicators

- Significant development results.
- Significant activity outputs.
- At least 75 per cent of activities receive a satisfactory rating.
- At least 75 per cent of program strategy objectives fully or partially achieved.
- Indonesia country strategy in place.
- 90 percent compliance with Quality at Implementation process.

Program Support: Outcome 2

Program objective

- To assist with the implementation of the AIPRD in Indonesia.

Program expenses

	2010-11 Revised budget \$'000s	2011-12 Budget \$'000s	2012-13 Forw ard year 1 \$'000s	2013-14 Forw ard year 2 \$'000s	2014-15 Forw ard year 3 \$'000s
Annual departmental expenses:					
Departmental item (Bill 1)	5,281	-	-	-	-
Total program expenses	5,281	-	-	-	-

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2011-12 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year.

There has been no movement of administered funds between years for AusAID.

3.1.2 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 FMA Act under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by AusAID.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2011-12 2010-11	Receipts 2011-12 2010-11	Payments 2011-12 2010-11	Adjustments 2011-12 2010-11	Closing balance 2011-12 2010-11
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Governments and Non- Agency Bodies (A).	1	6,002	5,000	5,000	-	6,002
<i>Financial Management and Accountability Act 1997 s.20</i>		6,002	5,000	5,000	-	6,002
Other Trust Moneys Account (D).	1	-	-	-	-	-
<i>Financial Management and Accountability Act 1997 s.20</i>		-	-	-	-	-
Australia-Indonesia Partnership for Reconstruction and Development (Grants) Special Account (A).	2	-	-	-	-	-
<i>Financial Management and Accountability Act 1997 s.20</i>		7,637	-	7,637	-	-
Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account (A).	2	138,732	-	40,000	-	98,732
<i>Financial Management and Accountability Act 1997 s.20</i>		208,732	-	70,000	-	138,732
Total Special Accounts 2011-12 Budget estimate		144,734	5,000	45,000	-	104,734
<i>Total Special Accounts 2010-11 estimate actual</i>		222,371	5,000	82,637	-	144,734

(A) = Administered

(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total	Program
	Bill	Bill	Special	Total			
	No. 1	No. 2	approp	approp			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
AusAID							
Outcome 1							
Departmental 2011-12	204	-	-	204	-	-	PS
<i>Departmental 2010-11</i>	98	-	-	98	-	-	PS
Total outcome 2011-12	204	-	-	204	-	-	PS
<i>Total outcome 2010-11</i>	98	-	-	98	-	-	PS
Total departmental 2011-12	204	-	-	204	-	-	PS
<i>Total departmental 2010-11</i>	98	-	-	98	-	-	PS
Total AGIE 2011-12	204	-	-	204	-	-	PS
<i>Total AGIE 2010-11</i>	98	-	-	98	-	-	PS

PS = program support

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

In accordance with the Government Financial Statistics provided by the Australian Bureau of Statistics, the budgeted financial statements do not recognise concessionality and the associated discounting of concessional loans. Australian Accounting Standards require concessional loans to reflect a market related rate of interest and be discounted over the loan maturity period. AusAID has two programs that are affected by this treatment:

- Asian Development Fund replenishments – investment component;
- International Development Association replenishments – investment component.

The investment component does not impact on the fiscal or underlying cash balances, as the provision of a loan only affects the composition of the Australian Government investment in financial assets.

3.2.2 Analysis of budgeted financial statements

Comprehensive income statement (showing net cost of services)

This statement provides a picture of the expected financial results for AusAID by identifying full accrual expenses and revenue.

The net cost of services in 2011-12 is estimated to be \$283.4 million, an increase of \$25.2 million from the 2010-11 estimated actual. This increase is primarily as a result of increased appropriation for new measures (excluding capital funding) included in the 2011-12 Budget to manage the expanded aid program.

AusAID is also receiving funding of \$3.7 million to fund the Departmental Capital Budget which is treated as an equity injection

Total expenses are estimated to be \$283.8 million, an increase of \$25.2 million from the 2010-11 estimated actual. The increase is primarily due to costs associated with managing an increased volume of development assistance.

