



**PORTFOLIO BUDGET STATEMENTS 2011-12**  
BUDGET RELATED PAPER NO. 1.9

FOREIGN AFFAIRS AND TRADE PORTFOLIO

BUDGET INITIATIVES AND EXPLANATIONS OF  
APPROPRIATIONS SPECIFIED BY OUTCOMES  
AND PROGRAMS BY AGENCY

ISBN 978-1-921612-74-9



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The document must be attributed as the *Portfolio Budget Statements 2011-12 – Foreign Affairs and Trade Portfolio*

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**PARLIAMENT HOUSE  
CANBERRA 2600**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2011-12 Budget for the Foreign Affairs and Trade portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

We present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

Handwritten signature of Kevin Rudd in black ink.

Kevin Rudd  
Minister for Foreign Affairs

Handwritten signature of Craig Emerson in black ink.

Craig Emerson  
Minister for Trade

## Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
..	nil
na	not zero, but rounded to zero
nfp	not applicable (unless otherwise specified)
\$m	not for publication
\$b	\$ million
	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

## Enquiries

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

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

# **USER GUIDE TO THE PORTFOLIO BUDGET STATEMENTS**

# USER GUIDE

The purpose of the 2011-12 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2011-12 (or Appropriation Bill [Parliamentary Departments] No. 1 2011-12 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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# **PORTFOLIO OVERVIEW**



# FOREIGN AFFAIRS AND TRADE PORTFOLIO OVERVIEW

## Ministers and portfolio responsibilities

The objective of Australia's foreign and trade policy is to contribute to improvements in international security, national economic and trade performance and global cooperation to advance Australia's national interest – the security and prosperity of Australians.

The Minister for Foreign Affairs and the Minister for Trade are the two portfolio ministers. Two Parliamentary Secretaries are responsible for Trade and Pacific Island Affairs.

The portfolio consists of the Department of Foreign Affairs and Trade (DFAT), the Australian Trade Commission (Austrade), the Australian Agency for International Development (AusAID), the Australian Centre for International Agricultural Research (ACIAR), the Australian Secret Intelligence Service (ASIS) and the Export Finance and Insurance Corporation (EFIC).

In 2011-12, DFAT will seek to advance the national interest by enhancing Australia's relations bilaterally, regionally and multilaterally and extending Australia's influence on global and regional developments. DFAT will continue to promote a clear understanding of the Government's foreign and trade policy priorities and project a positive image of Australia.

DFAT will again contribute to increasing the international competitiveness of the Australian economy and Australian exporters by pursuing trade liberalisation and expanding markets for Australian exports through arrangements that complement and are supportive of the multilateral trading system.

DFAT will continue to protect the interests of Australian citizens abroad through timely and responsive travel advice, consular services and a secure passport system. DFAT will also continue to ensure the security of Australia's network of overseas diplomatic missions and to maintain and protect Australia's secure government communications systems. DFAT will deliver timely and responsive services to the diplomatic and consular corps in Australia.

Austrade will continue to promote Australia's international trade, investment and international education interests. Austrade will apply its knowledge of and connections in international markets, and its status as a Government organisation, to identify and present opportunities to Australian businesses. Austrade's international activities will focus particularly on growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability (including education) and where there is a clear role for Austrade to support

Australian firms in addressing prevalent market failures. In established markets, it will focus predominantly on opportunities for inward investment and education services. Austrade will continue to administer the Export Market Development Grants scheme.

Austrade will partner with State and Territory Governments and other Commonwealth Government agencies to attract productive foreign direct investment from target markets. It will market Australia's nation brand, *Australia Unlimited*, to advance Australia's image and reputation across a wide range of fields including trade, investment, innovation, diplomacy, international education and tourism.

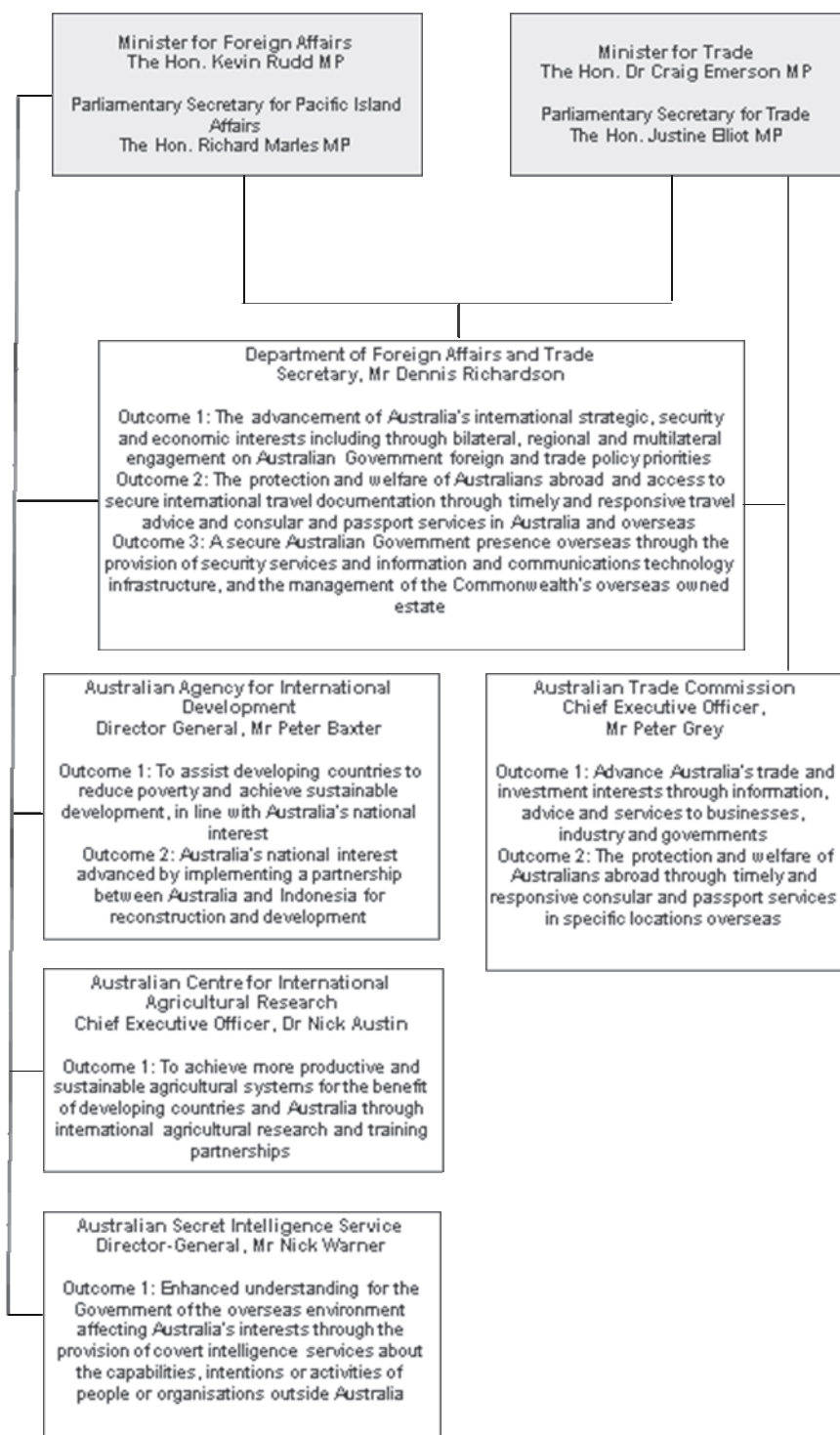
Through AusAID, the Australian aid program seeks to reduce the number of people living in poverty in developing countries in the Asia Pacific region and beyond. By doing so, the aid program also advances our national interest through promoting a more stable and prosperous region and world. The aid program is guided by the Millennium Development Goals (MDGs), the internationally agreed targets for poverty reduction and human development.

ACIAR will continue to focus Australia's agricultural research expertise on enhancing food security and alleviating poverty in the Asia-Pacific region and Africa. ACIAR will invest in capacity building and training activities for individuals and institutions in developing countries in these regions, including through postgraduate training for scientists. ACIAR will continue to administer and manage Australia's increasing investment in the multilateral research centres of the Consultative Group on International Agricultural Research as part of the *Overseas Development Assistance – Food Security through Rural Development* initiative.

Through ASIS, the portfolio will continue to enhance government understanding of the overseas environment affecting Australia's vital interests and take appropriate action, consistent with applicable legislation, to protect identified interests.

Through EFIC, the portfolio will help Australian exporters and companies investing in projects overseas to gain access to internationally competitive finance and insurance services. EFIC will continue to provide financial facilities for exporters of all sizes, including loans, guarantees, medium-term credit insurance, bonds/sureties and political risk insurance. It will continue to manage the National Interest Account.

Figure 1: Foreign Affairs and Trade portfolio structure and outcomes



## PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2011-12 budget year, by agency.

**Table 1: Portfolio Resources 2011-12**

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
<b>Department of Foreign Affairs and Trade</b>					
Administered appropriations	274.0	-	0.2	0.1	274.3
Departmental appropriations	911.3	72.0	-	168.1	1,151.4
<b>Total:</b>					<b>1,425.7</b>
<b>Australian Trade Commission</b>					
Administered appropriations	150.4	-	-	-	150.4
Departmental appropriations	184.2	5.3	-	27.0	216.5
<b>Total:</b>					<b>366.9</b>
<b>Australian Agency for International Development</b>					
Administered appropriations	3,765.6	47.9	-	9.4	3,822.9
Departmental appropriations	278.1	15.8	-	0.2	294.1
<b>Total:</b>					<b>4,117.0</b>
<b>Australian Centre for International Agricultural Research</b>					
Administered appropriations	75.3	-	-	15.0	90.3
Departmental appropriations	9.9	-	-	-	9.9
<b>Total:</b>					<b>100.2</b>
<b>Australian Secret Intelligence Service</b>					
Administered appropriations	-	-	-	-	0.0
Departmental appropriations	192.9	219.0	-	52.5	464.4
<b>Total:</b>					<b>464.4</b>
<b>Portfolio total</b>	<b>5,841.7</b>	<b>360.0</b>	<b>0.2</b>	<b>272.3</b>	<b>6,474.2</b>
Less amounts transferred within portfolio					
<b>Resources available within portfolio:</b>					<b>6,474.2</b>

# AGENCY RESOURCES AND PLANNED PERFORMANCE

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# **Department of Foreign Affairs and Trade (DFAT)**

## **Agency resources and planned performance**



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

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# DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

In 2011-12, the Department of Foreign Affairs and Trade (DFAT) will continue to develop and implement the government's foreign, trade and international security priorities and, in so doing, advance the interests of Australia and Australians internationally.

The department will work to strengthen key international partnerships, bilaterally and in regional and multilateral forums. The department recognises that in an increasingly complex and inter-dependent world, developments in a particular relationship or issue may have wider resonance and that international cooperation and coordination accordingly is more important than ever before.

The department will seek to deepen engagement with Australia's main strategic ally, the United States, across a spectrum of economic, political and security issues. It will build on Australia's broad and deep ties with Japan. It will intensify engagement with China, and work to strengthen growing links with the Republic of Korea, based on significant shared interests. The department will continue to implement the Government's commitment to bring Australia's relationship with India to the front rank of our international partnerships. It will expand cooperation on security, trade and people-to-people links with Indonesia. It will enhance long-standing productive relations with Canada, New Zealand and the United Kingdom.

The department will continue to develop and implement policies to advance Australia's national interests in multilateral forums, particularly the United Nations.

The department will work to ensure the G20, as the premier forum for international economic cooperation, identifies practical outcomes at the G20 Summit in November 2011. The department will develop and deepen its engagement with major emerging economies whose political and economic significance to Australia and contribution to solving shared global problems continue to grow. It will also engage in outreach with non-G20 members.

Support for strengthened regional architecture that promotes enhanced political, security and economic dialogue among regional states will be core work for the department in 2011-12. Through the expanded East Asia Summit in late 2011, and Asia Pacific Economic Cooperation (APEC) with the United States as chair, the department will seek to create partnerships, build regional integration and promote stability.

Australia's alliances and security partnerships will be critical to countering global terrorism, nuclear proliferation and people smuggling activities. In 2011-12, the department will continue to contribute to international stabilisation efforts in Afghanistan. The department will again jointly lead with Indonesia the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime. The measure *Border Security - International Engagement to Prevent and Disrupt Maritime People Smuggling*, part of a whole-of-government effort, will allow it to strengthen cooperation with regional partners and sustain momentum on regional initiatives to prevent and disrupt people smuggling.

The department will seek to maximise market access and trade competitiveness gains for Australia, pursuing trade liberalisation through multilateral, regional and bilateral initiatives. While negotiations will remain complex and difficult, the department will continue to advocate for ambitious outcomes from the World Trade Organization's Doha Round and pursue Free Trade Agreements (FTAs) with China, Japan, Republic of Korea, India, Indonesia, Malaysia and the Gulf Cooperation Council in support of more open, predictable and non-discriminatory trading arrangements for Australian exporters and investors. The department will work to advance negotiations on the Trans-Pacific Partnership to increase economic integration among its nine Pacific-rim members. It will continue to leverage the benefits of Australia's existing free trade agreements with the countries of Southeast Asia, New Zealand, the United States and Chile.

The department will uphold Australia's strong record of global action on climate change, continuing to play a constructive role to deliver on the Cancun Agreements and to support action on climate change in developing countries and small island states.

The department will continue to strengthen Australia's relations with Pacific island countries and support Australia's role in the Pacific Islands Forum, including to advance regional trade and economic integration. It will promote and actively support international pressure on Fiji's military regime to return the country to democracy and the rule of law.

The department will seek to strengthen Australia's political and economic relations with Europe both bilaterally and through participation in the Organisation for Security and Cooperation in Europe (OSCE) and the Asia Europe Meeting (ASEM) process. The department recognises the growing significance to Australia's interests of countries in Africa, the Middle East, Latin America and the Caribbean and will work to

develop and deepen these ties. It will support Australia's hosting of the Commonwealth Heads of Government Meeting in Perth in October 2011.

As the number of Australians travelling overseas each year continues to increase, the department will once again place priority on the effective delivery of consular services to Australians in need. It will promote safe travel messages through accurate and timely travel advice, including through the *smartraveller* campaign.

The department will continue to deliver an efficient passport service for Australian citizens. In 2011-12, work will commence on the detailed design and scheduling of the next 'P-series' passport to provide a contemporary, secure travel document to Australian citizens. The department will take forward the *National Security - Improved Passport Integrity and Strengthened Issuance Systems* program, announced in 2010-11, to enable it to meet the projected increase in demand for passport services in forward years.

In an inherently high-risk environment, the department will continue to place priority on the safety of Australian government personnel overseas and the security of its missions. Through the measure *National Security - Baghdad Embassy Civilian Security Arrangements - Final Phase*, the department will become fully responsible for security at Australia's diplomatic mission in Baghdad. In line with the improving security environment in Iraq, the measure will enable the final transition of responsibility for all security capabilities from the Australian Defence Force to the department. It will also provide for the transition to the department of services currently provided by the United States Forces - Iraq and infrastructure upgrades at the Embassy. The department will also work to enhance information and communications technology infrastructure, including the security of government information.

The department will continue to manage its resources efficiently through careful prioritisation and regular review of budget allocations. It will seek to maintain a professional workforce that will respond effectively and flexibly to emerging foreign, trade and economic, international security and consular priorities.

## 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: Department of Foreign Affairs and Trade 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
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	382,323	-	382,323	406,655
Departmental appropriation <sup>3</sup>	-	911,273	911,273	951,686
s31 Relevant agency receipts <sup>4</sup>	-	51,433	51,433	41,404
<b>Total</b>	<b>382,323</b>	<b>962,706</b>	<b>1,345,029</b>	<b>1,399,745</b>
<b>Administered expenses</b>				
Outcome 1	-	267,228	267,228	285,935
Outcome 2	-	750	750	750
Outcome 3	-	-	-	-
Payments to CAC Act bodies	-	6,022	6,022	8,275
<b>Total</b>	<b>-</b>	<b>274,000</b>	<b>274,000</b>	<b>294,960</b>
<b>Total ordinary annual services</b>	<b>A 382,323</b>	<b>1,236,706</b>	<b>1,619,029</b>	<b>1,694,705</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections <sup>5</sup>	108,390	72,005	180,395	72,406
<b>Total</b>	<b>108,390</b>	<b>72,005</b>	<b>180,395</b>	<b>72,406</b>
<b>Total other services</b>	<b>B 108,390</b>	<b>72,005</b>	<b>180,395</b>	<b>72,406</b>
<b>Total available annual appropriations</b>	<b>490,713</b>	<b>1,308,711</b>	<b>1,799,424</b>	<b>1,767,111</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by amount</b>				
Special Appropriation FMA Act, s28				
Passport Refunds	-	150	150	650
<b>Total special appropriations</b>	<b>C -</b>	<b>150</b>	<b>150</b>	<b>650</b>
<b>Total appropriations excluding Special Accounts</b>	<b>490,713</b>	<b>1,308,861</b>	<b>1,799,574</b>	<b>1,767,761</b>



**Table 1.1: Department of Foreign Affairs and Trade 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
<b>Special Accounts</b>				
Opening balance <sup>6</sup>	292,923	-	292,923	303,035
Appropriation receipts <sup>7</sup>	-	72,189	72,189	77,105
Appropriation receipts - other agencies <sup>8</sup>	-	34,695	34,695	32,676
Non-appropriation receipts to Special Accounts	-	9,924	9,924	24,000
<b>Total Special Account</b>	<b>D 292,923</b>	<b>116,808</b>	<b>409,731</b>	<b>436,816</b>
<b>Total resourcing</b>				
A+B+C+D	<b>783,636</b>	<b>1,425,669</b>	<b>2,209,305</b>	2,204,577
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	(72,189)	(72,189)	(77,105)
	-	(6,022)	(6,022)	(8,275)
<b>Total net resourcing for DFAT</b>	<b>-</b>	<b>(78,211)</b>	<b>(78,211)</b>	<b>(85,380)</b>

<sup>1</sup> Appropriation Bill (No.1) 2011-12<sup>2</sup> Estimated adjusted balance carried forward from previous year<sup>3</sup> Includes an amount of \$73.446m 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'.<sup>4</sup> s31 Relevant Agency receipts - estimate<sup>5</sup> Appropriation Bill (No.2) 2011-12<sup>6</sup> 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 Moneys Special accounts (SOETM)).

For further information on special accounts see Table 3.1.2.

<sup>7</sup> Appropriation receipts from DFAT annual and special appropriations for 2010-11 included above<sup>8</sup> Appropriation receipts from other agencies credited to DFAT's special accounts**Reader note: All figures are GST exclusive.****Third party payments from and on behalf of other agencies**

	2011-12 \$'000	2010-11 \$'000
Receipts received from other agencies for the provision of services (disclosed above within Departmental section 31)	51,433	41,404
Payments made to CAC Act bodies within the Portfolio		
Export Finance and Insurance Corporation Appropriation Acts 1 &	6,022	8,275

### 1.3 BUDGET MEASURES

Budget measures relating to the Department of Foreign Affairs and Trade are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2011-12 Budget measures**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Expense measures</b>						
Consular Services - additional funding	2.1					
Departmental expenses		-	4,000	-	-	-
<b>Total</b>		-	<b>4,000</b>	-	-	-
Efficiency dividend - temporary increase in the rate	1.1, 2.1, 2.2, 3.1					
Departmental expenses		-	(4,092)	(7,988)	(9,886)	(12,015)
<b>Total</b>		-	<b>(4,092)</b>	<b>(7,988)</b>	<b>(9,886)</b>	<b>(12,015)</b>
International Australian Television Service - The Australia Network <sup>1</sup>	1.3					
Administered expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Japan Earthquake and Tsunami - donation to the Red Cross Japan and Pacific Disaster Appeal	1.1					
Departmental expenses		10,000	-	-	-	-
<b>Total</b>		<b>10,000</b>	-	-	-	-
National Security - Baghdad Embassy civilian security arrangements - final transition	3.1					
Departmental expenses		-	13,417	-	-	-
<b>Total</b>		-	<b>13,417</b>	-	-	-
Border Security - international engagement to prevent and disrupt maritime people smuggling	1.1					
Departmental expenses		-	4,497	4,502	-	-
<b>Total</b>		-	<b>4,497</b>	<b>4,502</b>	-	-
National Security - United Nations Security Council - final phase <sup>2</sup>	1.1					
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
United States Study Centre - contribution <sup>3</sup>	1.1					
Departmental expenses		-	(166)	(167)	(167)	-
<b>Total</b>		-	<b>(166)</b>	<b>(167)</b>	<b>(167)</b>	-
<b>Total expense measures</b>						
Administered		-	-	-	-	-
Departmental		10,000	17,656	(3,653)	(10,053)	(12,015)
<b>Total</b>		<b>10,000</b>	<b>17,656</b>	<b>(3,653)</b>	<b>(10,053)</b>	<b>(12,015)</b>

**Table 1.2: Agency 2011-12 Budget measures (cont)**

<b>Capital measures</b>						
Efficiency dividend - temporary increase in the rate	1.1, 2.1, 2.2, 3.1					
Departmental capital		-	(373)	(806)	(1,510)	(1,307)
<b>Total</b>		-	<b>(373)</b>	<b>(806)</b>	<b>(1,510)</b>	<b>(1,307)</b>
National Security - Baghdad Embassy civilian security arrangements - final transition	3.1					
Departmental capital		-	3,069	-	-	-
<b>Total</b>		-	<b>3,069</b>	-	-	-
<b>Total capital measures</b>						
Administered		-	-	-	-	-
Departmental		-	2,696	(806)	(1,510)	(1,307)
<b>Total</b>		-	<b>2,696</b>	<b>(806)</b>	<b>(1,510)</b>	<b>(1,307)</b>

1. The funding profile of the measure *International Australian Television Service - The Australia Network* is subject to negotiation. As an amount is already included in the Forward Estimates, the table shows zero funding.

2. The measure *National Security - United Nations Security Council - final phase* will be funded through existing departmental resources.

3. The government is providing \$2 million over three years as a contribution to the United States Study Centre at the University of Sydney. The measure *United States Study Centre - contribution* represents DFAT's contribution transferred to the Department of Prime Minister and Cabinet.

## 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 the Department of Foreign Affairs and Trade in achieving Government outcomes.

**Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities**

#### Outcome 1 Strategy

The department will assist the government to meet its foreign, trade and economic, and security objectives over 2011-12 and forward years through:

- developing further Australia's relations with key international partners and countries of growing significance to Australia's national interests;
- working multilaterally to address global challenges relating to peace and security, climate change, sustainable growth and human rights and to advance Australia's interests through the United Nations, G20 and significant regional forums;
- promoting and strengthening regional and global cooperation and governance in countering terrorism, people smuggling and nuclear proliferation;
- contributing to national prosperity by maximising Australia's trade opportunities and market access gains through multilateral, regional and bilateral means;
- developing and implementing programs and projects to enhance international awareness and understanding of Australia and Australian policies to advance our national interests.

As the lead agency managing Australia's external affairs, the department will also continue to provide leadership at Australia's diplomatic missions overseas, manage

and maintain Australia's diplomatic network, including the provision of services to other agencies represented overseas, and deliver services to diplomatic and consular representatives in Australia.

## 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**

<b>Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities</b>	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 1.1: Foreign Affairs and Trade Operations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	9,387	9,873
Departmental expenses		
Departmental appropriation <sup>1, 2</sup>	551,530	448,490
Expenses not requiring appropriation in the Budget year <sup>3</sup>	54,996	56,069
<b>Total for Program 1.1</b>	<b>615,913</b>	<b>514,432</b>
<b>Program 1.2: Payments to International Organisations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	245,480	238,887
<b>Total for Program 1.2</b>	<b>245,480</b>	<b>238,887</b>
<b>Program 1.3: Public Information and Public Diplomacy</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	23,948	24,490
Special Accounts	7,482	15
<b>Total for Program 1.3</b>	<b>31,430</b>	<b>24,505</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	278,815	273,250
Special Accounts	7,482	15
Departmental expenses		
Departmental appropriation <sup>1, 2</sup>	551,530	448,490
Expenses not requiring appropriation in the Budget year <sup>3</sup>	54,996	56,069
<b>Total expenses for Outcome 1</b>	<b>892,823</b>	<b>777,824</b>
	2010-11	2011-12
<b>Average Staffing Level (number) <sup>4</sup></b>	<b>2,115</b>	<b>2,102</b>

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

<sup>1</sup> Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

<sup>2</sup> These expenses include a portion of an intra-entity amount of \$73.5 million (2010-11: \$101.9 million) representing rent paid by DFAT to the DFAT Overseas Property Office which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1)

<sup>3</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, and Audit Fees.

<sup>4</sup> ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 - Program 2.1 (Consular Services). Figures do not include EFIC staff involved in the National Interest Account (6 in 2010-11 and 6 in 2011-12).

## Contributions to Outcome 1

### Program 1.1: Foreign Affairs and Trade Operations

#### Program objective

- To protect and advance the national interest through engaging in effective advocacy in Australia and overseas that promotes Australia's foreign, trade and economic, and international security interests;
- To deliver accurate and timely policy advice to Ministers and other high-level clients that addresses the challenges of an evolving international environment;
- To promote a whole-of-government approach to pursuit of Australia's interests abroad, including through leadership at overseas missions and coordination of the overseas diplomatic network;
- To ensure the security and protect the dignity of the diplomatic and consular corps serving in Australia by delivering a quality service and upholding Australia's obligations under the Vienna Conventions.

#### Program expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses:					
Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses	6,841	6,022	5,334	4,459	3,431
Hosting of the 35th Antarctic Treaty Consultative Meeting	29	1,386	-	-	-
Personal Benefits - Locally Engaged Staff pension schemes	2,038	1,976	1,976	1,993	2,011
Other Administered Items	479	489	498	508	518
Annual departmental expenses:					
Foreign Affairs and Trade Operations	551,530	448,490	444,856	438,980	449,109
Expenses not requiring appropriation in the Budget year <sup>1</sup>	54,996	56,069	58,351	57,909	50,362
<b>Total program expenses</b>	<b>615,913</b>	<b>514,432</b>	<b>511,015</b>	<b>503,849</b>	<b>505,431</b>

<sup>1</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, and Audit Fees.

### **Program 1.1 Deliverables**

- Australia's foreign and trade policy interests and international standing are advanced through:
  - strengthened key international relationships, including a strong alliance with the United States, high-level political and economic engagement with Japan, China, India, Republic of Korea, and the countries of Southeast Asia, a stronger partnership with the European Union and its members, and continued close ties with New Zealand and Canada;
  - sustained engagement with Pacific Island countries, the Middle East, Africa and Latin America and the Caribbean to meet shared challenges and to promote global and regional stability, security and prosperity;
  - strong participation in the United Nations and other multilateral forums, including international support for Australia's election to the UN Security Council for the 2013-14 term, promotion of effective international climate change action and sustainable development, and advocacy of human rights;
  - contribution to enhanced regional architecture through the East Asia Summit (EAS), the Asia Pacific Economic Cooperation (APEC) forum and dialogue with the Association of South East Asian Nations (ASEAN);
  - support for Australia's hosting of the Commonwealth Heads of Government Meeting in Perth in 2011; and
  - promotion of high-quality public diplomacy, international media and cultural visit programs which improve understanding of Australia and Australian Government foreign and trade policies.
- Australia's trade and economic opportunities are maximised, including through:
  - effective participation in the World Trade Organization (WTO), including through the Doha Round and leadership of the Cairns Group of agricultural exporting countries, and through G20 processes; and
  - effective leadership in advancing Australia's free trade agreement (FTA) agenda, including negotiating and implementing FTAs, and exploring opportunities where appropriate for new bilateral or regional FTAs.
- An enhanced environment for security and development, including through:
  - effective whole-of-government efforts to promote stability and development



in Afghanistan;

- promotion of nuclear non-proliferation and disarmament, and counter-proliferation and arms control efforts, including in arms trade treaty negotiations and as chair of the Australia Group;
  - participation in counter-terrorism programs and activities, including in South Asia, Southeast Asia, the Middle East, eastern Africa, and in the new Global Terrorism Forum; and
  - contribution to whole-of-government efforts bilaterally and regionally to counter people smuggling, in particular through the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime.
- Australia’s international and portfolio responsibilities are met through:
    - effective coordination and sound advice to Ministers, members of parliament, government agencies, state and territory governments, business, non-governmental organisations, media and members of the public;
    - sound advice on compliance with international legal obligations and contribution to the development of a strong international legal framework;
    - effective leadership of, and provision of advice and support to, other government agencies at overseas missions in line with the Prime Minister’s Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements;
    - quality service and support to the diplomatic and consular corps serving in Australia, including facilitation of accreditation and diplomatic visas, and the security and protection of dignity of diplomatic missions and their personnel, upholding Australia’s obligations under the Vienna Conventions; and
    - management of the EFIC National Interest Account.

**Program 1.1 Key Performance Indicators**

- High level of satisfaction of Ministers and other stakeholders with the quality and timeliness of advice, briefing and support in relation to Australia's foreign, trade and economic, and international security interests.
- The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.
- Government agencies at overseas missions are satisfied with service provided in accordance with the Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements in place.
- The diplomatic and consular corps posted or accredited to Australia are satisfied with the level of service provided, including in terms of responsiveness and timeliness in meeting Australia's obligations under the Vienna Conventions.

## Program 1.2: Payments to International Organisations

### Program objective

- To enable Australia to advance its foreign, trade and economic, and security interests through participation in international organisations.

### Program expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses:					
Payments to International Organisations	245,480	238,887	238,887	240,781	243,139
<b>Total program expenses</b>	<b>245,480</b>	<b>238,887</b>	<b>238,887</b>	<b>240,781</b>	<b>243,139</b>

### Program 1.2 Deliverables

- Australia retains membership of relevant international organisations and provides voluntary contributions as appropriate.

### Program 1.2 Key Performance Indicators

- Payments to international organisations and of voluntary contributions are timely and within budget.

### Program 1.3: Public Information Services and Public Diplomacy

#### Program objective

- To project a positive and contemporary image of Australia and promote a clear understanding of government policies and objectives through the department's public diplomacy, cultural and media activities.

#### Program expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
Annual administered expenses:					
International Relations Grants Program	4,594	4,594	4,594	4,594	4,594
Australia Netw ork	19,354	19,896	20,414	20,924	21,448
Special Account Expenses:					
<i>Expositions Special Account</i>	7,482	15	-	-	-
<b>Total program expenses</b>	<b>31,430</b>	<b>24,505</b>	<b>25,008</b>	<b>25,518</b>	<b>26,042</b>

#### Program 1.3 Deliverables

- An independent, credible and reliable voice and image in the region through effective management of the new contract for Australia's international television broadcasting and associated digital media services.
- Promotion of people-to-people links and a contemporary and positive image of Australia and support for the government's international policy goals, including through grants and other support to bilateral foundations, councils and institutes.

#### Program 1.3 Key Performance Indicators

- An accurate and contemporary image of Australia, an understanding of the government's foreign and trade policies, and strengthened people-to-people links and trade and economic ties.

**Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas**

## **Outcome 2 Strategy**

With more Australians travelling overseas each year, the department will continue to give high priority to delivery of effective consular services. The department will help Australians make informed decisions about their security, safety and well-being by maintaining its comprehensive system of travel advisories. The department's consular outreach program will continue in 2011-12, promoting safe travel messages and delivering accurate and timely travel advice, including through the *smartraveller* campaign.

Practical planning for contingency and rapid crisis response will remain a focus through 2011-12. The department will work to enhance its ability to respond quickly to consular incidents, particularly in remote locations or where consular representation is less concentrated. It will also continue to lead whole-of-government responses to future consular crises and serious incidents overseas, activating the department's Crisis Centre as needed.

The department will commence work on the detailed design and scheduling of the next passport series to ensure the government can continue to deliver a contemporary, secure travel document. The department will continue to take forward the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program, announced in 2010-11, to enable it to meet the projected increase in demand for passport services in forward years.

## Outcome Expense Statement

Table 2.1.1 provides an overview of the total expenses for Outcome 2 by program.

**Table 2.1.1: Budgeted Expenses for Outcome 2**

<b>Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas</b>	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 2.1: Consular Services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>	200	200
Departmental expenses		
Departmental appropriation <sup>2, 3</sup>	73,417	70,184
Expenses not requiring appropriation in the Budget year <sup>4</sup>	4,566	4,852
<b>Total for Program 2.1</b>	<b>78,183</b>	<b>75,236</b>
<b>Program 2.2: Passport Services</b>		
Administered expenses		
Special appropriations	860	860
Departmental expenses		
Departmental appropriation <sup>2,3</sup>	184,830	187,548
Expenses not requiring appropriation in the Budget year <sup>4</sup>	11,105	12,541
<b>Total for Program 2.2</b>	<b>196,795</b>	<b>200,949</b>
<b>Outcome 2 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	200	200
Special appropriations	860	860
Departmental expenses		
Departmental appropriation <sup>2,3</sup>	258,247	257,732
Expenses not requiring appropriation in the Budget year <sup>4</sup>	15,671	17,393
<b>Total expenses for Outcome 2</b>	<b>274,978</b>	<b>276,185</b>
	2010-11	2011-12
<b>Average Staffing Level (number) <sup>5</sup></b>	<b>1,036</b>	<b>1,055</b>

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

<sup>1</sup> Travellers' Emergency Loans of \$550,000 are excluded from the table as they are treated as a receivable. Travellers' Emergency Loans form part of the receivable balance in Table 3.2.8

<sup>2</sup> Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

<sup>3</sup> These expenses include a portion of an intra-entity amount of \$73.5 million (2010-11: \$101.9 million) representing rent paid by DFAT to the DFAT Overseas Property Office which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1)

<sup>4</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, and Audit Fees.

<sup>5</sup> ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 - Program 2.1 (Consular Services).

## Contributions to Outcome 2

### Program 2.1: Consular Services

#### Program objective

- To support and assist Australian travellers and Australians overseas through high-quality consular services, including accurate and timely travel advice, practical contingency planning and rapid crisis response.

Linked to: Austrade Program 2.1: Consular and passport services.

#### Program expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
Annual administered expenses:					
Consular Services <sup>1</sup>	200	200	200	200	200
Annual departmental expenses:					
Consular Services	73,417	70,184	68,488	68,728	69,953
Expenses not requiring appropriation in the Budget year <sup>2</sup>	4,566	4,852	4,882	4,836	8,344
<b>Total program expenses</b>	<b>78,183</b>	<b>75,236</b>	<b>73,570</b>	<b>73,764</b>	<b>78,497</b>

<sup>1</sup> Travellers' Emergency Loans of \$550,000 are excluded from the table as they are treated as a receivable. Travellers' Emergency Loans form part of the receivable balance in Table 3.2.8

<sup>2</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, and Audit Fees.

### **Program 2.1 Deliverables**

- High-quality consular services to an increasing number of Australian travellers and Australian citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters, deaths, medical emergencies and payment of travellers' emergency loans to Australians in need.
- High-quality travel advisory services, including issuing travel information on travel destinations, promoting this information through continuation of the *smartraveller* campaign and effectively managing an online travel registration service.
- Effective consular contingency planning for major events or high-risk scenarios, including through regular reviews of procedures and available resources, training of staff, and coordination with other government agencies and foreign governments.
- Coordination of whole-of-government responses to large-scale crises involving conflict, civil unrest, natural disasters or terrorist incidents.

### **Program 2.1 Key Performance Indicators**

- The department's delivery of consular services is effective, efficient, timely and responsive, and within the scope of Australian Government responsibility.
- Accurate and timely travel advisories which provide clear guidance to a broad audience of potential risks and the extent of Australian Government assistance, and continued growth of public use of the *smartraveller* website and the online registration service.
- Consular contingency planning accurately anticipates high-risk events and scenarios, necessary resources for response are readily available, procedures and networks remain valid and viable, and plans are tested and reviewed regularly.
- Timely and effective consular support to Australians through well-coordinated implementation of whole-of-government responses to large-scale crises.



## Program 2.2: Passport Services

### Program objective

- To provide Australians access to secure international travel documentation through the delivery of a high-quality passport services.

Linked to: Austrade Program 2.1: Consular and passport services.

### Program expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
Special Appropriations:					
<i>Special Appropriation FMA Act s28</i>					
<i>Passport Refunds</i>	860	860	860	860	860
Annual departmental expenses:					
Passport Services	184,830	187,548	199,304	199,309	194,930
Expenses not requiring appropriation in the Budget year <sup>1</sup>	11,105	12,541	12,698	19,158	29,542
<b>Total program expenses</b>	<b>196,795</b>	<b>200,949</b>	<b>212,862</b>	<b>219,327</b>	<b>225,332</b>

<sup>1</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, and Audit Fees.

### Program 2.2 Deliverables

- High-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.
- Maintenance of security standards, promotion of web-enabled services, and adherence to the client service commitment of passport issue within ten working days, while effectively managing an increasing workload.
- Ongoing implementation of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program.
- Finalisation of the design for a new series of Australian travel documents.

**Program 2.2 Key Performance Indicators**

- Public and travel industry clients are satisfied with the department's efficiency and effectiveness in delivering passport services, with routine passports issued within ten working days and urgent passport issues dealt with in a timely and responsive manner.
- Staged delivery of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program within budget and against timelines.
- Design approval for the new series of Australian travel documents.

**Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate**

### **Outcome 3 Strategy**

The department continues to place priority on the safety of Australian Government personnel overseas, the security of its diplomatic and consular posts and the safeguarding of government information in line with an environment of increasing security risk. Its activities in this area will be underpinned by thorough assessments of security threats and the preparation and implementation of appropriate risk mitigation strategies and security measures.

The department will work to enhance information and communications technology (ICT) capabilities, at home and at Australia's overseas missions. It will continue to respond to emerging influences on its ICT operating environment, including the increasing use of the internet, a greater focus on whole-of-government programs and solutions, and a continuing increase in the number of staff from other agencies using departmental ICT systems and a challenging cyber-threat environment.