The income statement shows a budgeted deficit in 2011-12 of \$9.1 million, due to the removal of funding for depreciation and amortisation under the net cash funding arrangement.

Budgeted departmental balance sheet

This statement shows the expected financial position of AusAID. It enables decision makers to track the management of AusAID's assets and liabilities.

AusAID's budgeted net asset position of \$47.8 million is an increase of \$10.4 million over the 2010-11 estimated actual net asset position. The increase is attributable to the

capital injections related to new and prior year measures received through the 2011-12 Budget.

AusAID's most significant liability continues to be accrued employee entitlements. In 2011-12 this is estimated at \$26.3 million.

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, asset revaluation and other reserves, and contributed equity. Total equity in 2011-12 is estimated to be \$47.8 million, an increase of \$10.4 million from the 2010-11 estimated actual.

Budgeted departmental statement of cash flows

This statement shows the budgeted cash flows which provides information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Schedule of Administered Activity

Schedule of budgeted income and expenses administered on behalf of government

This schedule identifies the main revenues and expenses relating to the Australian Government's official development assistance program administered by AusAID.

In 2011-12 AusAID will receive administered appropriation of \$3,763.4 million (excluding capital funding of \$47.9 million) for programs administered on behalf of the Government.

AusAID is also receiving funding of \$2.2 million to fund the Administered Capital Budget which is treated as an equity injection.

Total Administered expenses are budgeted at \$3,795.9 million, a decrease of \$381.6 million from the 2010-11 estimated actual due to no substantial multilateral replenishments being negotiated and expensed in 2011-12.

Administered expenses for 'Official Development Assistance Program' which includes AusAID country programs, are budgeted at \$3,454.3 million, an increase of \$427.7 million from the 2010-11 estimated actual.

Administered expenses for 'Other –official development assistance program' which includes multilateral replenishments are budgeted at \$305.9 million, a decrease of \$130.2 million from the 2010-11 estimated actual.

In 2010-11 new agreements were signed for the sixteenth International Development Association replenishment (\$830.4 million) and the sixth Global Environment Facility replenishment (\$105.0 million). The full value of these replenishments is appropriated

and committed in the year the agreement is signed with the cash disbursed usually over a ten year period.

There are no substantial new replenishments being negotiated in 2011-12. Accordingly administered expenses for 'IDA/ADF grants' and 'Concessional investment discount' are budgeted at \$0.0 million.

The expenses 'Concessional loan discount' relates to the discounting of the Australia Indonesia Partnership for Reconstruction and Development (AIPRD) loans program. It is estimated that \$40.0 million of loans will be disbursed in 2011-12.

Schedule of budgeted assets and liabilities administered on behalf of government

This schedule shows the assets and liabilities administered on behalf of the Government. Total assets are expected to decrease in 2011-12 by \$249.7 million to \$3,287.4 million from the 2010-11 estimated actual. Total liabilities are also expected to decrease by \$261.2 million to \$1,786.8 million from the 2010-11 estimated actual. As noted above, in 2010-11 AusAID finalised new agreements for the sixteenth replenishment for IDA and the sixth replenishment for the Global Environment Facility. The decrease in assets and liabilities primarily relates to cash payments made under these agreements and agreements signed in previous years.

Schedule of budgeted administered cash flows and schedule of administered capital

This schedule shows cash flows administered on behalf of government. In 2011-12 administered cash used is forecast to increase by \$416.2m to \$4,063.8 million from the 2010-11 estimated actual. This increase is principally driven by new funding received for programs administered on behalf of government and cash payments to multilateral replenishments.