The department will manage the Government's owned estate in an efficient and effective manner. The department's five-year rolling plan for maintaining, upgrading and refurbishing the overseas property estate will continue with the objective of meeting the Government's accommodation needs and enhancing the estate's value. In managing the estate, the department will remain focused on providing the best possible protective security, and capability to respond promptly when new or unforeseen security-related challenges arise

## Outcome Expense Statement

Table 2.1.2 provides an overview of the total expenses for Outcome 3 by program.

**Table 2.1.2: Budgeted Expenses for Outcome 3**

<b>Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate</b>	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 3.1: Foreign Affairs and Trade Operations</b>		
Departmental expenses		
Departmental appropriation <sup>1, 2</sup>	173,350	171,258
Expenses not requiring appropriation in the Budget year <sup>3</sup>	12,722	15,235
<b>Total for Program 3.1</b>	<b>186,072</b>	<b>186,493</b>
<b>Program 3.2: Overseas Property</b>		
Departmental expenses		
Special Accounts	70,950	68,479
<b>Total for Program 3.2</b>	<b>70,950</b>	<b>68,479</b>
<b>Outcome 3 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1, 2</sup>	173,350	171,258
Expenses not requiring appropriation in the Budget year <sup>3</sup>	12,722	15,235
Special Accounts	70,950	68,479
<b>Total expenses for Outcome 3</b>	<b>257,022</b>	<b>254,972</b>
	2010-11	2011-12
<b>Average Staffing Level (number) <sup>4</sup></b>	<b>656</b>	<b>660</b>

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

<sup>1</sup> Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

<sup>2</sup> These expenses include a portion of an intra-entity amount of \$73.5 million (2010-11: \$101.9 million) representing rent paid by DFAT to the DFAT Overseas Property Office which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1)

<sup>3</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, and Audit Fees.

<sup>4</sup> ASL figures are estimates only

## Contributions to Outcome 3

### Program 3.1: Foreign Affairs and Trade Operations

#### Program objective

- To ensure a secure Australian Government presence overseas by sustaining and improving security, and strengthening information and communications technology (ICT) capability at Australia's overseas missions.

#### Program expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
Annual departmental expenses:					
Foreign Affairs and Trade Operations	173,350	171,258	121,398	121,964	124,360
Expenses not requiring appropriation in the Budget year <sup>1</sup>	12,722	15,235	14,380	12,992	14,834
<b>Total program expenses</b>	<b>186,072</b>	<b>186,493</b>	<b>135,778</b>	<b>134,956</b>	<b>139,194</b>

<sup>1</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, and Audit Fees.

**Program 3.1 Deliverables**

- Enhanced protection through strengthened security measures in line with the evolving security environment, particularly in high-threat locations.
- Protection of classified information and ICT services through effective management of ICT systems and security vetting processes, as well as through staff security training to ensure high standards of awareness and vigilance.
- Continued progress in moving the department's ICT systems infrastructure to a common platform that can be more efficiently integrated and supported, and implementation of key elements of the Government's ICT Reform Program and ICT elements of the Government national security policy and objectives.
- High-quality overseas ICT services to other government agencies.

**Program 3.1 Key Performance Indicators**

- Security risks relating to classified information are minimised, as evidenced by a low number of sensitive security breaches.
- Effective risk mitigation strategies appropriate to increased security risks.
- Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network) and the global secure telecommunications infrastructure.

### Program 3.2: Overseas Property

#### Program objective

- To ensure a secure Australian Government presence overseas through the effective management of the Commonwealth's overseas owned estate.

#### Program expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Special Account Expenses:					
<i>Overseas Property Special Account - Finance Determination 2002-01 (D)</i>	70,950	68,479	64,361	64,961	75,157
<b>Total program expenses</b>	<b>70,950</b>	<b>68,479</b>	<b>64,361</b>	<b>64,961</b>	<b>75,157</b>

### **Program 3.2 Deliverables**

- Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate, including:
  - making progress in construction of a new chancery, residential accommodation and a Head of Mission residence in Jakarta; construction of a new chancery and Head of Mission residence in Bangkok; and refurbishment of the chancery in Paris.
- Efficient and effective management of the overseas property estate to meet the Government's requirements and maintain conditions and service capabilities.
- Effective management of outsourced property contract arrangements.

### **Program 3.2 Key Performance Indicators**

- Completion of construction and refurbishment projects within an agreed timeframe and budget.
- Effective and accountable management of the property services contract and construction project contracts.
- Achieve a portfolio condition and utility rating of good or better.
- The majority of tenants rate the performance of the service provider and the Overseas Property Office as good or better.
- Asset management plans are in place for all owned properties in the estate.
- Achieve a management expense ratio appropriate to the unique nature of the Commonwealth's overseas owned estate.



## 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 DFAT since the 2010-11 Additional Estimates.

#### **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 DFAT.

**Table 3.1.2: Estimates of Special Account Flows and Balances**

		Opening balance <b>2011-12</b> 2010-11	Receipts <b>2011-12</b> 2010-11	Payments <b>2011-12</b> 2010-11	Adjustments <b>2011-12</b> 2010-11	Closing balance <b>2011-12</b> 2010-11
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Payments and Receipts for Other Entities Special Account - FMA Act 1997 s20 (A)	1	<b>5,000</b>	<b>230,000</b>	<b>(230,000)</b>	-	<b>5,000</b>
		5,000	230,000	(230,000)	-	5,000
Consular Services Special Account - FMA Act 1997 s20 (A)	2	<b>51</b>	<b>100</b>	<b>(100)</b>	-	<b>51</b>
		51	100	(100)	-	51
Expositions Special Accounts - FMA Act 1997 s20 (A)	1	<b>4,882</b>	<b>100</b>	<b>(15)</b>	-	<b>4,967</b>
		5,407	7,880	(8,405)	-	4,882
Services for Other Entities and Trust Moneys - Foreign Affairs and Trade Special Account (A)	1	<b>2,108</b>	<b>5,000</b>	<b>(5,000)</b>	-	<b>2,108</b>
		2,108	5,000	(5,000)	-	2,108
Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (D)	3	<b>288,041</b>	<b>116,708</b>	<b>(172,938)</b>	-	<b>231,811</b>
		297,628	181,523	(191,087)	-	288,041
<b>Total Special Accounts 2011-12 Budget estimate</b>		<b>300,082</b>	<b>351,908</b>	<b>(408,053)</b>	-	<b>243,937</b>
<i>Total Special Accounts 2010-11 estimate actual</i>		<i>310,194</i>	<i>424,503</i>	<i>(434,592)</i>	-	<i>300,082</i>

(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	
<b>Department of Foreign Affairs and Trade</b>							
<b>Outcome 1</b>							
Departmental 2011-12	1,075	-	-	1,075	-	1,075	1.1
<i>Departmental 2010-11</i>	<i>738</i>	<i>-</i>	<i>-</i>	<i>738</i>	<i>-</i>	<i>738</i>	<i>1.1</i>
Total outcome 2011-12	1,075	-	-	1,075	-	1,075	
<i>Total outcome 2010-11</i>	<i>738</i>	<i>-</i>	<i>-</i>	<i>738</i>	<i>-</i>	<i>738</i>	
<hr/>							
Total departmental 2011-12	1,075	-	-	1,075	-	1,075	
<i>Total departmental 2010-11</i>	<i>738</i>	<i>-</i>	<i>-</i>	<i>738</i>	<i>-</i>	<i>738</i>	
<b>Total AGIE 2011-12</b>	<b>1,075</b>	<b>-</b>	<b>-</b>	<b>1,075</b>	<b>-</b>	<b>1,075</b>	
<i>Total AGIE 2010-11</i>	<i>738</i>	<i>-</i>	<i>-</i>	<i>738</i>	<i>-</i>	<i>738</i>	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

#### **Budgeted departmental comprehensive income statement**

Total budgeted appropriation in 2011-12 is \$827.8 million, which represents a decrease of \$52.9 million in appropriations from 2010-11 as shown at Table 3.2.1. The decrease is primarily a result of:

- the removal of amortisation funding arrangements relating to the Overseas Property Office;
- foreign exchange movements; and
- savings measures agreed in the 2010-11 Mid Year Economic and Fiscal Outlook.

This is partially offset by:

- funding for new measures; and
- parameter adjustments for overseas and domestic inflation.

The Income Statement shows a budgeted deficit in 2011-12 of \$41.2 million, due to no funding for depreciation and amortisation under the Net Cash funding arrangements. Overall, the operating result attributable to the Department is a surplus of \$67.2 million in 2011-12, all of which relates to the Overseas Property Special Account.

#### **Budgeted departmental balance sheet**

The Department will receive equity injections of \$72.0 million in 2011-12 for the purchase or construction of new assets. The Department will also receive \$73.5 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2011-12, the Department's non financial asset position is budgeted to be \$2,326.0 million at year-end. The major asset component is \$1,917.6 million for Land and Buildings of which \$1,658.3 million is held in the Overseas Property Special Account.

#### **Schedule of Budgeted Income and Expenses Administered on behalf of the Government.**

Budgeted administered income is projected to increase by \$15.8 million in 2011-12. This increase is due primarily to the increase in the passport fee and an increase in the projected volume of passport issues, and therefore an increase in expected passport

revenue (\$33 million). This is partially offset by a decrease in the expected dividend revenue (\$13.7 million) from the *Export Finance and Insurance Corporation* (EFIC).

Budgeted administered expenses are projected to decrease by \$13 million compared to 2010-11. This decrease is primarily due to contributions to international organisations and the Shanghai World Expo. These are expected to reduce by \$6.6 million and \$7.4 million respectively due to the strength of the Australian dollar and conclusion of the Shanghai World Expo.

### **Schedule of Budgeted Assets and Liabilities Administered on behalf of the Government.**

Assets and liabilities administered on behalf of the Government are budgeted at \$484.4 million and \$154.1 million respectively for the year ending 30 June 2012. The assets mainly represent the investment in the government entity *Export Finance and Insurance Corporation* (EFIC) (\$407.6 million) and receivables (\$71.4 million) including appropriation receivable (\$67.5 million). The investment in EFIC has increased by \$30.9 million compared to 2010-11. Liabilities comprise primarily amounts relating to a payable to the National Interest Account and to Locally Engaged Staff Pension Schemes.

### **Schedule of Budgeted Administered Cash Flows**

Administered cash received generally moves in line with the administered revenue, with the exception of Australian Accounting Standards related fair value revenue which has no cash impact. All administered cash is returned to the Consolidated Revenue Fund.

Administered cash used is forecast to decrease by \$11.5 million in 2011-12, compared to 2010-11, principally due to the budgeted decrease in contributions to international organisations and peace keeping operations as a result of expected changes in the exchange rate values.

The 2011-12 forecast of administered cash receipts of \$421.8 million primarily comprises cash receipts from passport and consular services, and the annual dividend from the administered investments in EFIC.

### 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
<b>EXPENSES</b>					
Employee benefits	429,234	<b>412,778</b>	386,442	417,022	399,468
Supplier expenses	463,354	<b>434,976</b>	416,909	386,354	425,072
Grants	900	<b>900</b>	900	900	900
Depreciation and amortisation	102,882	<b>108,487</b>	110,197	117,668	126,082
Finance costs	400	<b>300</b>	300	300	300
Write-down and impairment of assets	-	-	-	-	-
Losses from asset sales	63	<b>150</b>	188	-	-
Other	(15,800)	<b>3,329</b>	1,857	-	-
<b>Total expenses</b>	<b>981,033</b>	<b>960,920</b>	<b>916,793</b>	<b>922,244</b>	<b>951,822</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	88,336	<b>89,673</b>	91,979	91,850	92,329
Other	28,397	<b>1,780</b>	2,033	2,144	3,078
<b>Total own-source revenue</b>	<b>116,733</b>	<b>91,453</b>	<b>94,012</b>	<b>93,994</b>	<b>95,407</b>
<b>Gains</b>					
Sale of assets	4,019	-	-	-	-
Other	390	<b>392</b>	392	400	400
<b>Total gains</b>	<b>4,409</b>	<b>392</b>	<b>392</b>	<b>400</b>	<b>400</b>
<b>Total own-source income</b>	<b>121,142</b>	<b>91,845</b>	<b>94,404</b>	<b>94,394</b>	<b>95,807</b>
<b>Net cost of (contribution by) services</b>	<b>859,891</b>	<b>869,075</b>	<b>822,389</b>	<b>827,850</b>	<b>856,015</b>
Revenue from Government	<b>880,734</b>	<b>827,827</b>	<b>784,718</b>	<b>776,106</b>	<b>785,348</b>
<b>Surplus (Deficit)</b>	<b>20,843</b>	<b>(41,248)</b>	<b>(37,671)</b>	<b>(51,744)</b>	<b>(70,667)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>20,843</b>	<b>(41,248)</b>	<b>(37,671)</b>	<b>(51,744)</b>	<b>(70,667)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income (loss) Attributable to the Australian Government</b>	20,843	<b>(41,248)</b>	(37,671)	(51,744)	(70,667)
plus non-appropriated expenses depreciation and amortisation expenses	102,882	<b>108,487</b>	110,197	117,668	126,082
<b>Total Comprehensive Income (loss) Attributable to the agency</b>	123,725	<b>67,239</b>	72,526	65,924	55,415

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 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
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	67,103	80,086	81,696	83,306	83,306
Trade and other receivables	680,138	580,357	496,847	350,730	320,316
<b>Total financial assets</b>	<b>747,241</b>	<b>660,443</b>	<b>578,543</b>	<b>434,036</b>	<b>403,622</b>
<b>Non-financial assets</b>					
Land and buildings	1,844,630	1,917,595	2,001,126	2,071,972	2,372,355
Property, plant and equipment	137,043	220,360	280,957	317,873	329,639
Intangibles	26,737	29,376	23,650	16,234	12,691
Inventories	34,686	34,686	34,686	34,686	34,686
Other	58,839	123,972	207,043	356,351	143,240
<b>Total non-financial assets</b>	<b>2,101,933</b>	<b>2,325,987</b>	<b>2,547,460</b>	<b>2,797,114</b>	<b>2,892,609</b>
Assets held for sale					
<b>Total assets</b>	<b>2,849,174</b>	<b>2,986,430</b>	<b>3,126,003</b>	<b>3,231,150</b>	<b>3,296,231</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	83,109	83,109	83,109	83,109	83,109
Other	18,878	18,878	18,878	18,878	18,878
<b>Total payables</b>	<b>101,987</b>	<b>101,987</b>	<b>101,987</b>	<b>101,987</b>	<b>101,987</b>
<b>Provisions</b>					
Employee provisions	126,060	126,060	126,060	126,060	126,060
Other	23,979	23,979	23,979	23,979	23,979
<b>Total provisions</b>	<b>150,039</b>	<b>150,039</b>	<b>150,039</b>	<b>150,039</b>	<b>150,039</b>
<b>Total liabilities</b>	<b>252,026</b>	<b>252,026</b>	<b>252,026</b>	<b>252,026</b>	<b>252,026</b>
<b>Net assets</b>	<b>2,597,148</b>	<b>2,734,404</b>	<b>2,873,977</b>	<b>2,979,124</b>	<b>3,044,205</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	1,711,410	1,856,861	1,985,656	2,152,646	2,266,203
Reserves	319,337	355,191	403,640	393,541	415,732
Retained surplus (accumulated deficit)	566,401	522,352	484,681	432,937	362,270
<b>Total parent entity interest</b>	<b>2,597,148</b>	<b>2,734,404</b>	<b>2,873,977</b>	<b>2,979,124</b>	<b>3,044,205</b>
<b>Total Equity</b>	<b>2,597,148</b>	<b>2,734,404</b>	<b>2,873,977</b>	<b>2,979,124</b>	<b>3,044,205</b>

\* '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	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2011</b>					
Balance carried forward from previous period	566,401	319,337	-	1,711,410	2,597,148
<b>Adjusted opening balance</b>	566,401	319,337	-	1,711,410	2,597,148
<b>Comprehensive income</b>					
Other comprehensive income	-	35,854	-	-	35,854
Surplus (deficit) for the period	(41,248)	-	-	-	(41,248)
<b>Total comprehensive income</b>	(41,248)	35,854	-	-	(5,394)
<b>Transactions with owners</b>					
<i>Distributions to owners</i>					
Cash transfers to the OPA	(2,801)	-	-	-	(2,801)
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	72,005	72,005
Departmental Capital Budget (DCBs)	-	-	-	73,446	73,446
<b>Sub-total transactions with owners</b>	(2,801)	-	-	145,451	142,650
<b>Estimated closing balance as at 30 June 2012</b>	<b>522,352</b>	<b>355,191</b>	<b>-</b>	<b>1,856,861</b>	<b>2,734,404</b>

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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	114,822	89,673	91,979	91,850	92,329
Appropriations	934,809	878,575	810,951	799,939	814,155
Dividends	-	1,905	1,714	1,714	-
Net GST received	19,362	19,363	19,363	-	-
Other	1,931	1,780	2,033	2,144	3,078
<b>Total cash received</b>	<b>1,070,924</b>	<b>991,296</b>	<b>926,040</b>	<b>895,647</b>	<b>909,562</b>
<b>Cash used</b>					
Employees	430,142	412,018	384,985	415,564	397,971
Suppliers	433,769	442,719	424,151	393,690	432,583
Borrow ing costs	400	300	300	300	300
Net GST paid	19,362	19,363	19,363	-	-
Other	23,683	4,229	2,945	900	900
<b>Total cash used</b>	<b>907,356</b>	<b>878,629</b>	<b>831,744</b>	<b>810,454</b>	<b>831,754</b>
<b>Net cash from (used by) operating activities</b>	<b>163,568</b>	<b>112,667</b>	<b>94,296</b>	<b>85,193</b>	<b>77,808</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	14,736	2,979	-	-	-
<b>Total cash received</b>	<b>14,736</b>	<b>2,979</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	188,477	184,538	147,340	212,535	136,050
Other	37,453	114,020	135,881	164,886	63,336
<b>Total cash used</b>	<b>225,930</b>	<b>298,558</b>	<b>283,221</b>	<b>377,421</b>	<b>199,386</b>
<b>Net cash from (used by) investing activities</b>	<b>(211,194)</b>	<b>(295,579)</b>	<b>(283,221)</b>	<b>(377,421)</b>	<b>(199,386)</b>

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

	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
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	128,544	145,451	128,795	166,990	113,557
Other	10,344	56,232	63,455	128,562	8,021
<b>Total cash received</b>	<b>138,888</b>	<b>201,683</b>	<b>192,250</b>	<b>295,552</b>	<b>121,578</b>
<b>Cash used</b>					
Dividends paid	58,834	1,905	1,714	1,714	-
Other	13,880	2,801	-	-	-
<b>Total cash used</b>	<b>72,714</b>	<b>4,706</b>	<b>1,714</b>	<b>1,714</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>66,174</b>	<b>196,977</b>	<b>190,536</b>	<b>293,838</b>	<b>121,578</b>
<b>Net increase (decrease) in cash held</b>	<b>18,548</b>	<b>14,065</b>	<b>1,611</b>	<b>1,610</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	48,555	67,103	81,168	82,779	84,389
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>67,103</b>	<b>81,168</b>	<b>82,779</b>	<b>84,389</b>	<b>84,389</b>

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	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	57,681	73,446	79,224	118,572	85,431
Equity injections - Bill 2 <sup>1</sup>	72,686	72,005	49,571	48,418	28,126
<b>Total capital appropriations</b>	<b>130,367</b>	<b>145,451</b>	<b>128,795</b>	<b>166,990</b>	<b>113,557</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	128,824	145,451	128,795	166,990	113,557
Other Items	1,543	-	-	-	-
<b>Total Items</b>	<b>130,367</b>	<b>145,451</b>	<b>128,795</b>	<b>166,990</b>	<b>113,557</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	61,464	92,637	64,788	64,363	50,519
Funded by capital appropriation - DCB <sup>2</sup>	47,746	83,381	79,224	118,572	85,431
Funded internally from departmental resources <sup>3</sup>	99,721	58,487	56,138	45,178	276,547
<b>TOTAL</b>	<b>208,931</b>	<b>234,505</b>	<b>200,150</b>	<b>228,113</b>	<b>412,497</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	208,931	234,505	200,150	228,113	412,497
<b>Total cash used to acquire assets</b>	<b>208,931</b>	<b>234,505</b>	<b>200,150</b>	<b>228,113</b>	<b>412,497</b>

<sup>1</sup> Equity injection in 2010-11 is higher than the amount in Table 1.1 due to an additional \$0.280m in relation to a 2010-11 measure.