3.2.3 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	150,645	166,151	164,273	162,739	167,042
Supplier expenses	100,483	107,834	106,139	103,079	105,036
Depreciation and amortisation	7,276	9,657	13,404	14,520	10,520
Write-down and impairment of assets	130	133	136	138	140
Total expenses	258,534	283,775	283,952	280,476	282,738
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	231	231	231	300	300
Total own-source revenue	231	231	231	300	300
Gains					
Other	122	125	129	133	139
Total gains	122	125	129	133	139
Total own-source income	353	356	360	433	439
Net cost of (contribution by) services	258,181	283,419	283,592	280,043	282,299
Revenue from Government	251,207	274,327	270,188	265,523	271,779
Surplus (Deficit)	(6,974)	(9,092)	(13,404)	(14,520)	(10,520)
Surplus (Deficit) attributable to the Australian Government	(6,974)	(9,092)	(13,404)	(14,520)	(10,520)
Total comprehensive income	(6,974)	(9,092)	(13,404)	(14,520)	(10,520)
Total comprehensive income attributable to the Australian Government	(6,974)	(9,092)	(13,404)	(14,520)	(10,520)

Note: Reconciliation of comprehensive income attributable to the agency

	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) Attributable to the Australian Government	(6,974)	(9,092)	(13,404)	(14,520)	(10,520)
plus non-appropriated expenses depreciation and amortisation expenses	7,276	9,657	13,404	14,520	10,520
Total Comprehensive Income (loss) Attributable to the agency	302	565	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	955	955	955	955	955
Other	32,287	33,627	35,191	35,951	36,643
Total financial assets	33,242	34,582	36,146	36,906	37,598
Non-financial assets					
Land and buildings	15,518	14,107	13,969	18,477	21,474
Property, plant and equipment	20,280	31,542	28,526	23,582	21,051
Intangibles	613	500	1,500	2,620	3,700
Other	3,089	3,089	3,089	3,089	3,089
Total non-financial assets	39,500	49,238	47,084	47,768	49,314
Total assets	72,742	83,820	83,230	84,674	86,912
LIABILITIES					
Payables					
Suppliers	4,811	4,811	4,811	4,811	4,811
Other	2,124	2,124	2,124	2,124	2,124
Total payables	6,935	6,935	6,935	6,935	6,935
Provisions					
Employee provisions	25,690	26,332	26,991	27,665	28,357
Other	2,764	2,764	2,764	2,764	2,764
Total provisions	28,454	29,096	29,755	30,429	31,121
Total liabilities	35,389	36,031	36,690	37,364	38,056
Net assets	37,353	47,789	46,540	47,310	48,856
EQUITY*					
Parent entity interest					
Contributed equity	36,012	55,540	66,926	82,268	94,474
Reserves	626	626	626	626	626
Retained surplus (accumulated deficit)	715	(8,377)	(21,012)	(35,584)	(46,244)
Total parent entity interest	37,353	47,789	46,540	47,310	48,856
Total Equity	37,353	47,789	46,540	47,310	48,856

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2011-12)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2011					
Balance carried forward from previous period	715	626	-	36,012	37,353
Adjusted opening balance	715	626	-	36,012	37,353
Comprehensive income					
Surplus (deficit) for the period	(9,092)	-	-	-	(9,092)
Total comprehensive income	(9,092)	-	-	-	(9,092)
Transactions with owners					
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	15,780	15,780
Departmental Capital Budget (DCBs)	-	-	-	3,748	3,748
Sub-total transactions with owners	-	-	-	19,528	19,528
Closing balance attributable to the Australian Government	(8,377)	626	-	55,540	47,789

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	231	231	231	300	300
Appropriations	244,221	272,987	268,624	264,763	271,087
Net GST received					
Total cash received	244,452	273,218	268,855	265,063	271,387
Cash used					
Employees	146,570	166,060	163,614	162,065	166,350
Suppliers	99,810	107,158	105,241	102,998	105,037
Net GST paid					
Total cash used	246,380	273,218	268,855	265,063	271,387
Net cash from (used by) operating activities	1,928	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	16,695	19,528	11,386	15,342	12,206
Total cash used	16,695	19,528	11,386	15,342	12,206
Net cash from (used by) investing activities	(16,695)	(19,528)	(11,386)	(15,342)	(12,206)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	14,767	19,528	11,386	15,342	12,206
Total cash received	14,767	19,528	11,386	15,342	12,206
Net cash from (used by) financing activities	(14,767)	(19,528)	(11,386)	(15,342)	(12,206)
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	955	955	955	955	955
Cash and cash equivalents at the end of the reporting period	955	955	955	955	955