<sup>2</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets.

<sup>3</sup> Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- gifts
- internally developed assets
- s31 relevant agency receipts
- proceeds from the sale of assets

Prepared on Australian Accounting Standards basis.

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

	Land	Buildings	Other property, plant and equipment	Heritage and cultural assets	Investment property	Intangibles	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2011</b>								
Gross book value	937,893	1000,637	224,577	-	-	66,913	2,867	2,232,887
Accumulated depreciation/amortisation and impairment	-	(93,900)	(87,534)	-	-	(40,676)	(2,867)	(224,977)
<b>Opening net book balance</b>	<b>937,893</b>	<b>906,737</b>	<b>137,043</b>	<b>-</b>	<b>-</b>	<b>26,237</b>	<b>-</b>	<b>2,007,910</b>
<b>CAPITAL ASSET ADDITIONS</b>								
<b>Estimated expenditure on new or replacement assets</b>								
By purchase - appropriation equity <sup>1</sup>	-	49,925	26,913	-	-	15,529	-	92,367
By purchase - appropriation ordinary annual services <sup>2</sup>	-	20,487	35,366	-	-	17,593	-	73,446
By purchase - other	8,900	49,487	100	-	-	-	-	58,487
<b>Total additions</b>	<b>8,900</b>	<b>119,899</b>	<b>62,379</b>	<b>-</b>	<b>-</b>	<b>33,122</b>	<b>-</b>	<b>224,300</b>
<b>Other movements</b>								
Depreciation/amortisation expense	-	(28,612)	(48,285)	-	-	(9,717)	-	(86,614)
Disposals <sup>3</sup>	2,616	363	-	-	-	-	-	2,979
Other	30,864	(1,855)	-	-	-	-	-	14,009
<b>As at 30 June 2012</b>								
Gross book value	975,041	1065,066	356,179	-	-	79,269	2,867	2,478,422
Accumulated depreciation/amortisation and impairment	-	(122,512)	(135,819)	-	-	(50,393)	(2,867)	(311,591)
<b>Closing net book balance</b>	<b>975,041</b>	<b>942,554</b>	<b>220,360</b>	<b>-</b>	<b>-</b>	<b>28,876</b>	<b>-</b>	<b>2,166,831</b>

<sup>1</sup> "Appropriation equity" refers to equity injections or Administered Assets and Liabilities

appropriations provided through Appropriation Bill (No.2) 2011-12, including CDABs.

<sup>2</sup> "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.

<sup>3</sup> Proceeds may be returned to the OPA.

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
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	366,279	399,266	430,842	463,499	497,133
Interest	5,294	4,694	3,946	3,114	2,139
Dividends	28,708	15,000	10,000	10,000	10,000
Other	9,837	6,939	8,029	8,920	9,592
<b>Total non-taxation revenue</b>	<b>410,118</b>	<b>425,899</b>	<b>452,817</b>	<b>485,533</b>	<b>518,864</b>
<b>Total revenues administered on behalf of Government</b>	<b>410,118</b>	<b>425,899</b>	<b>452,817</b>	<b>485,533</b>	<b>518,864</b>
<b>Total income administered on behalf of Government</b>	<b>410,118</b>	<b>425,899</b>	<b>452,817</b>	<b>485,533</b>	<b>518,864</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	647	15	-	-	-
Supplier expenses	29,108	24,131	23,272	23,693	24,125
Personal benefits	2,038	1,976	1,976	1,993	2,011
Grants	250,274	243,681	243,681	245,575	247,933
Finance costs	5,290	4,522	3,834	3,058	2,131
<b>Total expenses administered on behalf of Government</b>	<b>287,357</b>	<b>274,325</b>	<b>272,763</b>	<b>274,319</b>	<b>276,200</b>

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	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
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4,841	5,318	5,318	5,318	5,318
Receivables	83,022	71,392	61,272	51,092	40,402
Investments accounted for using the equity method	407,606	407,606	407,606	407,606	407,606
Other	122	122	122	122	122
<b>Total financial assets</b>	<b>495,591</b>	<b>484,438</b>	<b>474,318</b>	<b>464,138</b>	<b>453,448</b>
<b>Non-financial assets</b>					
Other	3,649	3,649	3,649	3,649	3,649
<b>Total non-financial assets</b>	<b>3,649</b>	<b>3,649</b>	<b>3,649</b>	<b>3,649</b>	<b>3,649</b>
<b>Total assets administered on behalf of Government</b>	<b>499,240</b>	<b>488,087</b>	<b>477,967</b>	<b>467,787</b>	<b>457,097</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	16,517	16,517	16,517	16,517	16,517
Other	91,917	77,817	65,317	52,817	40,317
<b>Total payables</b>	<b>108,434</b>	<b>94,334</b>	<b>81,834</b>	<b>69,334</b>	<b>56,834</b>
<b>Interest bearing liabilities</b>					
Other	25,244	20,266	15,656	12,018	9,441
<b>Total interest bearing liabilities</b>	<b>25,244</b>	<b>20,266</b>	<b>15,656</b>	<b>12,018</b>	<b>9,441</b>
<b>Provisions</b>					
Other	39,466	39,466	39,466	39,466	39,466
<b>Total provisions</b>	<b>39,466</b>	<b>39,466</b>	<b>39,466</b>	<b>39,466</b>	<b>39,466</b>
<b>Total liabilities administered on behalf of Government</b>	<b>173,144</b>	<b>154,066</b>	<b>136,956</b>	<b>120,818</b>	<b>105,741</b>

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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	362,451	399,266	430,842	463,499	497,133
Interest	59	83	83	83	83
Dividends	28,708	15,000	10,000	10,000	10,000
Net GST received	2,655	2,129	2,042	2,093	2,145
Other	10,345	5,303	6,185	7,129	8,156
<b>Total cash received</b>	<b>404,218</b>	<b>421,781</b>	<b>449,152</b>	<b>482,804</b>	<b>517,517</b>
<b>Cash used</b>					
Grant payments	250,824	244,231	244,231	246,125	248,483
Personal benefits	2,905	1,976	1,976	1,993	2,011
Suppliers	23,599	22,631	21,772	22,293	22,825
Net GST paid	3,140	2,129	2,042	2,093	2,145
Borrowing costs	6,400	5,114	4,762	3,738	2,751
Employees	647	15	-	-	-
Other	1,566	1,500	1,600	1,500	1,300
<b>Total cash used</b>	<b>289,081</b>	<b>277,596</b>	<b>276,383</b>	<b>277,742</b>	<b>279,515</b>
<b>Net cash from (used by) operating activities</b>	<b>115,137</b>	<b>144,185</b>	<b>172,769</b>	<b>205,062</b>	<b>238,002</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	12,500	12,500	12,500	12,500	12,500
<b>Total cash received</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>
<b>Cash used</b>					
Other	12,500	12,500	12,500	12,500	12,500
<b>Total cash used</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>
<b>Net cash from (used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>					
Cash and cash equivalents at beginning of reporting period	11,376	4,841	5,318	5,318	5,318
Cash from Official Public Account for:					
- Appropriations	285,584	274,910	273,784	275,092	275,576
	<b>285,584</b>	<b>274,910</b>	<b>273,784</b>	<b>275,092</b>	<b>275,576</b>
Cash to Official Public Account for:					
- Appropriations	407,256	418,618	446,553	480,154	513,578
	<b>407,256</b>	<b>418,618</b>	<b>446,553</b>	<b>480,154</b>	<b>513,578</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>4,841</b>	<b>5,318</b>	<b>5,318</b>	<b>5,318</b>	<b>5,318</b>

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 budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are budgeted for, and reported on, separately to transactions which 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 budgeting framework**

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

- Departmental appropriations: representing the Government's funding for agency programs;
- Departmental capital budget appropriations: representing the Government's funding through additional equity for the replacement of existing agency assets as they reach the end of their useful life;
- Departmental capital appropriations: for new investments by the Government through additional equity;
- Administered expense appropriations: for the estimated administered expenses relating to specific programs; and
- Administered capital appropriations: for increases in administered equity through funding non-expense administered payments.



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

The department has one administered investment in the Export Finance and Insurance Corporation (EFIC) with an estimated asset value of \$407.6 million as at 30 June 2010. This investment is revalued once each financial year based on the net asset position of EFIC as at 30 June.

### **Asset Valuation**

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



# **Australian Trade Commission (Austrade)**

## **Agency resources and planned performance**



# AUSTRALIAN TRADE COMMISSION (AUSTRADE)

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# AUSTRALIAN TRADE COMMISSION (AUSTRADE)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Trade Commission (Austrade) is the Australian Government's trade and investment development agency and operates as a statutory agency within the Foreign Affairs and Trade portfolio.

Austrade's outcomes are:

- Advance Australia's trade and investment interests through information, advice and services to businesses, industry and governments; and
- The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.

A comprehensive review of Austrade was conducted in 2010, supported by consultations across government and business. 2011-12 will see the implementation of changes to Austrade's operating model and basis for organising as a consequence of this review. One impact will be a redistribution of Austrade's international representation as well as the implementation of new service delivery approaches in Australia.

In 2011-12 Austrade's international activities will be more clearly directed towards growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability (including education), and where there is a clear role for Government through Austrade. In established markets, it will focus predominantly on opportunities for inward investment and education services. Austrade will deliver practical in-market support, advice and insights to Australian businesses. These activities provide the most value in markets where language and business culture can be a barrier, where there is less openness of regulatory frameworks and transparency of business processes, where there are difficulties accessing distribution channels and commercial connections, and where the value of the 'badge of government' is highest.

Austrade's network of offices across 54 countries will be strengthened with the establishment of new trade and investment representation in major growth and emerging markets that have high growth potential, including Mongolia. Austrade's activities in these markets will have a strong focus on trade development, as well as marketing of international education and, over the longer term, investment.

Through its international network, Austrade will draw on its relationships and connections with international customers, investors and decision makers to identify commercial opportunities including short term, single buyer commercial transactions, and longer term, higher value project-based opportunities.

In more established markets such as North America and Europe, Austrade's focus will be predominantly on inward investment and education services, with greater use of partners, referrals and online information and services to support Australia's exporters in these markets.

Austrade's support for inward investment activity will include the proactive attraction of foreign direct investment aligned to agreed government priorities, supported by the promotion in target markets of Australia's attractiveness as a destination for investment. Where international businesses have indicated an interest in Australia as a potential destination for investing, Austrade will work in partnership with State and Territory Governments to facilitate such investments.

Austrade will continue to promote the sustainable development of Australia's international education and training services, and support the international standing of Australia's education system as world class and globally connected. Austrade will assist the sector in the repositioning of Australian education at a time when Australia is facing a downturn in international student enrolments, in part due to a stronger Australian currency and increased competition from other countries.

Austrade will lead the use of the *Australia Unlimited* nation brand on behalf of the Government to advance Australia's image and reputation across a wide range of fields including trade, investment, innovation, diplomacy, international education and tourism. This includes enhancing international awareness of Australia's business capabilities, of Australia as a destination for investment and as a source of competitive, high quality goods and services, with a world class international education system. Austrade will continue to lead the roll-out of the brand, including building greater support for and use of the brand by Australian government agencies and their State and Territory counterparts and other organisations promoting Australia and Australian interests overseas.

Austrade will continue to support delivery of the Government's Clean Energy Trade and Investment Strategy and Automotive Market Access Plan by attracting inward investment and identifying export opportunities to assist the growth of a sustainable clean energy sector, and support the automotive components sector to integrate into global supply chains and increase its share of markets in Asia and North America.

Within Australia, Austrade has 14 offices and manages the TradeStart network of export advisers across 31 locations in metropolitan and regional Australia. A core element of Austrade's strategy is to apply its resources to maximum effect by working in partnership across all levels of Government and with extended networks in the



private sector for the delivery of services to Australian businesses and to bring investment to Australia.

The Export Market Development Grants (EMDG) scheme, which assists small and medium-sized Australian businesses to address the challenges associated with undertaking promotion in export markets and achieve international business growth, will continue to be managed by Austrade.

Austrade will support Australians in specific locations overseas through the delivery of effective, accurate and timely consular and passport services, travel advice, practical contingency planning and rapid crisis response.

## 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: Austrade 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
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	35,590 <sup>5</sup>	-	35,590	33,476
Departmental appropriation <sup>3</sup>	-	184,221	184,221	189,772
s31 Relevant agency receipts <sup>4</sup>	-	26,996	26,996	26,996
<b>Total</b>	<b>35,590</b>	<b>211,217</b>	<b>246,807</b>	<b>250,244</b>
<b>Administered expenses</b>				
Outcome 1	-	150,400	150,400	150,400
<b>Total</b>	<b>-</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>
<b>Total ordinary annual services</b>	<b>A 35,590</b>	<b>361,617</b>	<b>397,207</b>	<b>400,644</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	5,269	-	5,269	7,821
<b>Total</b>	<b>5,269</b>	<b>-</b>	<b>5,269</b>	<b>7,821</b>
<b>Total other services</b>	<b>B 5,269</b>	<b>-</b>	<b>5,269</b>	<b>7,821</b>
<b>Total available annual appropriations</b>	<b>40,859</b>	<b>361,617</b>	<b>402,476</b>	<b>408,465</b>
<b>Total net resourcing for Austrade</b>				
(A + B)	<b>40,859</b>	<b>361,617</b>	<b>402,476</b>	<b>408,465</b>

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

2. Estimated adjusted balance carried forward from previous year for annual appropriations.

3. Includes \$15.3 million 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. Estimated adjusted balance carried from previous year for Annual Appropriations. Funds are required for Austrade to meet obligations, employee entitlement liabilities and other commitments.

**Reader note: All figures are GST exclusive.**

### 1.3 BUDGET MEASURES

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

**Table 1.2: Agency 2011-12 Budget Measures**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Expense measures</b>						
Efficiency dividend – temporary increase in the rate						
Departmental expenses	1.1, 2.1	-	(857)	(1,668)	(2,040)	(2,509)
<b>Total</b>		-	<b>(857)</b>	<b>(1,668)</b>	<b>(2,040)</b>	<b>(2,509)</b>
<b>Total expense measures</b>						
Departmental		-	(857)	(1,668)	(2,040)	(2,509)
<b>Total</b>		-	<b>(857)</b>	<b>(1,668)</b>	<b>(2,040)</b>	<b>(2,509)</b>
<b>Capital measures</b>						
Efficiency dividend – temporary increase in the rate						
Departmental capital	1.1	-	(78)	(235)	(180)	(281)
<b>Total</b>		-	<b>(78)</b>	<b>(235)</b>	<b>(180)</b>	<b>(281)</b>
<b>Total capital measures</b>						
Departmental		-	(78)	(235)	(180)	(281)
<b>Total</b>		-	<b>(78)</b>	<b>(235)</b>	<b>(180)</b>	<b>(281)</b>

Prepared on a Government Financial Statistics (fiscal) basis.

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

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Expense Measures</b>						
Foreign Affairs and Trade Portfolio – efficiencies						
Departmental expenses	1.1	-	(2,223)	(2,209)	(2,233)	-
<b>Total</b>		-	<b>(2,223)</b>	<b>(2,209)</b>	<b>(2,233)</b>	-
<b>Total measures</b>						
Departmental		-	(2,223)	(2,209)	(2,233)	-
<b>Total Departmental Expenses</b>		-	<b>(2,223)</b>	<b>(2,209)</b>	<b>(2,233)</b>	-

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 Austrade in achieving Government outcomes.

**Outcome 1: Advance Australia's trade and investment interests through information, advice and services to businesses, industry and governments**

#### Outcome 1 Strategy

Austrade will apply its knowledge of and connections in international markets, and its status as a Government organisation, to identify and present commercial opportunities to Australian business, institutions, and industry. Austrade's full range of services will be delivered in growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability (including education). In established markets, Austrade will focus predominantly on inward investment and education. Wherever possible, Austrade will partner with other Commonwealth Government agencies and state and territory governments and private sector organisations in delivering its trade, investment and international education activities.

## 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**

<b>Outcome 1: Advance Australia's trade and investment interests through information, advice and services to businesses, industry and governments</b>	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 1.1: Trade and investment development</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	188,764	182,855
Expenses not requiring appropriation in the Budget year <sup>2</sup>	19,288	19,578
<b>Total for Program 1.1</b>	<b>208,052</b>	<b>202,433</b>
<b>Program 1.2: Trade development schemes (EMDG)</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	150,400	150,400
<b>Total for Program 1.2</b>	<b>150,400</b>	<b>150,400</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	150,400	150,400
Departmental expenses		
Departmental appropriation <sup>1</sup>	188,764	182,855
Expenses not requiring appropriation in the Budget year <sup>2</sup>	19,288	19,578
<b>Total expenses for Outcome 1</b>	<b>358,452</b>	<b>352,833</b>
	<b>2010-11</b>	<b>2011-12</b>
<b>Average Staffing Level (number)</b>	1,028	1,002

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

2. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood 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 and demand changes.

## Contributions to Outcome 1

### Program 1.1: Trade and investment development

#### Program 1.1 Objective

Austrade will advance Australian trade, investment and international education interests by identifying and presenting international opportunities and delivering practical in-market support, advice and insights to Australian businesses and institutions.

#### Program 1.1 Expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
( '000)					
Annual departmental expenses:					
Departmental item	188,764	182,855	178,084	174,599	178,195
Expenses not requiring appropriation in the Budget year <sup>1</sup>	19,288	19,578	19,727	19,523	19,580
<b>Total program expenses</b>	<b>208,052</b>	<b>202,433</b>	<b>197,811</b>	<b>194,122</b>	<b>197,775</b>

1. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.

### Program 1.1 Deliverables

- Identify foreign business opportunities for Australian companies and industries, particularly in growth and emerging markets that offer commercial potential and align with Australian capability; where there are difficulties accessing distribution channels and commercial connections; and where the value of the 'badge of government' is highest.
- Deliver market-related services, advice and information to assist Australian companies in international markets to capture opportunities.
- Build linkages and networks with key decision-makers, buyers, investors and institutions and facilitate access to senior officials and business executives in international markets, and assist Australian firms with 'behind the border' barriers to trade and investment, consistent with legal obligations including anti-bribery laws both in Australia and overseas.
- Work with state and territory and other Commonwealth government agencies to secure productive foreign direct investment from target markets that complements or capitalises on domestic capabilities.
- Promote Australia's nation brand, *Australia Unlimited* in target markets to advance Australia's image and reputation across a wide range of fields including trade, investment, innovation, diplomacy, international education and tourism.
- Promote the international standing of Australia's education system as world-class, and assist in the marketing of Australian education to support the sustainable development of Australia's international education and training services.
- Support the delivery of the Automotive Market Access Program and Clean Energy Trade and Investment Strategy.
- Strengthen investment in online information and service delivery and new partnerships to achieve a more contemporary approach to service delivery.
- Assess applications for the income tax exemption available under Section 23AF of the *Income Tax Assessment Act 1936*, to assist the international competitiveness of Australian companies and government organisations competing to win international tenders.
- Draw on Austrade's global, commercial perspective to provide advice to Government.

**Program 1.1 Key Performance Indicators**

- High-potential international trade opportunities identified and presented to Australian businesses.
- Number of Australian businesses provided with practical in-market services and advice.
- Australian business community satisfaction with Austrade's services.
- Attraction of high value-add inward investment from targeted markets, in cooperation with state and territory governments and partners.
- Strong international awareness of Australia as a destination for investment and as a source of competitive, high quality goods and services and world class international education system.
- Effective international marketing of Australia's education services, in cooperation with relevant education institutions and stakeholders.
- Effective delivery of trade and investment strategies through the Automotive Market Access Program and Clean Energy Trade and Investment Strategy.
- Effective contribution to whole-of-government policy development utilising Austrade's global, commercial perspective on export, investment and international education.
- Effective collaboration and partnerships with stakeholders including other Commonwealth government agencies, state and territory governments, business and industry associations and institutions.



## Program 1.2: Trade development schemes – Export Market Development Grants (EMDG)

### Program 1.2 Objective

Provide an incentive for businesses to enter into export and grow to become sustainable exporters.

### Program 1.2 Expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
(‘000)					
Annual administered expenses:					
Administered item	150,400	150,400	150,400	150,400	150,400
<b>Total program expenses</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>

### Program 1.2 Deliverables

Administration of the Export Market Development Grants scheme, providing partial reimbursement for expenditure on eligible export promotion activities.

### Program 1.2 Key Performance Indicators

Key Performance Indicators	2010-11 Revised budget	2011-12 Budget estimate
Number of grant applications	4,585	4,000 - 4,500
Number of grant recipients	4,264	3,720 - 4,185

**Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas**

## Outcome 2 Strategy

Austrade supports Australians travelling and working overseas through the delivery of effective, accurate and timely consular and passport services, travel advice, practical contingency planning and rapid crisis response in locations overseas where Austrade has consular management responsibilities.

## 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**

<b>Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas</b>	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 2.1: Consular and passport services</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	13,846	13,050
<b>Total for Program 2.1</b>	<b>13,846</b>	<b>13,050</b>
<b>Outcome 2 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	13,846	13,050
<b>Total expenses for Outcome 2</b>	<b>13,846</b>	<b>13,050</b>
	<b>2010-11</b>	<b>2011-12</b>
<b>Average Staffing Level (number)</b>	50	46

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

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 2

### Program 2.1: Consular and passport services

#### Program 2.1 Objective

Support Australians in specific locations overseas through a effective consular service, accurate and timely travel advice, practical contingency planning and rapid crisis response.

#### Program 2.1 Expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
( '000)					
Annual departmental expenses:					
Departmental item	13,846	13,050	12,812	12,626	12,803
<b>Total program expenses</b>	<b>13,846</b>	<b>13,050</b>	<b>12,812</b>	<b>12,626</b>	<b>12,803</b>

#### Program 2.1 Deliverables

In specific locations overseas:

- Deliver comprehensive, responsive, high quality consular services to an increasing number of Australian travellers and citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters and medical emergencies.
- Provide high-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.
- Undertake effective consular contingency planning for major events or high-risk scenarios, including through regular reviews of procedures and available resources, training of staff and coordination with other government agencies and foreign governments.

**Program 2.1 Key Performance Indicators**

In specific locations overseas:

- The delivery of consular services is effective, efficient, timely and responsive.
- Clients are satisfied with the efficiency and effectiveness in delivering passport services, with routine passports issued within ten working days and urgent passport issues dealt with in a timely and responsive manner.
- Consular contingency planning accurately anticipates high-risk events and scenarios. Procedures and networks remain valid and viable, and plans are tested and reviewed regularly.

	2010-11	2011-12
Key Performance Indicators	Revised budget	Budget estimate
Passport applications received	14,366	12,645
Number of notarial acts	9,751	9,798

## 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

There has been no movement of administered funds between years for Austrade since the 2010-11 Budget.

#### 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 Austrade.

**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
Admin Payments and Receipts for Other Entities Special Account <sup>1</sup> (A)	1	100 100	9,200 9,444	(9,200) (9,444)	- -	100 100
Other Trust Moneys Special Account <sup>2</sup> (D)	1	60 1,023	640 640	(640) (1,603)	- -	60 60
<b>Total Special Accounts 2011-12 Budget estimate</b>		<b>160</b>	<b>9,840</b>	<b>(9,840)</b>	<b>-</b>	<b>160</b>
<i>Total Special Accounts 2010-11 estimate actual</i>		<i>1,123</i>	<i>10,084</i>	<i>(11,047)</i>	<i>-</i>	<i>160</i>

1. s20 Financial Management and Accountability Act, 1997 Determination 2006/15.

2. s20 Financial Management and Accountability Act, 1997 Determination 2006/16.

(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	
<b>Austrade</b>							
<b>Outcome 1</b>							
Departmental 2011-12	120			120		120	1.1
Departmental 2010-11	49			49		49	1.1
Total outcome 2011-12	120	-	-	120	-	120	1.1
Total outcome 2010-11	49	-	-	49	-	49	1.1
Total departmental 2011-12	120	-	-	120	-	120	1.1
Total departmental 2010-11	49	-	-	49	-	49	1.1
<b>Total AGIE 2011-12</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>-</b>	<b>120</b>	<b>1.1</b>
<b>Total AGIE 2010-11</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>49</b>	<b>1.1</b>

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

An analysis of Austrade's budgeted financial statements, as reflected in the departmental financial statements and administered schedules, is provided below.

#### **Departmental financial statements**

The Departmental financial statements represent the assets, liabilities, revenues and expenses which are controlled by Austrade. Departmental expenses include employee and supplier expenses and other administrative costs which are incurred by Austrade in undertaking its operations.

#### **Budgeted departmental comprehensive income statement**

This statement provides estimated actual financial results for 2010-11 and the estimated revenue and expenses for 2011-12 and forward years.

Total income in 2011-12 is estimated to be \$196.1 million, which represents a decrease of \$6.7 million in appropriations from the 2010-11 estimated actual, comprising of decreases due to:

- 2011-12 budget measures (\$0.9 million)
- measures agreed in 2010-11 with an impact in 2011-12 (\$2.2 million).
- a reduction in amortisation funding (\$2.5 million).
- foreign exchange variations and parameter adjustments (\$1.1 million)

Austrade is receiving funding of \$15.3 million to fund the Departmental Capital Budget which is treated as an equity injection.

Total estimated expenses for 2011-12 have decreased by \$6.4 million to reflect the reduction in income, partially offset by an increase in depreciation.

#### **Budgeted departmental balance sheet**

This statement discloses the estimated end of year financial position for Austrade. Austrade's budgeted net asset position at the end of 2011-12 of \$50.7 million represents a decrease of \$4.1 million from the 2010-11 estimated actual in table 3.2.2 due to the variation between capital program funding (\$15.3 million) and estimated depreciation expense (\$19.4 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, assets revaluation and other reserves, and contributed equity.

Total equity at the end of 2011-12 is estimated to be \$50.7 million, a decrease of \$4.1 million due to the variation between capital funding (\$15.3 million) and depreciation expense (\$19.4 million).

### **Budgeted departmental statement of cash flows**

This statement shows the extent and nature of cash flows as a result of Austrade's operating, investing and financing activities. Austrade's cash balance at the end of 2011-12 is estimated to be \$5.5 million.

### **Departmental capital budget statement**

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

### **Departmental statement of asset movements**

This statement shows budgeted acquisitions and disposals of non-financial assets during the budget year.

### **Schedule of administered activity**

Details of transactions administered by Austrade on behalf of the Government are shown in the following schedules to the financial statements.

### **Schedule of budgeted income and expenses administered on behalf of Government**

This schedule discloses revenue and expenses administered on behalf of the Government.

Administered expenses of \$150.4 million for 2011-12 relate to the EMDG scheme. This is comprised of \$142.9 million in grant expenditure and \$7.5 million in expenditure for the costs of administering the EMDG scheme on behalf of the Government.

### **Schedule of budgeted assets and liabilities administered on behalf of Government**

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



Total administered assets and liabilities for 2011-12 are estimated at \$0.1 million and \$11.0 million respectively.

**Schedule of budgeted administered cash flows**

This schedule shows cash flows administered on behalf of the Government. All cash received is expected to be expended on the EMDG scheme.

### 3.2.2 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)  
(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
<b>EXPENSES</b>					
Employee benefits	112,427	108,551	106,598	104,949	107,079
Supplier expenses	90,341	87,512	84,456	82,434	84,077
Depreciation and amortisation	19,130	19,420	19,569	19,365	19,422
<b>Total expenses</b>	<b>221,898</b>	<b>215,483</b>	<b>210,623</b>	<b>206,748</b>	<b>210,578</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	24,746	24,746	24,746	24,746	24,746
Rental income	500	500	500	500	500
Other	1,500	1,500	1,500	1,500	1,500
<b>Total own-source revenue</b>	<b>26,746</b>	<b>26,746</b>	<b>26,746</b>	<b>26,746</b>	<b>26,746</b>
<b>Gains</b>					
Sale of assets	250	250	250	250	250
Other	158	158	158	158	158
<b>Total gains</b>	<b>408</b>	<b>408</b>	<b>408</b>	<b>408</b>	<b>408</b>
<b>Total own-source income</b>	<b>27,154</b>	<b>27,154</b>	<b>27,154</b>	<b>27,154</b>	<b>27,154</b>
<b>Net cost of (contribution by) services</b>	<b>194,744</b>	<b>188,329</b>	<b>183,469</b>	<b>179,594</b>	<b>183,424</b>
Revenue from Government	175,614	168,909	163,900	160,229	164,002
<b>Surplus (Deficit)</b>	<b>(19,130)</b>	<b>(19,420)</b>	<b>(19,569)</b>	<b>(19,365)</b>	<b>(19,422)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(19,130)</b>	<b>(19,420)</b>	<b>(19,569)</b>	<b>(19,365)</b>	<b>(19,422)</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(19,130)</b>	<b>(19,420)</b>	<b>(19,569)</b>	<b>(19,365)</b>	<b>(19,422)</b>

**Note: Reconciliation of comprehensive income attributable to the agency**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Total Comprehensive Income (loss) Attributable to the Australian Government</b>	<b>(19,130)</b>	<b>(19,420)</b>	<b>(19,569)</b>	<b>(19,365)</b>	<b>(19,422)</b>
plus non-appropriated expenses depreciation and amortisation expenses	19,130	19,420	19,569	19,365	19,422
<b>Total Comprehensive Income (loss) Attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(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
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	41,640	42,278	43,778	45,278	45,278
<b>Total financial assets</b>	<b>47,140</b>	<b>47,778</b>	<b>49,278</b>	<b>50,778</b>	<b>50,778</b>
<b>Non-financial assets</b>					
Land and buildings	12,605	12,199	14,840	13,778	14,486
Property, plant and equipment	22,754	19,923	20,183	18,207	17,081
Intangibles	18,141	18,132	18,799	16,570	15,925
Other	5,707	5,707	5,707	5,707	5,707
<b>Total non-financial assets</b>	<b>59,207</b>	<b>55,961</b>	<b>59,529</b>	<b>54,262</b>	<b>53,199</b>
<b>Total assets</b>	<b>106,347</b>	<b>103,739</b>	<b>108,807</b>	<b>105,040</b>	<b>103,977</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	13,717	13,717	13,717	13,717	13,717
Other	4,568	4,568	4,568	4,568	4,568
<b>Total payables</b>	<b>18,285</b>	<b>18,285</b>	<b>18,285</b>	<b>18,285</b>	<b>18,285</b>
<b>Provisions</b>					
Employee provisions	33,060	34,560	36,060	37,560	37,560
Other	192	192	192	192	192
<b>Total provisions</b>	<b>33,252</b>	<b>34,752</b>	<b>36,252</b>	<b>37,752</b>	<b>37,752</b>
<b>Total liabilities</b>	<b>51,537</b>	<b>53,037</b>	<b>54,537</b>	<b>56,037</b>	<b>56,037</b>
<b>Net assets</b>	<b>54,810</b>	<b>50,702</b>	<b>54,270</b>	<b>49,003</b>	<b>47,940</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	28,770	44,082	67,219	81,317	99,676
Reserves	58,518	58,518	58,518	58,518	58,518
Retained surplus (accumulated deficit)	(32,478)	(51,898)	(71,467)	(90,832)	(110,254)
<b>Total Equity</b>	<b>54,810</b>	<b>50,702</b>	<b>54,270</b>	<b>49,003</b>	<b>47,940</b>

\* '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	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2011</b>					
Balance carried forward from previous period	(32,478)	19,793	38,725	28,770	54,810
<b>Adjusted opening balance</b>	<b>(32,478)</b>	<b>19,793</b>	<b>38,725</b>	<b>28,770</b>	<b>54,810</b>
Surplus (deficit) for the period	(19,420)				(19,420)
<b>Total comprehensive income</b>	<b>(51,898)</b>	<b>19,793</b>	<b>38,725</b>	<b>28,770</b>	<b>35,390</b>
<b>Transactions with owners</b>					
Departmental Capital Budget (DCBs)				15,312	15,312
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,312</b>	<b>15,312</b>
<b>Estimated closing balance as at 30 June 2012</b>	<b>(51,898)</b>	<b>19,793</b>	<b>38,725</b>	<b>44,082</b>	<b>50,702</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(51,898)</b>	<b>19,793</b>	<b>38,725</b>	<b>44,082</b>	<b>50,702</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows  
(for the period ended 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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	25,246	25,246	25,246	25,246	25,246
Appropriations	176,643	167,409	162,400	158,729	164,002
Net GST received	5,705	5,714	5,714	5,714	5,714
Other	1,500	1,500	1,500	1,500	1,500
<b>Total cash received</b>	<b>209,094</b>	<b>199,869</b>	<b>194,860</b>	<b>191,189</b>	<b>196,462</b>
<b>Cash used</b>					
Employees	110,433	107,051	105,098	103,449	107,079
Suppliers	90,062	87,354	84,298	82,276	83,919
Net GST paid	5,705	5,714	5,714	5,714	5,714
<b>Total cash used</b>	<b>206,200</b>	<b>200,119</b>	<b>195,110</b>	<b>191,439</b>	<b>196,712</b>
<b>Net cash from (used by) operating activities</b>	<b>2,894</b>	<b>(250)</b>	<b>(250)</b>	<b>(250)</b>	<b>(250)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	250	250	250	250	250
<b>Total cash received</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	16,710	16,174	23,137	14,098	18,359
<b>Total cash used</b>	<b>16,710</b>	<b>16,174</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>Net cash from (used by) investing activities</b>	<b>(16,460)</b>	<b>(15,924)</b>	<b>(22,887)</b>	<b>(13,848)</b>	<b>(18,109)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	16,710	16,174	23,137	14,098	18,359
<b>Total cash received</b>	<b>16,710</b>	<b>16,174</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>Net cash from (used by) financing activities</b>	<b>16,710</b>	<b>16,174</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>Net increase (decrease) in cash held</b>	<b>3,144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	2,356	5,500	5,500	5,500	5,500
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period					
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>

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	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital Budget - Bill 1 (DCB)	14,158	15,312	23,137	14,098	18,359
<b>Total capital appropriations</b>	<b>14,158</b>	<b>15,312</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	14,158	15,312	23,137	14,098	18,359
<b>Total Items</b>	<b>14,158</b>	<b>15,312</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by Capital Appropriation	2,552	862			
Funded by Capital Appropriation - DCB <sup>1</sup>	14,158	15,312	23,137	14,098	18,359
<b>TOTAL</b>	<b>16,710</b>	<b>16,174</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	16,710	16,174	23,137	14,098	18,359
<b>Total cash used to acquire assets</b>	<b>16,710</b>	<b>16,174</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>

1. Does not include annual finance lease costs. Includes purchase from current and previous years Departmental Capital Budgets.  
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
<b>As at 1 July 2011</b>				
Gross book value	18,769	30,110	47,891	96,770
Accumulated depreciation/amortisation and impairment	6,164	7,356	29,750	43,270
<b>Opening net book balance</b>	<b>12,605</b>	<b>22,754</b>	<b>18,141</b>	<b>53,500</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services <sup>1</sup>	5,919	4,048	5,345	15,312
By purchase - other	862			862
<b>Total additions</b>	<b>6,781</b>	<b>4,048</b>	<b>5,345</b>	<b>16,174</b>
<b>Other movements</b>				
Depreciation/amortisation expense	7,187	6,879	5,354	19,420
<b>As at 30 June 2012</b>				
Gross book value	25,550	34,158	53,236	112,944
Accumulated depreciation/amortisation and impairment	13,351	14,235	35,104	62,690
<b>Closing net book balance</b>	<b>12,199</b>	<b>19,923</b>	<b>18,132</b>	<b>50,254</b>

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.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (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
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Total income administered on behalf of Government</b>	-	-	-	-	-
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	5,350	5,350	5,350	5,350	5,350
Supplier expenses	2,170	2,170	2,170	2,170	2,170
Grants	142,880	142,880	142,880	142,880	142,880
<b>Total expenses administered on behalf of Government</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>

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
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Receivables	74	74	74	74	74
<b>Total financial assets</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>
<b>Non-financial assets</b>					
Other	34	34	34	34	34
<b>Total non-financial assets</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>
<b>Total assets administered on behalf of Government</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	118	118	118	118	118
Other	132	132	132	132	132
<b>Total payables</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Provisions</b>					
Employee provisions	2,249	2,249	2,249	2,249	2,249
Grants	8,500	8,500	8,500	8,500	8,500
<b>Total provisions</b>	<b>10,749</b>	<b>10,749</b>	<b>10,749</b>	<b>10,749</b>	<b>10,749</b>
<b>Total liabilities administered on behalf of Government</b>	<b>10,999</b>	<b>10,999</b>	<b>10,999</b>	<b>10,999</b>	<b>10,999</b>

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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	195	195	195	195	195
<b>Total cash received</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>
<b>Cash used</b>					
Grant payments	142,880	142,880	142,880	142,880	142,880
Suppliers	2,170	2,170	2,170	2,170	2,170
Net GST paid	195	195	195	195	195
Employees	5,350	5,350	5,350	5,350	5,350
<b>Total cash used</b>	<b>150,595</b>	<b>150,595</b>	<b>150,595</b>	<b>150,595</b>	<b>150,595</b>
<b>Net cash from (used by) operating activities</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>
<b>Net increase (decrease) in cash held</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	150,400	150,400	150,400	150,400	150,400
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

### **3.2.3 Notes to the financial statements**

Austrade's budgeted statements are prepared on an Australian Equivalents to International Financial Standards (AEIFRS) basis.