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	2,441	3,748	9,246	15,302	12,166
Equity injections - Bill 2	12,326	15,780	2,140	40	40
Total capital appropriations	14,767	19,528	11,386	15,342	12,206
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	14,767	19,528	11,386	15,342	12,206
Total Items	14,767	19,528	11,386	15,342	12,206
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	12,326	15,780	2,140	40	40
Funded by capital appropriation - DCB	2,441	3,748	9,246	15,302	12,166
TOTAL	14,767	19,528	11,386	15,342	12,206
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	14,767	19,528	11,386	15,342	12,206
Total cash used to acquire assets	14,767	19,528	11,386	15,342	12,206

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2011-12)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2011				
Gross book value	18,858	24,637	9,390	52,885
Accumulated depreciation/amortisation and impairment	(3,340)	(4,357)	(8,777)	(16,474)
Opening net book balance	15,518	20,280	613	36,411
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ¹	-	15,780	-	15,780
By purchase - appropriation ordinary annual services ²	1,141	2,077	530	3,748
Total additions	1,141	17,857	530	19,528
Other movements				
Depreciation/amortisation expense	(2,552)	(6,462)	(643)	(9,657)
Other	-	(133)	-	(133)
As at 30 June 2012				
Gross book value	19,999	42,494	9,920	72,413
Accumulated depreciation/amortisation and impairment	(5,892)	(10,952)	(9,420)	(26,264)
Closing net book balance	14,107	31,542	500	46,149

¹ "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2011-12, including CDABs.

² "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2011-12 for depreciation / amortisation expenses, DCBs / ACBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Interest from other loans	3,499	5,024	5,535	5,918	6,301
Total taxation revenue	3,499	5,024	5,535	5,918	6,301
Non-taxation revenue					
Other	8,605	9,465	10,412	11,453	12,140
Total non-taxation revenue	8,605	9,465	10,412	11,453	12,140
Total revenues administered on behalf of Government	12,104	14,489	15,947	17,371	18,441
Total income administered on behalf of Government	12,104	14,489	15,947	17,371	18,441
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Official Development Assistance Program	3,026,665	3,454,329	3,770,393	4,074,709	4,752,203
Other - Official Development Assistance Program	436,009	305,852	569,694	701,187	314,459
IDA/ADF grants	206,012	-	79,382	78,751	-
Concessional Investment discount	447,587	-	224,024	275,003	-
Concessional loan discount	59,500	34,000	25,500	25,500	32,923
Depreciation and amortisation	1,699	1,703	2,713	1,507	1,507
Total expenses administered on behalf of Government	4,177,472	3,795,884	4,671,706	5,156,657	5,101,092

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	14,604	14,604	14,604	14,604	14,604
AIPRD Loans Receivable	59,040	65,040	69,540	74,040	79,850
IDA/ADF Investment Receivable	1,216,058	1,216,058	1,230,182	1,270,182	1,270,182
Appropriation Receivables	2,067,145	1,850,977	2,161,722	2,590,900	2,900,109
Appropriation Receivables - Special accounts	144,734	104,734	74,734	44,734	6,002
Other	16,837	16,839	16,839	16,839	16,839
Total financial assets	3,518,418	3,268,252	3,567,621	4,011,299	4,287,586
Non-financial assets					
Land and buildings	5,170	4,576	6,165	7,518	8,834
Property, plant and equipment	6,784	6,888	5,096	4,767	4,263
Intangibles	4,747	5,743	5,699	5,681	5,663
Other	1,956	1,956	1,956	1,956	1,956
Total non-financial assets	18,657	19,163	18,916	19,922	20,716
Total assets administered on behalf of Government	3,537,075	3,287,415	3,586,537	4,031,221	4,308,302
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Aid program payable	282,478	246,390	199,156	245,402	216,728
IDA/ADF investment payable	1,178,349	985,360	1,009,939	1,099,533	905,475
IDA/ADF grants payable	302,451	248,077	269,625	289,097	239,891
Other	70,233	73,014	73,175	73,268	73,400
Total payables	1,833,511	1,552,841	1,551,895	1,707,300	1,435,494
Provisions					
Other	214,510	233,965	296,058	318,498	342,431
Total provisions	214,510	233,965	296,058	318,498	342,431
Total liabilities administered on behalf of Government	2,048,021	1,786,806	1,847,953	2,025,798	1,777,925

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Other	8,605	9,465	10,412	11,453	12,140
Total cash received	8,605	9,465	10,412	11,453	12,140
Cash used					
Multilateral payments	583,061	703,462	844,344	701,435	580,524
Aid program payments	3,055,858	3,350,825	3,641,245	3,839,438	4,000,651
Other	8,605	9,465	10,412	11,453	12,140
Total cash used	3,647,524	4,063,752	4,496,001	4,552,326	4,593,315
Net cash from (used by) operating activities	(3,638,919)	(4,054,287)	(4,485,589)	(4,540,873)	(4,581,175)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,973	2,220	2,491	2,544	2,336
Total cash used	1,973	2,220	2,491	2,544	2,336
Net cash from (used by) investing activities	(1,973)	(2,220)	(2,491)	(2,544)	(2,336)
Net increase (decrease) in cash held	(3,640,892)	(4,056,507)	(4,488,080)	(4,543,417)	(4,583,511)
Cash and cash equivalents at beginning of reporting period	14,604	14,604	14,604	14,604	14,604
Cash from Official Public Account for:					
- Appropriations	3,004,625	3,963,604	4,210,957	4,189,348	4,540,511
- Capital Appropriations	553,630	47,903	242,123	319,069	-
- Special Accounts	82,637	45,000	35,000	35,000	43,000
	3,640,892	4,056,507	4,488,080	4,543,417	4,583,511
Cash and cash equivalents at end of reporting period	14,604	14,604	14,604	14,604	14,604

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of Administered Capital Budget

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (ACB)	1,973	2,209	2,466	2,512	2,301
Administered assets and liabilities - Bill 2	553,630	47,903	242,123	319,069	-
Total capital appropriations	555,603	50,112	244,589	321,581	2,301
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	1,973	2,209	2,466	2,512	2,301
Other Items	553,630	47,903	242,123	319,069	-
Total Items	555,603	50,112	244,589	321,581	2,301
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - ACB	1,973	2,209	2,466	2,512	2,301
TOTAL	1,973	2,209	2,466	2,512	2,301
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,973	2,209	2,466	2,512	2,301
Total cash used to acquire assets	1,973	2,209	2,466	2,512	2,301

Prepared on Australian Accounting Standards basis.

Table 3.2.11: Schedule of Asset Movements — Administered

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2011				
Gross book value	6,465	11,770	5,561	23,796
Accumulated depreciation/amortisation and impairment	(1,295)	(4,986)	(814)	(7,095)
Opening net book balance	5,170	6,784	4,747	16,701
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ¹	519	549	1,141	2,209
Total additions	519	549	1141	2209
Other movements				
Depreciation/amortisation expense	(1,113)	(445)	(145)	(1,703)
As at 30 June 2012				
Gross book value	6,984	12,319	6,702	26,005
Accumulated depreciation/amortisation and impairment	(2,408)	(5,431)	(959)	(8,798)
Closing net book balance	4,576	6,888	5,743	17,207

¹ "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2011-12 for depreciation / amortisation expenses, DCBs / ACBs or other operational expenses.
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 those transactions that 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. 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 program appropriations: representing the Government's funding for programs 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.

Asset valuation

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