Under the Government's budgeting framework, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from 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**

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

#### **Administered**

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



# **Australian Agency for International Development (AusAID)**

## **Agency resources and planned performance**



# AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AusAID)

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# **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
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	33,242	33,242	33,242	-
Departmental appropriation <sup>3</sup>	-	278,075	278,075	252,347
s31 Relevant agency receipts <sup>4</sup>	-	231	231	231
<b>Total</b>	<b>33,242</b>	<b>311,548</b>	<b>311,548</b>	<b>252,578</b>
<b>Administered expenses<sup>1</sup></b>				
Outcome 1 <sup>5 &amp; 6</sup>	2,081,749	3,765,581	5,847,330	3,669,972
Outcome 2	-	-	-	3,668
<b>Total</b>	<b>2,081,749</b>	<b>3,765,581</b>	<b>5,847,330</b>	<b>3,673,640</b>
<b>Total ordinary annual services</b>	<b>A 2,114,991</b>	<b>4,077,129</b>	<b>6,158,878</b>	<b>3,926,218</b>
<b>Other services<sup>7</sup></b>				
<b>Administered revenue</b>				
Outcome 1	-	9,465	9,465	8,605
<b>Total</b>	<b>-</b>	<b>9,465</b>	<b>9,465</b>	<b>8,605</b>
<b>Departmental non-operating<sup>8</sup></b>				
Equity injections	-	15,780	15,780	12,326
<b>Total</b>	<b>-</b>	<b>15,780</b>	<b>15,780</b>	<b>12,326</b>
<b>Administered non-operating<sup>8</sup></b>				
Administered assets and liabilities	-	47,903	47,903	553,630
<b>Total</b>	<b>-</b>	<b>47,903</b>	<b>47,903</b>	<b>553,630</b>
<b>Total other services</b>	<b>B -</b>	<b>73,148</b>	<b>73,148</b>	<b>574,561</b>
<b>Total available annual appropriations</b>	<b>2,114,991</b>	<b>4,150,277</b>	<b>6,232,026</b>	<b>4,500,779</b>
<b>Special appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total special appropriations</b>	<b>C -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total appropriations excluding Special Accounts</b>	<b>2,114,991</b>	<b>4,150,277</b>	<b>6,232,026</b>	<b>4,500,779</b>

**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
<b>Special Accounts</b>				
Opening balance <sup>9</sup>	144,734	-	144,734	222,371
Non-appropriation receipts to Special Accounts	-	5,000	5,000	-
<b>Total Special Account</b>	<b>D 144,734</b>	<b>5,000</b>	<b>149,734</b>	<b>222,371</b>
<b>Total resourcing A+B+C+D</b>	<b>2,259,725</b>	<b>4,155,277</b>	<b>6,381,760</b>	<b>4,723,150</b>
<b>Total net resourcing for AusAID</b>	<b>2,259,725</b>	<b>4,155,277</b>	<b>6,381,760</b>	<b>4,723,150</b>

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 Moneys 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
<b>Expense measures</b>						
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
<b>Total</b>		-	<b>4,448</b>	<b>8,692</b>	<b>51,204</b>	<b>86,216</b>
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
<b>Total</b>		-	<b>41,755</b>	<b>79,608</b>	<b>220,640</b>	<b>353,697</b>
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
<b>Total</b>		-	<b>31,073</b>	<b>131,175</b>	<b>242,134</b>	<b>376,223</b>
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
<b>Total</b>		-	<b>18,685</b>	<b>40,083</b>	<b>78,089</b>	<b>107,095</b>
Official development assistance - Australian Civilian Corps - deployment funding						
Administered expenses	1.3	-	5,000	7,000	10,000	10,000
<b>Total</b>		-	<b>5,000</b>	<b>7,000</b>	<b>10,000</b>	<b>10,000</b>
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)
<b>Total</b>		-	<b>(21,813)</b>	<b>(22,304)</b>	<b>(22,805)</b>	<b>(23,318)</b>

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

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
<b>Measures</b>						
Official development assistance - Expanding aid to Africa, South and Central Asia and the Middle East						
Administered expenses	1.3	44,000	-	-	-	-
<b>Total</b>		<b>44,000</b>	-	-	-	-
<b>Total measures</b>						
Administered		44,000	-	-	-	-
<b>Total</b>		<b>44,000</b>	-	-	-	-

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**

<b>Outcome 1: To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest</b>	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 1.1: Official Development Assistance - PNG &amp; Pacific</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	881,523	935,737
Other services (Appropriation Bill No. 2)	3,813	3,893
<b>Total for Program 1.1</b>	<b>885,336</b>	<b>939,630</b>
<b>Program 1.2: Official Development Assistance - East Asia</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	791,247	943,962
<b>Total for Program 1.2</b>	<b>791,247</b>	<b>943,962</b>
<b>Program 1.3: Official Development Assistance - Africa, South and Central Asia, Middle East and Other</b>		
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
<b>Total for Program 1.3</b>	<b>928,254</b>	<b>1,085,806</b>
<b>Program 1.4: Official Development Assistance - Emergency, Humanitarian and Refugee Program</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	297,689	324,494
<b>Total for Program 1.4</b>	<b>297,689</b>	<b>324,494</b>
<b>Program 1.5: Official Development Assistance - Multilateral Replenishments</b>		
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
<b>Total for Program 1.5</b>	<b>1,369,754</b>	<b>58,010</b>
<b>Program 1.6: Official Development Assistance - UN Commonwealth and Other International Organisations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	269,671	291,852
<b>Total for Program 1.6</b>	<b>269,671</b>	<b>291,852</b>
<b>Program 1.7: Official Development Assistance - NGO, Volunteer and Community Programs</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	131,010	171,033
<b>Total for Program 1.7</b>	<b>131,010</b>	<b>171,033</b>



**Table 2.1: Budgeted Expenses for Outcome 1 (cont)**

	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program Support</b>		
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
<b>Total for Program Support</b>	<b>258,966</b>	<b>284,473</b>
<b>Outcome 1 Totals by appropriation type</b>		
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
<b>Total expenses for Outcome 1</b>	<b>4,978,851</b>	<b>4,099,260</b>
	2010-11	2011-12
<b>Average Staffing Level (number)</b>	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](http://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	-
<b>Total program expenses</b>	<b>885,336</b>	<b>939,630</b>	<b>1,045,831</b>	<b>1,050,923</b>	<b>1,117,399</b>

#### 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
<b>Total program expenses</b>	<b>791,247</b>	<b>943,962</b>	<b>1,149,339</b>	<b>1,288,409</b>	<b>1,576,758</b>

**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
<b>Total program expenses</b>	<b>928,284</b>	<b>1,088,997</b>	<b>1,061,845</b>	<b>1,171,862</b>	<b>1,456,355</b>

**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
<b>Total program expenses</b>	<b>297,689</b>	<b>324,494</b>	<b>332,719</b>	<b>339,255</b>	<b>341,018</b>

#### 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	-
<b>Total program expenses</b>	<b>1,369,754</b>	<b>58,010</b>	<b>541,551</b>	<b>763,370</b>	<b>12,622</b>

**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
<b>Total program expenses</b>	<b>269,671</b>	<b>291,852</b>	<b>569,694</b>	<b>606,574</b>	<b>301,837</b>

**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
<b>Total program expenses</b>	<b>131,010</b>	<b>171,033</b>	<b>195,063</b>	<b>236,340</b>	<b>268,687</b>

#### 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
<b>Total program expenses</b>	<b>258,714</b>	<b>284,215</b>	<b>283,823</b>	<b>280,343</b>	<b>282,599</b>

**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**

<b>Outcome 2: Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development</b>	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 2.1: East Asia</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,611	-
AIPRD grant special account <sup>1</sup>	7,367	-
AIPRD loans special account <sup>1</sup>	70,000	40,000
<b>Total for Program 2.1</b>	<b>80,978</b>	<b>40,000</b>
<b>Program Support</b>		
Departmental expenses		
Departmental item (Bill 1)	5,281	-
<b>Total for Departmental Support</b>	<b>5,281</b>	<b>-</b>
<b>Outcome 2 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,611	-
AIPRD grant special account <sup>1</sup>	7,637	-
AIPRD loans special account <sup>1</sup>	70,000	40,000
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	5,281	-
<b>Total expenses for Outcome 2</b>	<b>86,529</b>	<b>40,000</b>
	2010-11	2011-12
<b>Average Staffing Level (number)</b>	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 <sup>1</sup>	7,637	-	-	-	-
AIPRD loans special account <sup>1</sup>	70,000	40,000	30,000	30,000	38,732
<b>Total program expenses</b>	<b>81,248</b>	<b>40,000</b>	<b>30,000</b>	<b>30,000</b>	<b>38,732</b>

### 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	-	-	-	-
<b>Total program expenses</b>	<b>5,281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **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 <b>2011-12</b> 2010-11	Receipts <b>2011-12</b> 2010-11	Payments <b>2011-12</b> 2010-11	Adjustments <b>2011-12</b> 2010-11	Closing balance <b>2011-12</b> 2010-11
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Governments and Non- Agency Bodies (A).	1	<b>6,002</b>	<b>5,000</b>	<b>5,000</b>	-	<b>6,002</b>
<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	<b>138,732</b>	-	<b>40,000</b>	-	<b>98,732</b>
<i>Financial Management and Accountability Act 1997 s.20</i>		208,732	-	70,000	-	138,732
<b>Total Special Accounts 2011-12 Budget estimate</b>		<b>144,734</b>	<b>5,000</b>	<b>45,000</b>	-	<b>104,734</b>
<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	
<b>AusAID</b>							
<b>Outcome 1</b>							
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
<b>Total AGIE 2011-12</b>	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
<b>EXPENSES</b>					
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
<b>Total expenses</b>	<b>258,534</b>	<b>283,775</b>	<b>283,952</b>	<b>280,476</b>	<b>282,738</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	231	231	231	300	300
<b>Total own-source revenue</b>	<b>231</b>	<b>231</b>	<b>231</b>	<b>300</b>	<b>300</b>
<b>Gains</b>					
Other	122	125	129	133	139
<b>Total gains</b>	<b>122</b>	<b>125</b>	<b>129</b>	<b>133</b>	<b>139</b>
<b>Total own-source income</b>	<b>353</b>	<b>356</b>	<b>360</b>	<b>433</b>	<b>439</b>
<b>Net cost of (contribution by) services</b>	<b>258,181</b>	<b>283,419</b>	<b>283,592</b>	<b>280,043</b>	<b>282,299</b>
Revenue from Government	251,207	274,327	270,188	265,523	271,779
<b>Surplus (Deficit)</b>	<b>(6,974)</b>	<b>(9,092)</b>	<b>(13,404)</b>	<b>(14,520)</b>	<b>(10,520)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(6,974)</b>	<b>(9,092)</b>	<b>(13,404)</b>	<b>(14,520)</b>	<b>(10,520)</b>
<b>Total comprehensive income</b>	<b>(6,974)</b>	<b>(9,092)</b>	<b>(13,404)</b>	<b>(14,520)</b>	<b>(10,520)</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(6,974)</b>	<b>(9,092)</b>	<b>(13,404)</b>	<b>(14,520)</b>	<b>(10,520)</b>

**Note: Reconciliation of comprehensive income attributable to the agency**

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 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
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	955	955	955	955	955
Other	32,287	33,627	35,191	35,951	36,643
<b>Total financial assets</b>	<b>33,242</b>	<b>34,582</b>	<b>36,146</b>	<b>36,906</b>	<b>37,598</b>
<b>Non-financial assets</b>					
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
<b>Total non-financial assets</b>	<b>39,500</b>	<b>49,238</b>	<b>47,084</b>	<b>47,768</b>	<b>49,314</b>
<b>Total assets</b>	<b>72,742</b>	<b>83,820</b>	<b>83,230</b>	<b>84,674</b>	<b>86,912</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	4,811	4,811	4,811	4,811	4,811
Other	2,124	2,124	2,124	2,124	2,124
<b>Total payables</b>	<b>6,935</b>	<b>6,935</b>	<b>6,935</b>	<b>6,935</b>	<b>6,935</b>
<b>Provisions</b>					
Employee provisions	25,690	26,332	26,991	27,665	28,357
Other	2,764	2,764	2,764	2,764	2,764
<b>Total provisions</b>	<b>28,454</b>	<b>29,096</b>	<b>29,755</b>	<b>30,429</b>	<b>31,121</b>
<b>Total liabilities</b>	<b>35,389</b>	<b>36,031</b>	<b>36,690</b>	<b>37,364</b>	<b>38,056</b>
<b>Net assets</b>	<b>37,353</b>	<b>47,789</b>	<b>46,540</b>	<b>47,310</b>	<b>48,856</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
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)
<b>Total parent entity interest</b>	<b>37,353</b>	<b>47,789</b>	<b>46,540</b>	<b>47,310</b>	<b>48,856</b>
<b>Total Equity</b>	<b>37,353</b>	<b>47,789</b>	<b>46,540</b>	<b>47,310</b>	<b>48,856</b>

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

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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	231	231	231	300	300
Appropriations	244,221	272,987	268,624	264,763	271,087
Net GST received					
<b>Total cash received</b>	<b>244,452</b>	<b>273,218</b>	<b>268,855</b>	<b>265,063</b>	<b>271,387</b>
<b>Cash used</b>					
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					
<b>Total cash used</b>	<b>246,380</b>	<b>273,218</b>	<b>268,855</b>	<b>265,063</b>	<b>271,387</b>
<b>Net cash from (used by) operating activities</b>	<b>1,928</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	16,695	19,528	11,386	15,342	12,206
<b>Total cash used</b>	<b>16,695</b>	<b>19,528</b>	<b>11,386</b>	<b>15,342</b>	<b>12,206</b>
<b>Net cash from (used by) investing activities</b>	<b>(16,695)</b>	<b>(19,528)</b>	<b>(11,386)</b>	<b>(15,342)</b>	<b>(12,206)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	14,767	19,528	11,386	15,342	12,206
<b>Total cash received</b>	<b>14,767</b>	<b>19,528</b>	<b>11,386</b>	<b>15,342</b>	<b>12,206</b>
<b>Net cash from (used by) financing activities</b>	<b>(14,767)</b>	<b>(19,528)</b>	<b>(11,386)</b>	<b>(15,342)</b>	<b>(12,206)</b>
<b>Net increase (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	955	955	955	955	955
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>955</b>	<b>955</b>	<b>955</b>	<b>955</b>	<b>955</b>

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	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>					
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
<b>Total capital appropriations</b>	<b>14,767</b>	<b>19,528</b>	<b>11,386</b>	<b>15,342</b>	<b>12,206</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	14,767	19,528	11,386	15,342	12,206
<b>Total Items</b>	<b>14,767</b>	<b>19,528</b>	<b>11,386</b>	<b>15,342</b>	<b>12,206</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
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
<b>TOTAL</b>	<b>14,767</b>	<b>19,528</b>	<b>11,386</b>	<b>15,342</b>	<b>12,206</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	14,767	19,528	11,386	15,342	12,206
<b>Total cash used to acquire assets</b>	<b>14,767</b>	<b>19,528</b>	<b>11,386</b>	<b>15,342</b>	<b>12,206</b>

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

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

<sup>2</sup> "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
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
Interest from other loans	3,499	5,024	5,535	5,918	6,301
<b>Total taxation revenue</b>	<b>3,499</b>	<b>5,024</b>	<b>5,535</b>	<b>5,918</b>	<b>6,301</b>
<b>Non-taxation revenue</b>					
Other	8,605	9,465	10,412	11,453	12,140
<b>Total non-taxation revenue</b>	<b>8,605</b>	<b>9,465</b>	<b>10,412</b>	<b>11,453</b>	<b>12,140</b>
<b>Total revenues administered on behalf of Government</b>	<b>12,104</b>	<b>14,489</b>	<b>15,947</b>	<b>17,371</b>	<b>18,441</b>
<b>Total income administered on behalf of Government</b>	<b>12,104</b>	<b>14,489</b>	<b>15,947</b>	<b>17,371</b>	<b>18,441</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
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
<b>Total expenses administered on behalf of Government</b>	<b>4,177,472</b>	<b>3,795,884</b>	<b>4,671,706</b>	<b>5,156,657</b>	<b>5,101,092</b>

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
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
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
<b>Total financial assets</b>	<b>3,518,418</b>	<b>3,268,252</b>	<b>3,567,621</b>	<b>4,011,299</b>	<b>4,287,586</b>
<b>Non-financial assets</b>					
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
<b>Total non-financial assets</b>	<b>18,657</b>	<b>19,163</b>	<b>18,916</b>	<b>19,922</b>	<b>20,716</b>
<b>Total assets administered on behalf of Government</b>	<b>3,537,075</b>	<b>3,287,415</b>	<b>3,586,537</b>	<b>4,031,221</b>	<b>4,308,302</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
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
<b>Total payables</b>	<b>1,833,511</b>	<b>1,552,841</b>	<b>1,551,895</b>	<b>1,707,300</b>	<b>1,435,494</b>
<b>Provisions</b>					
Other	214,510	233,965	296,058	318,498	342,431
<b>Total provisions</b>	<b>214,510</b>	<b>233,965</b>	<b>296,058</b>	<b>318,498</b>	<b>342,431</b>
<b>Total liabilities administered on behalf of Government</b>	<b>2,048,021</b>	<b>1,786,806</b>	<b>1,847,953</b>	<b>2,025,798</b>	<b>1,777,925</b>

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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	8,605	9,465	10,412	11,453	12,140
<b>Total cash received</b>	<b>8,605</b>	<b>9,465</b>	<b>10,412</b>	<b>11,453</b>	<b>12,140</b>
<b>Cash used</b>					
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
<b>Total cash used</b>	<b>3,647,524</b>	<b>4,063,752</b>	<b>4,496,001</b>	<b>4,552,326</b>	<b>4,593,315</b>
<b>Net cash from (used by) operating activities</b>	<b>(3,638,919)</b>	<b>(4,054,287)</b>	<b>(4,485,589)</b>	<b>(4,540,873)</b>	<b>(4,581,175)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	1,973	2,220	2,491	2,544	2,336
<b>Total cash used</b>	<b>1,973</b>	<b>2,220</b>	<b>2,491</b>	<b>2,544</b>	<b>2,336</b>
<b>Net cash from (used by) investing activities</b>	<b>(1,973)</b>	<b>(2,220)</b>	<b>(2,491)</b>	<b>(2,544)</b>	<b>(2,336)</b>
<b>Net increase (decrease) in cash held</b>	<b>(3,640,892)</b>	<b>(4,056,507)</b>	<b>(4,488,080)</b>	<b>(4,543,417)</b>	<b>(4,583,511)</b>
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
	<b>3,640,892</b>	<b>4,056,507</b>	<b>4,488,080</b>	<b>4,543,417</b>	<b>4,583,511</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>14,604</b>	<b>14,604</b>	<b>14,604</b>	<b>14,604</b>	<b>14,604</b>

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
<b>CAPITAL APPROPRIATIONS</b>					
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	-
<b>Total capital appropriations</b>	<b>555,603</b>	<b>50,112</b>	<b>244,589</b>	<b>321,581</b>	<b>2,301</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
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	-
<b>Total Items</b>	<b>555,603</b>	<b>50,112</b>	<b>244,589</b>	<b>321,581</b>	<b>2,301</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - ACB	1,973	2,209	2,466	2,512	2,301
<b>TOTAL</b>	<b>1,973</b>	<b>2,209</b>	<b>2,466</b>	<b>2,512</b>	<b>2,301</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,973	2,209	2,466	2,512	2,301
<b>Total cash used to acquire assets</b>	<b>1,973</b>	<b>2,209</b>	<b>2,466</b>	<b>2,512</b>	<b>2,301</b>

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

<sup>1</sup> "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.

# **Australian Centre for International Agricultural Research (ACIAR)**

## **Agency resources and planned performance**





# AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

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# AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

In 2011-12 the Australian Centre for International Agricultural Research (ACIAR) will build on Australia's globally recognised agricultural research and capacity building partnerships, targeting three research themes:

- Agricultural productivity growth in smallholder systems
- Developing market integration for smallholder livelihoods to enable market participation
- Human and institutional capacity building for developing country national research institutions to enable sustainable follow-up research and adoption capabilities.

These overarching research themes advance the Australian Government's aid objective of assisting developing countries to reduce poverty and achieve sustainable development, and enhance food security, in line with Australia's national interest.

ACIAR will continue to implement five programs, linked to the Australian Government's Food Security through Rural Development initiative, to help increase food security in partner countries. These programs, which also advance elements of the overarching research themes, are:

- Safeguarding food security in rice-based farming systems of Mekong countries and South Asia;
- Adaptation to climate change for rice-based systems in the Mekong Delta;
- Developing high-value agriculture, forestry and fishery products in the Pacific;
- Sustainable intensification of maize-legume cropping systems in sub-Saharan Africa; and
- Increasing financial support to the Consultative Group on International Agricultural Research (CGIAR).

ACIAR's R&D investment also compliments, and where applicable, operates under the umbrella of a number of AusAID development programs, such as the Agriculture Sector Linkages Program Phase 2 in Pakistan. ACIAR also manages and administers research initiatives on behalf of AusAID, such as Seeds of Life 3 in East Timor. Total

appropriation in 2011-12 will amount to \$85.4m, with an additional \$15.0m from AusAID for specific activities.

Regional allocations for ACIAR's total research and development (R&D) project budget in 2011-12 are:

- Papua New Guinea and Pacific – 16 per cent;
- Indonesia, East Timor and Philippines – 24 per cent;
- Mekong Countries – 24per cent;
- South and West Asia – 20per cent; and
- Africa – 16per cent

ACIAR operates as part of Australia's Official Development Assistance Program, with a mandate to alleviate poverty through research and development that increases agricultural productivity and sustainability, within partner countries. Research strategies and themes integrate and align closely with the Australian Government's broad aid program strategies, and specifically the policy emphasis on Food Security through Rural Development. Strategies for each partner country are developed in close collaboration with partner country government policy makers, research institutions and agricultural and natural resource systems managers.

Through ACIAR's programs the Centre contributes to the achievement of these strategies within a single outcome: To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships.

Research partnerships may involve Australian universities, the CSIRO, state departments of agriculture and in many cases also involve the International Agricultural Research Centres (IARCs) that are supported by many donors, including the Australian Government.

ACIAR develops the skills of partner country research scientists involved in Centre programs through its training program. Expenditure on training is budgeted at \$6.8m in 2011-12, the majority on two fellowship schemes. The first offers developing country scientists post-graduate study opportunities in Australia in areas relevant to project activities addressing partner country priorities. The second targets emerging leaders in agricultural science through short-term research management training at relevant Australian institutions. Through the ATSE Crawford Fund, ACIAR also supports training activities that complement the Centre's projects.

## 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: ACIAR 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
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	1,218	-	1,218	-
Departmental appropriation <sup>3</sup>	-	9,917	9,917	9,853
s31 Relevant agency receipts <sup>4</sup>	-	50	50	50
<b>Total</b>	<b>1,218</b>	<b>9,967</b>	<b>11,185</b>	<b>9,903</b>
<b>Administered expenses</b>				
Outcome 1	-	75,381	75,381	61,035
<b>Total</b>	<b>-</b>	<b>75,381</b>	<b>75,381</b>	<b>61,035</b>
<b>Total ordinary annual services</b>	<b>1,218</b>	<b>85,348</b>	<b>86,566</b>	<b>70,938</b>
<b>Total available annual appropriations</b>	<b>1,218</b>	<b>85,348</b>	<b>86,566</b>	<b>70,938</b>
<b>Special Accounts</b>				
Opening balance <sup>5</sup>	21,067	-	21,067	28,159
Non-appropriation receipts to Special Accounts	-	15,000	15,000	30,000
<b>Total Special Account</b>	<b>21,067</b>	<b>15,000</b>	<b>36,067</b>	<b>58,159</b>
<b>Total resourcing</b>	<b>22,285</b>	<b>100,348</b>	<b>122,633</b>	<b>129,097</b>
<b>Total net resourcing for ACIAR</b>	<b>22,285</b>	<b>100,348</b>	<b>122,633</b>	<b>129,097</b>

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

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$0.316m 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 Estimated opening balance for special accounts. 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 ACIAR are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2011-12 Budget measures**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Expense measure</b>						
Efficiency dividend - temporary increase in the rate	DP*					
Departmental expenses		-	(49)	(98)	(122)	(145)
<b>Total</b>		-	<b>(49)</b>	<b>(98)</b>	<b>(122)</b>	<b>(145)</b>
<b>Total expense measures</b>						
Departmental		-	(49)	(98)	(122)	(145)
<b>Total</b>		-	<b>(49)</b>	<b>(98)</b>	<b>(122)</b>	<b>(145)</b>
<b>Capital measure</b>						
Efficiency dividend - temporary increase in the rate	DP*					
Departmental capital		-	(2)	(3)	(4)	(5)
<b>Total</b>		-	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
<b>Total capital measures</b>						
Departmental		-	(2)	(3)	(4)	(5)
<b>Total</b>		-	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>

DP\* = Departmental Program

Prepared on a Government Finance 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 ACIAR in achieving Government outcomes.

**Outcome 1: To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships.**

#### Outcome 1 Strategy

ACIAR will deliver against its single outcome, by developing, implementing and managing project and program partnerships between Australian agricultural research organisations and individuals and their counterparts in developing countries in the Asia-Pacific region and Africa. This is achieved through a single administered program: Program 1: International agricultural research for development for more productive and sustainable agriculture. The key strategic directions ACIAR will adopt in 2011-12 are described in section 1 above, and in greater detail in the Centre's Annual Operational Plan 2011-12 ([www.aciar.gov.au](http://www.aciar.gov.au)).

The Centre will continue to manage and administer Australia's contribution to the centres of the Consultative Group on International Agricultural Research, through funding of projects, untied funding directed to the core activities of those centres and support for emerging mega-programs. ACIAR will also administer and manage on behalf of AusAID, strategic and special initiatives and project activities, where the Centre's expertise offers a comparative advantage. ACIAR's programs will also align closely with the *Overseas Development Assistance – Food Security through Rural Development* initiative. All programs which commenced either in design or consultation phases, in 2009-10 are fully operational during 2011-12.

## 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 achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships.	2010-11	2011-12
	Estimated actual expenses	Estimated expenses
	\$'000	\$'000
<b>Program 1: International Agricultural Research and Development</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	61,035	75,381
Special Accounts	37,078	20,840
Departmental expenses		
Departmental appropriation <sup>1</sup>	9,538	9,601
Revenues from independent sources (s31)	50	50
Special Accounts		
Expenses not requiring appropriation in the Budget year <sup>2</sup>	339	340
<b>Total for Program 1</b>	<b>108,040</b>	<b>106,212</b>
<b>Total expenses for Outcome 1</b>	<b>108,040</b>	<b>106,212</b>
<hr/>		
	2010-11	2011-12
<b>Average Staffing Level (number)</b>	<b>64</b>	<b>66</b>

<sup>1</sup> Departmental Appropriation comprises 'Ordinary annual services (Appropriation Bill No. 1)'.

<sup>2</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation 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

### Program 1: International agricultural research for development for more productive and sustainable agriculture

#### Program objective

##### Administered program

ACIAR has the single administered program of International agricultural research for development for more productive and sustainable agriculture, delivered through a number of initiatives aligning closely with the Overseas Development Assistance – Food Security through Rural Development initiative:

- Agricultural productivity growth in smallholder systems;
- Developing market integration for smallholder livelihoods to enable market participation;
- Human and institutional capacity building for developing country national research institutions to enable sustainable follow-up research and adoption capabilities;
- Safeguarding food security in rice-based farming systems of Mekong countries and South Asia;
- Adaptation to climate change for rice-based systems in the Mekong Delta;
- Developing high-value agriculture, forestry and fishery products in the Pacific;
- Sustainable intensification of maize-legume cropping systems in sub-Saharan Africa; and
- Increasing financial support to the Consultative Group on International Agricultural Research (CGIAR).

##### Departmental Program

ACIAR has the single departmental program of Portfolio management:

- Sound administration that underpins ACIAR's collaborative, international project partnerships, and requires liaison with a diverse range of research providers and government instrumentalities and other stakeholders.

## Program expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses:					
Administered item	61,035	75,381	80,846	82,978	84,801
Special Account Expenses:					
ACIAR Special Account	37,078	20,840	14,922	12,285	7,737
Annual departmental expenses:					
Departmental item	9,538	9,601	9,757	9,740	9,641
Expenses not requiring appropriation in the Budget year <sup>1</sup>	389	390	396	399	398
<b>Total program expenses</b>	<b>108,040</b>	<b>106,212</b>	<b>105,921</b>	<b>105,402</b>	<b>102,577</b>

<sup>1</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Audit Fees and expenditure of s31 Agency Receipts.

## **Program 1. Deliverables**

### Administered Program

- Enhanced productivity and profitability of cattle and pigs through improved practices, and policy environments in Indonesia;
- Mango and citrus production and marketing in Pakistan;
- Improving the livelihoods of Papua New Guinea (PNG) women in agriculture by developing their business acumen;
- Improving on-farm productivity and enhancing supply chains for a range of fruit and vegetable products in the southern Philippines;
- Smallholder engagement in competitive value chains associated with maize, temperate fruits and vegetables from Vietnam's north-western highlands;
- Training and capacity building activities in the Pacific region;
- Capacity building in Indonesian research institutions;
- Introduction, management and evaluation of improved crop varieties to East Timor;
- Productivity of rice-based lowland systems in southern Laos, particularly extension, marketing and policy;
- A new program of research to assist adaptation to climate change at the farm scale, developing capacity for more-efficient use of soil and water resources in Cambodia;
- Intensification and diversification of mixed smallholder maize-legume farming systems in southern and eastern Africa;
- Identification, development and adoption of new, market-driven opportunities for improving the quality, accessibility, diversity and quantity of food and other agricultural crops in the Pacific; and
- New funding allocated to the CGIAR system primarily on an unrestricted basis through the relevant Windows.

### Departmental Program

- Departmental costs are maintained within agreed budget parameters.

### **Program 1 Key Performance Indicators**

#### **Administered Program**

- Research program developed for smallholder cattle livelihoods in West Nusa Tenggara, Indonesia, linking productivity improvements to policy support;
- New/adapted integrated production technologies to enhance productivity, field-tested under commercial conditions in citrus and mangoes in Pakistan;
- Social, economic and environmental constraints to industry development by smallholder farmers identified in PNG women's business acumen project;
- Increased access to institutional markets by vegetable-growing smallholders in selected regions of Mindanao, Philippines;
- Approaches tested to improve smallholder farmer livelihoods in Vietnam's north western highlands for improved productivity and market engagement;
- At least 12 postgraduate thesis projects developed in collaboration with USP, and two John Allwright postgraduate scholarships in five research programs;
- Capacity of Indonesian national and regional R&D agencies strengthened through formal and on-the-job capacity building of at least 100 individuals;
- At least one new staple food crop variety identified for release in East Timor;
- Trans-disciplinary research program implemented for rice-based farming systems in southern provinces in Laos;
- Enhanced capacity of farming households in Svay Rieng, Cambodia, to enable them to adapt their systems to climate change;
- Evidence of farmers adopting and testing new conservation agriculture technologies in five farming systems in southern and eastern Africa;
- At least three projects designed and initiated to increase agricultural production or investigate diversification in crops, fisheries and forestry in the Pacific; and
- CGIAR funding allocations match funding Windows and fall within ACIAR Annual Operational Plan parameters.

#### **Departmental Program**

- Departmental costs are maintained within agreed budget parameters.

## 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 and special accounts.

### 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 ACIAR since the 2010-11 Budget.

#### 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 ACIAR.

**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
Australian Centre for International Agricultural Research Account (A)	1	21,067	15,000	20,840	-	15,227
Other Trust Moneys Account (D)*		-	-	-	-	-
<b>Total Special Accounts 2011-12 Budget estimate</b>		<b>21,067</b>	<b>15,000</b>	<b>20,840</b>	<b>-</b>	<b>15,227</b>
<i>Total Special Accounts 2010-11 estimate actual</i>		<i>28,159</i>	<i>30,000</i>	<i>37,092</i>	<i>-</i>	<i>21,067</i>

(A) = Administered

(D)\* = Departmental. This account was closed in 2010-11.

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 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	Forward estimate	Forward estimate	Forward estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	6,360	6,563	6,760	6,910	7,109
Supplier expenses	3,252	3,112	2,973	2,782	2,461
Depreciation and amortisation	315*	316*	319*	321*	319*
<b>Total expenses</b>	<b>9,927</b>	<b>9,991</b>	<b>10,052</b>	<b>10,013</b>	<b>9,889</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	10	10	10	10	10
Other	40	40	40	40	40
<b>Total own-source revenue</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Gains</b>					
Sale of assets					
Other	24	24	24	24	24
<b>Total gains</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Total own-source income</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>
<b>Net cost of (contribution by) services</b>	<b>9,853</b>	<b>9,917</b>	<b>9,978</b>	<b>9,939</b>	<b>9,815</b>
Revenue from Government	<b>9,538</b>	<b>9,601</b>	<b>9,659</b>	<b>9,618</b>	<b>9,496</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(315)</b>	<b>(316)</b>	<b>(319)</b>	<b>(321)</b>	<b>(319)</b>

**Note: Reconciliation of comprehensive income attributable to the agency\***

	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income (Loss) Attributable to the Australian Government</b>	<b>(315)</b>	<b>(316)</b>	<b>(319)</b>	<b>(321)</b>	<b>(319)</b>
plus non-appropriated expenses depreciation and amortisation expenses	315	316	319	321	319
<b>Total Comprehensive Income (Loss) Attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(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
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	90	90	90	90	90
Trade and other receivables	2,754	2,804	2,854	2,904	2,904
GST input credits receivable	40	40	40	40	40
<b>Total financial assets</b>	<b>2,884</b>	<b>2,934</b>	<b>2,984</b>	<b>3,034</b>	<b>3,034</b>
<b>Non-financial assets</b>					
Land and buildings	207	207	511	511	511
Property, plant and equipment	249	249	249	249	249
Intangibles	91	91	91	91	91
Other	74	74	74	74	74
<b>Total non-financial assets</b>	<b>621</b>	<b>621</b>	<b>925</b>	<b>925</b>	<b>925</b>
<b>Total assets</b>	<b>3,505</b>	<b>3,555</b>	<b>3,909</b>	<b>3,959</b>	<b>3,959</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	265	265	265	265	265
Other	352	352	352	352	352
<b>Total payables</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>
<b>Provisions</b>					
Employee provisions	1,345	1,395	1,445	1,495	1,495
<b>Total provisions</b>	<b>1,345</b>	<b>1,395</b>	<b>1,445</b>	<b>1,495</b>	<b>1,495</b>
<b>Total liabilities</b>	<b>1,962</b>	<b>2,012</b>	<b>2,062</b>	<b>2,112</b>	<b>2,112</b>
<b>Net assets</b>	<b>1,543</b>	<b>1,543</b>	<b>1,847</b>	<b>1,847</b>	<b>1,847</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	315	631	1,254	1,575	1,894
Reserves	325	325	325	325	325
Retained surplus (accumulated deficit)	903	587	268	(53)	(372)
<b>Total parent entity interest</b>	<b>1,543</b>	<b>1,543</b>	<b>1,847</b>	<b>1,847</b>	<b>1,847</b>
<b>Total Equity</b>	<b>1,543</b>	<b>1,543</b>	<b>1,847</b>	<b>1,847</b>	<b>1,847</b>

\* '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
<b>Opening balance as at 1 July 2011</b>					
Balance carried forward from previous period	903	325	-	315	1,543
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>903</b>	<b>325</b>	<b>-</b>	<b>315</b>	<b>1,543</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(316)	-	-	-	(316)
<b>Total comprehensive income</b>	<b>(316)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(316)</b>
of which:					
Attributable to the Australian Government	(316)	-	-	-	(316)
<b>Transactions with owners</b>					
Departmental Capital Budget (DCBs)	-	-	-	316	316
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>316</b>	<b>316</b>
<b>Estimated closing balance as at 30 June 2012</b>	<b>585</b>	<b>325</b>	<b>-</b>	<b>633</b>	<b>1,543</b>
<b>Closing balance attributable to the Australian Government</b>	<b>585</b>	<b>325</b>	<b>-</b>	<b>633</b>	<b>1,543</b>

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	Forward estimate	Forward estimate	Forward estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	50	50	50	50	50
Appropriations	9,360	9,551	9,609	9,568	9,496
Net GST received	325	316	307	290	261
<b>Total cash received</b>	<b>9,735</b>	<b>9,917</b>	<b>9,966</b>	<b>9,908</b>	<b>9,807</b>
<b>Cash used</b>					
Employees	6,310	6,513	6,710	6,860	7,109
Suppliers	3,553	3,404	3,256	3,048	2,698
<b>Total cash used</b>	<b>9,863</b>	<b>9,917</b>	<b>9,966</b>	<b>9,908</b>	<b>9,807</b>
<b>Net cash from (used by) operating activities</b>	<b>(128)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	315	316	623	321	319
<b>Total cash used</b>	<b>315</b>	<b>316</b>	<b>623</b>	<b>321</b>	<b>319</b>
<b>Net cash from (used by) investing activities</b>	<b>(315)</b>	<b>(316)</b>	<b>(623)</b>	<b>(321)</b>	<b>(319)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	315	316	623	321	319
<b>Total cash received</b>	<b>315</b>	<b>316</b>	<b>623</b>	<b>321</b>	<b>319</b>
<b>Net cash from (used by) financing activities</b>	<b>315</b>	<b>316</b>	<b>623</b>	<b>321</b>	<b>319</b>
Cash and cash equivalents at the beginning of the reporting period	218	90	90	90	90
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>

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	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	315	316	319	321	319
Equity injections - Bill 2	-	-	304	-	-
<b>Total capital appropriations</b>	<b>315</b>	<b>316</b>	<b>623</b>	<b>321</b>	<b>319</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	315	316	623	321	319
<b>Total Items</b>	<b>315</b>	<b>316</b>	<b>623</b>	<b>321</b>	<b>319</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	304	-	-
Funded by capital appropriation - DCB <sup>1</sup>	315	316	319	321	319
<b>TOTAL</b>	<b>315</b>	<b>316</b>	<b>623</b>	<b>321</b>	<b>319</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	315	316	623	321	319
<b>Total cash used to acquire assets</b>	<b>315</b>	<b>316</b>	<b>623</b>	<b>321</b>	<b>319</b>

<sup>1</sup> Does not include annual finance lease costs.

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
<b>As at 1 July 2011</b>				
Gross book value	651	911	439	2,001
Accumulated depreciation/amortisation and impairment	(444)	(662)	(348)	(1,454)
<b>Opening net book balance</b>	<b>207</b>	<b>249</b>	<b>91</b>	<b>547</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services <sup>1</sup>	96	189	31	316
<b>Total additions</b>	<b>96</b>	<b>189</b>	<b>31</b>	<b>316</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(96)	(189)	(31)	(316)
<b>As at 30 June 2012</b>				
Gross book value	747	1,100	470	2,317
Accumulated depreciation/amortisation and impairment	(540)	(851)	(379)	(1,770)
<b>Closing net book balance</b>	<b>207</b>	<b>249</b>	<b>91</b>	<b>547</b>

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.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation revenue</b>					
Other	37,078	20,840	14,922	12,285	7,737
<b>Total non-taxation revenue</b>	<b>37,078</b>	<b>20,840</b>	<b>14,922</b>	<b>12,285</b>	<b>7,737</b>
<b>Total revenues administered on behalf of Government</b>	<b>37,078</b>	<b>20,840</b>	<b>14,922</b>	<b>12,285</b>	<b>7,737</b>
<b>Total income administered on behalf of Government</b>	<b>37,078</b>	<b>20,840</b>	<b>14,922</b>	<b>12,285</b>	<b>7,737</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Research Grants	88,217	85,948	85,563	85,440	82,815
Other	9,896	10,273	10,205	9,823	9,723
<b>Total expenses administered on behalf of Government</b>	<b>98,113</b>	<b>96,221</b>	<b>95,768</b>	<b>95,263</b>	<b>92,538</b>

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	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
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	21,067	15,227	10,305	3,020	283
Taxation receivables	1,000	1,000	1,000	1,000	1,000
Receivables	100	100	100	100	100
<b>Total financial assets</b>	<b>22,167</b>	<b>16,327</b>	<b>11,405</b>	<b>4,120</b>	<b>1,383</b>
<b>Non-financial assets</b>					
Other	125	125	125	125	125
<b>Total non-financial assets</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>
<b>Total assets administered on behalf of Government</b>	<b>22,292</b>	<b>16,452</b>	<b>11,530</b>	<b>4,245</b>	<b>1,508</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	119	119	119	119	119
GST payables	900	900	900	900	900
Grants	603	603	603	603	603
Other	150	150	150	150	150
<b>Total payables</b>	<b>1,772</b>	<b>1,772</b>	<b>1,772</b>	<b>1,772</b>	<b>1,772</b>
<b>Provisions</b>					
Unearned Income	21,209	15,369	10,447	3,162	425
<b>Total provisions</b>	<b>21,209</b>	<b>15,369</b>	<b>10,447</b>	<b>3,162</b>	<b>425</b>
<b>Total liabilities administered on behalf of Government</b>	<b>22,981</b>	<b>17,141</b>	<b>12,219</b>	<b>4,934</b>	<b>2,197</b>

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	Forward estimate	Forward estimate	Forward estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	3,929	4,000	4,000	4,000	3,800
Other	37,200	20,840	14,922	12,285	7,737
<b>Total cash received</b>	<b>41,129</b>	<b>24,840</b>	<b>18,922</b>	<b>16,285</b>	<b>11,537</b>
<b>Cash used</b>					
Grant payments	98,446	95,388	94,085	96,325	88,952
Other	10,810	10,673	10,605	10,223	10,123
<b>Total cash used</b>	<b>109,256</b>	<b>106,061</b>	<b>104,690</b>	<b>106,548</b>	<b>99,075</b>
<b>Net cash from (used by) operating activities</b>	<b>(68,127)</b>	<b>(81,221)</b>	<b>(85,768)</b>	<b>(90,263)</b>	<b>(87,538)</b>
<b>Net increase (decrease) in cash held</b>					
Cash and cash equivalents at beginning of reporting period	28,159	21,067	15,227	10,305	3,020
Cash from Official Public Account for: - Appropriations	61,035	75,381	80,846	82,978	84,801
	89,194	96,448	96,073	93,283	87,821
<b>Cash and cash equivalents at end of reporting period</b>	<b>21,067</b>	<b>15,227</b>	<b>10,305</b>	<b>3,020</b>	<b>283</b>

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 budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are budgeted for, and reported on, separately to transactions which 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 budgeting framework

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

- Departmental appropriations: representing the Government's funding for agency programs;
- Departmental capital budget appropriations: representing the Government's funding through additional equity for the replacement of existing agency assets as they reach the end of their useful life;
- Departmental capital appropriations: for new investments by the Government through additional equity; and
- Administered expense appropriations: for the estimated administered expenses relating to specific programs.

#### Asset valuation

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





# **Australian Secret Intelligence Service (ASIS)**

## **Agency resources and planned performance**



# AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

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# AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

In 2011-12 the Australian Secret Intelligence Service (ASIS) will continue to enhance government understanding of the overseas environment affecting Australia's vital interests. ASIS will take appropriate action, consistent with applicable legislation, to protect and promote Australia's vital interests through the provision of unique foreign intelligence services as directed by the Government.

The primary functions of ASIS are:

- (a) to obtain, in accordance with the Government's requirements, intelligence about the capabilities, intentions or activities of people or organisations outside Australia;
- (b) to communicate, in accordance with the Government's requirements, such intelligence;
- (c) to conduct counter-intelligence activities;
- (d) to liaise with intelligence or security services, or other authorities, of other countries; and
- (e) to undertake such other activities as the responsible Minister directs relating to the capabilities, intentions or activities of people or organisations outside Australia.

## 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: ASIS 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
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Departmental appropriation <sup>2</sup>	-	192,858	192,858	203,449
s31 Relevant agency receipts <sup>3</sup>	-	52,465	52,465	46,326
<b>Total</b>	-	<b>245,323</b>	<b>245,323</b>	<b>249,775</b>
<b>Total ordinary annual services</b>	<b>A</b>	<b>245,323</b>	<b>245,323</b>	<b>249,775</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections <sup>4</sup>	-	219	219	389
Previous years programs	24,194	-	24,194	28,247
<b>Total</b>	<b>24,194</b>	<b>219</b>	<b>24,413</b>	<b>28,636</b>
<b>Total other services</b>	<b>B</b>	<b>219</b>	<b>24,413</b>	<b>28,636</b>
<b>Total available annual appropriations</b>	<b>24,194</b>	<b>245,542</b>	<b>269,736</b>	<b>278,411</b>
<b>Total appropriations excluding Special Accounts</b>	<b>24,194</b>	<b>245,542</b>	<b>269,736</b>	<b>278,411</b>

<sup>1</sup> Appropriation Bill (No.1) 2011-12

<sup>2</sup> Includes an amount for the Departmental Capital Budget  
For accounting purposes this amount has been designated as 'contributions by owners'

<sup>3</sup> s31 Relevant Agency receipts - estimate

<sup>4</sup> Appropriation Bill (No.2) 2011-12

### 1.3 BUDGET MEASURES

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

**Table 1.2: Agency 2011-12 Budget measures**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Expense measures</b>						
Border Security - Combating people smuggling - enhanced intelligence capability						
Departmental expenses	1.1	-	-	-	-	-
Departmental expenses	1.2	-	-	-	-	-
<b>Total</b>		-	<b>7,392</b>	<b>7,264</b>	-	-
National Security - reprioritisation of resources - savings						
Departmental expenses	1.1	-	-	-	-	-
Departmental expenses	1.2	-	-	-	-	-
<b>Total</b>		-	<b>(7,391)</b>	<b>(7,388)</b>	-	-
Efficiency dividend - temporary increase in the rate						
Departmental expenses	1.1	-	-	-	-	-
Departmental expenses	1.2	-	-	-	-	-
<b>Total</b>		-	<b>(857)</b>	<b>(1,851)</b>	<b>(2,439)</b>	<b>(2,989)</b>
<b>Total expense measures</b>						
Departmental		-	(856)	(1,975)	(2,439)	(2,989)
<b>Total</b>		-	<b>(856)</b>	<b>(1,975)</b>	<b>(2,439)</b>	<b>(2,989)</b>
<b>Capital measures</b>						
Border Security - Combating people smuggling - enhanced intelligence capability						
Departmental capital	1.1	-	-	-	-	-
Departmental capital	1.2	-	-	-	-	-
<b>Total</b>		-	<b>150</b>	-	-	-
Efficiency dividend - temporary increase in the rate						
Departmental capital	1.1	-	-	-	-	-
Departmental capital	1.2	-	-	-	-	-
<b>Total</b>		-	<b>(85)</b>	<b>(163)</b>	<b>(207)</b>	<b>(249)</b>
<b>Total capital measures</b>						
Departmental		-	65	(163)	(207)	(249)
<b>Total</b>		-	<b>65</b>	<b>(163)</b>	<b>(207)</b>	<b>(249)</b>

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 ASIS in achieving Government outcomes. Further information in relation to detailed performance measures and mandatory targets are not provided in the interests of national security.

**Outcome 1: Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia.**

#### **Outcome 1 Strategy**

- Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia.



## Outcome Expense and Resource Statement

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

**Table 2.1: Budgeted Expenses and Resources for Outcome 1**

<b>Outcome 1: Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia</b>		
	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 1.1: Secret Intelligence</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	140,414	132,158
Revenues from independent sources (s31)	34,744	39,349
Expenses not requiring appropriation in the Budget year	16,500	15,580
<b>Total for Program 1.1</b>	<b>191,658</b>	<b>187,086</b>
<b>Program 1.2: Other Services</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	46,805	44,053
Revenues from independent sources (s31)	11,581	13,116
Expenses not requiring appropriation in the Budget year	5,500	5,193
<b>Total for Program 1.2</b>	<b>63,886</b>	<b>62,362</b>
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	187,218	176,210
Revenues from independent sources (s31)	46,326	52,465
Expenses not requiring appropriation in the Budget year	22,000	20,773
<b>Total expenses for Outcome 1</b>	<b>255,544</b>	<b>249,448</b>

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

Program 1.1: Secret Intelligence

**Program objective**

- Secret Intelligence

**Program expenses**

All variations to program 1.1 are a result of measures and other adjustments as provided by the Government.

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
Annual departmental expenses:	175,158	171,506	164,470	171,736	174,640
Expenses not requiring appropriation in the Budget year	16,500	15,580	15,541	15,587	15,691
<b>Total program expenses</b>	<b>191,658</b>	<b>187,086</b>	<b>180,011</b>	<b>187,324</b>	<b>190,330</b>

**Program 1.1 Deliverables**

- Secret Intelligence

**Program 1.1 Key Performance Indicators**

The overall achievement of the performance measures for this program for ASIS is assessed by reference to the customers for ASIS services. This is done continuously and is also the subject of comprehensive annual internal and external assessment, the results of which are reported to the Government. The assessment of performance includes both qualitative and quantitative analysis. Details of this process are not divulged in the interests of national security.

**Program 1.2: Other Services****Program objective**

- Other Services

**Program expenses**

All variations to program 1.2 are a result of measures and other adjustments as provided by the Government.

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
Annual departmental expenses:	58,386	57,169	54,823	57,245	58,213
Expenses not requiring appropriation in the Budget year	5,500	5,193	5,180	5,196	5,230
<b>Total program expenses</b>	<b>63,886</b>	<b>62,362</b>	<b>60,004</b>	<b>62,441</b>	<b>63,443</b>

**Program 1.2 Deliverables**

- Other Services

**Program 1.2 Key Performance Indicators**

The overall achievement of the performance measures for this program for ASIS is assessed by reference to the customers for ASIS services. This is done continuously and is also the subject of comprehensive annual internal and external assessment, the results of which are reported to the Government. The assessment of performance includes both qualitative and quantitative analysis. Details of this process are not divulged in the interests of national security.

## **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.

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 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
<b>EXPENSES</b>					
<b>Total expenses</b>	<b>255,544</b>	<b>249,448</b>	<b>240,015</b>	<b>249,765</b>	<b>253,774</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Other	46,326	52,465	37,465	37,465	37,465
<b>Total revenue</b>	<b>46,326</b>	<b>52,465</b>	<b>37,465</b>	<b>37,465</b>	<b>37,465</b>
<b>Gains</b>					
Sale of assets					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>46,326</b>	<b>52,465</b>	<b>37,465</b>	<b>37,465</b>	<b>37,465</b>
<b>Net cost of (contribution by) services</b>	<b>209,218</b>	<b>196,983</b>	<b>202,550</b>	<b>212,300</b>	<b>216,309</b>
Revenue from Government	187,218	176,210	181,829	191,517	195,338
<b>Surplus (Deficit)</b>	<b>(22,000)</b>	<b>(20,773)</b>	<b>(20,721)</b>	<b>(20,783)</b>	<b>(20,921)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(22,000)</b>	<b>(20,773)</b>	<b>(20,721)</b>	<b>(20,783)</b>	<b>(20,921)</b>
<b>Note: Reconciliation of operating result attributable to the agency</b>					
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating result attributable to the Australian Government</b>	<b>(22,000)</b>	<b>(20,773)</b>	<b>(20,721)</b>	<b>(20,783)</b>	<b>(20,921)</b>
plus non-appropriated expenses					
depreciation and amortisation expenses	22,000	20,773	20,721	20,783	20,921
<b>Operating result attributable to the Agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 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
<b>ASSETS</b>					
<b>Financial assets</b>					
<i>Total financial assets</i>	57,002	57,200	57,198	57,396	60,647
<b>Non-financial assets</b>					
<i>Total non-financial assets</i>	122,330	121,477	120,137	118,652	113,997
<b>Total assets</b>	<b>179,332</b>	<b>178,677</b>	<b>177,335</b>	<b>176,048</b>	<b>174,644</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
<i>Total payables</i>	24,203	24,521	24,839	25,157	25,475
<b>Interest bearing liabilities</b>					
<i>Total interest bearing liabilities</i>	-	-	-	-	-
<b>Provisions</b>					
<i>Total provisions</i>	28,232	31,165	34,098	37,031	39,964
<b>Total liabilities</b>	<b>52,435</b>	<b>55,686</b>	<b>58,937</b>	<b>62,188</b>	<b>65,439</b>
<b>Net assets</b>	<b>126,897</b>	<b>122,991</b>	<b>118,398</b>	<b>113,860</b>	<b>109,205</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	70,558	87,425	103,553	119,798	136,064
Reserves	38,689	38,689	38,689	38,689	38,689
Retained surplus (accumulated deficit)	17,650	(3,123)	(23,844)	(44,627)	(65,548)
<b>Total parent entity interest</b>	<b>126,897</b>	<b>122,991</b>	<b>118,398</b>	<b>113,860</b>	<b>109,205</b>

\* '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	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2010</b>					
Balance carried forward from previous period	17,650	-	38,689	70,558	126,897
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>17,650</b>	<b>-</b>	<b>38,689</b>	<b>70,558</b>	<b>126,897</b>
<b>Comprehensive income</b>					
Comprehensive income recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus (deficit) for the period	(20,773)	-	-	-	(20,773)
<b>Total comprehensive income recognised directly in equity</b>	<b>(20,773)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,773)</b>
<b>Transactions with owners</b>					
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	219	219
Appropriation (departmental capital budget)	-	-	-	16,648	16,648
Other					
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,867</b>	<b>16,867</b>
<b>Estimated closing balance as at 30 June 2011</b>	<b>(3,123)</b>	<b>-</b>	<b>38,689</b>	<b>87,425</b>	<b>122,991</b>

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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	187,218	176,210	181,829	191,517	195,388
Other	53,379	58,518	43,718	43,518	40,465
<b>Total cash received</b>	<b>240,597</b>	<b>234,728</b>	<b>225,547</b>	<b>235,035</b>	<b>235,853</b>
<b>Cash used</b>					
Other	236,544	231,675	222,294	231,982	235,853
<b>Total cash used</b>	<b>236,544</b>	<b>231,675</b>	<b>222,294</b>	<b>231,982</b>	<b>235,853</b>
<b>Net cash from (used by) operating activities</b>	<b>4,053</b>	<b>3,053</b>	<b>3,253</b>	<b>3,053</b>	<b>0</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	20,673	19,920	19,381	19,298	16,266
<b>Total cash used</b>	<b>20,673</b>	<b>19,920</b>	<b>19,381</b>	<b>19,298</b>	<b>16,266</b>
<b>Net cash from (used by) investing activities</b>	<b>(20,673)</b>	<b>(19,920)</b>	<b>(19,381)</b>	<b>(19,298)</b>	<b>(16,266)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	16,620	16,867	16,128	16,245	16,266
Proceeds from issuing financial instruments					
Other					
<b>Total cash received</b>	<b>16,620</b>	<b>16,867</b>	<b>16,128</b>	<b>16,245</b>	<b>16,266</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>16,620</b>	<b>16,867</b>	<b>16,128</b>	<b>16,245</b>	<b>16,266</b>
<b>Net increase (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	25,069	25,069	25,069	25,069	25,069
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>25,069</b>	<b>25,069</b>	<b>25,069</b>	<b>25,069</b>	<b>25,069</b>

Prepared on Australian Accounting Standards basis.



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

#### **Departmental Financial Statements**

Under the Australian Government's budgeting framework, and consistent with Australian Accounting Standards, ASIS controls all the agency's transactions. ASIS is fully accountable for assets, liabilities revenues and expenses in relation to the agency. ASIS has no administered transactions.

## PORTFOLIO GLOSSARY

Term	Meaning
Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Administered	Revenues, expenses, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Annual appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF).
Departmental	Revenue, expenses, assets and liabilities that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.

Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Measure the joint or independent contribution of programs to the achievement of their specified outcome.
Efficiency indicators	Measure the adequacy of an agency's management of its programs. Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one program should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Operating result	Equals revenue less expense.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end results or impacts actually achieved.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of programs.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality

	involves use of information gathered from interested parties to identify differences between the user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of a program; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations ( <i>Financial Management and Accountability (FMA) Act 1997</i> , subsection 20 and 21). Special Accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 20 FMA Act) or through an Act of Parliament (referred to in section 21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For Special Appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing Appropriations are a sub-category consisting of ongoing Special Appropriations - the amount appropriated will depend on circumstances specified in the legislation.