

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS
2007-08**

**FOREIGN AFFAIRS AND TRADE
PORTFOLIO**

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

USER GUIDE

INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament and the public of the proposed allocation of resources to government outcomes by agencies within the portfolio. However, unlike the Portfolio Budget Statements, the PAES summarise only the *changes* in resourcing by outcome since the Budget, that is, they do not include a complete resourcing table for the agency. The PAES include new Measures, summarise the changes by Appropriation Bill, and, where relevant, by Special Appropriation and Special Account. The 2007-08 PAES also cover any significant changes to the portfolio which may have arisen from the change in government and the subsequent Administrative Arrangements Orders of 3 December 2007 and 25 January 2008.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2007-08. In this sense the PAES are declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2007-08* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

User guide

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

Portfolio overview

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

Agency additional estimates statements

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

Section 1: Agency overview, variations and measures

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

Section 2: Revisions to outcomes, administered items and outputs

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

Section 3: Budgeted financial statements

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

Glossary

Explains key terms.

STYLES AND CONVENTIONS USED

- (a) The following notations may be used:

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

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

ENQUIRIES

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

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

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

There have been no changes to the structure of the portfolio since the *Portfolio Budget Statements 2007-08*. The Minister for Foreign Affairs and the Minister for Trade remain the two portfolio Ministers. Following the change in government, the portfolio now has three Parliamentary Secretaries with responsibilities for Trade, Pacific Island Affairs and International Development Assistance.

The Foreign Affairs and Trade portfolio responsibilities did not change in the Administrative Arrangements Orders of 3 December 2007 or of 25 January 2008. However, Part 4 of the Administrative Arrangements Order of 3 December 2007 allocated, for the first time, separate responsibility for international climate change policy and negotiations to the Department of Climate Change which will result in a movement of resources under section 32 of the *Financial Management and Accountability Act 1997* from the Department of Foreign Affairs and Trade to the Department of Climate Change.

The Government has also decided to transfer the 'investment promotion' function currently being undertaken by the Department of Innovation, Industry, Science and Research to the Australian Trade Commission. This is yet to be reflected in the Administrative Arrangements Order.

ADDITIONAL ESTIMATES AND VARIATIONS — PORTFOLIO LEVEL

The portfolio is seeking a net increase of \$237.901 million in resourcing for 2007-08 as listed below. This includes Bill No. 3 and Bill No. 4 appropriations (Departmental and Administered). Further details are provided in each agency's additional estimates statements.

Department of Foreign Affairs and Trade (DFAT) - \$32.449 million

Departmental Items

- **(\$1.292m)** revision to measure - *Australia on the World Stage - enhancement*;
- **(\$2.064m)** revision to measure - *Australia-China Free Trade Agreement - continuation of negotiations*;
- **(\$0.500m)** revision to measure - *Department of Foreign Affairs and Trade - budget sustainability*;
- **(\$3.693m)** one-off Efficiency Dividend of two per cent;
- **(\$0.145m)** off-setting costs for establishment of Office of National Security;
- **\$25.539m** adjustment to passport funding due to the higher than expected number of passports issued;

Portfolio Overview

- **\$1.866m** adjustment for VAT refunds;
- **(\$4.543m)** adjustment for foreign exchange movements; and
- **\$2.756m** adjustment for overseas inflation.

Administered Items

- **\$1.250m** supporting Australia's involvement in the Asia Pacific Economic Cooperation (APEC) forum;
- **\$3.000m** donation to Hellenic Red Cross to support relief efforts following 2007 Greek forest fires;
- **\$0.500m** grant to support activities of Australians working overseas to promote Australia's interests;
- **\$4.601m** adjustment for contributions to international organisations;
- **\$4.000m** adjustment for Export Finance and Insurance Corporation (EFIC) National Interest Account;
- **\$0.500m** adjustment for other EFIC National Interest Account related payments; and
- **\$0.674m** adjustment for passport refunds.

Australian Trade Commission (Austrade) – (\$2.223 million)

Departmental Items

- **(\$0.584m)** foreign exchange adjustments;
- **(\$0.059m)** adjustment for overseas inflation;
- **(\$2.049m)** adjustment to goods and services revenue; and
- **\$2.869m** adjustment to depreciation funding.

Administered Items

- **(\$2.400m)** between-year movement of funds from 2007-08 to 2006-07 within Austrade as a result of higher than estimated grant payments in the Export Market Development Grants (EMDG) scheme.

AusAID (Australian Agency for International Development) – \$208.596 million

Departmental Items

- **(\$0.410m)** one-off Efficiency Dividend of two per cent.

Administered Items

- **\$210.894m** contribution to the fifteenth replenishment of the International Development Association; and
- **(\$1.888m)** transfer of funds to the Department of the Environment, Water, Heritage and the Arts (DEWHA) for implementation of the Kokoda Track initiative.

Australian Centre for International Agricultural Research (ACIAR) - (\$0.237) million**Departmental Items**

- **(\$0.237m)** one-off Efficiency Dividend of two per cent.

Australian Secret Intelligence Service (ASIS) - \$(0.684) million**Departmental Items**

- **(\$0.684m)** one-off Efficiency Dividend of two per cent.

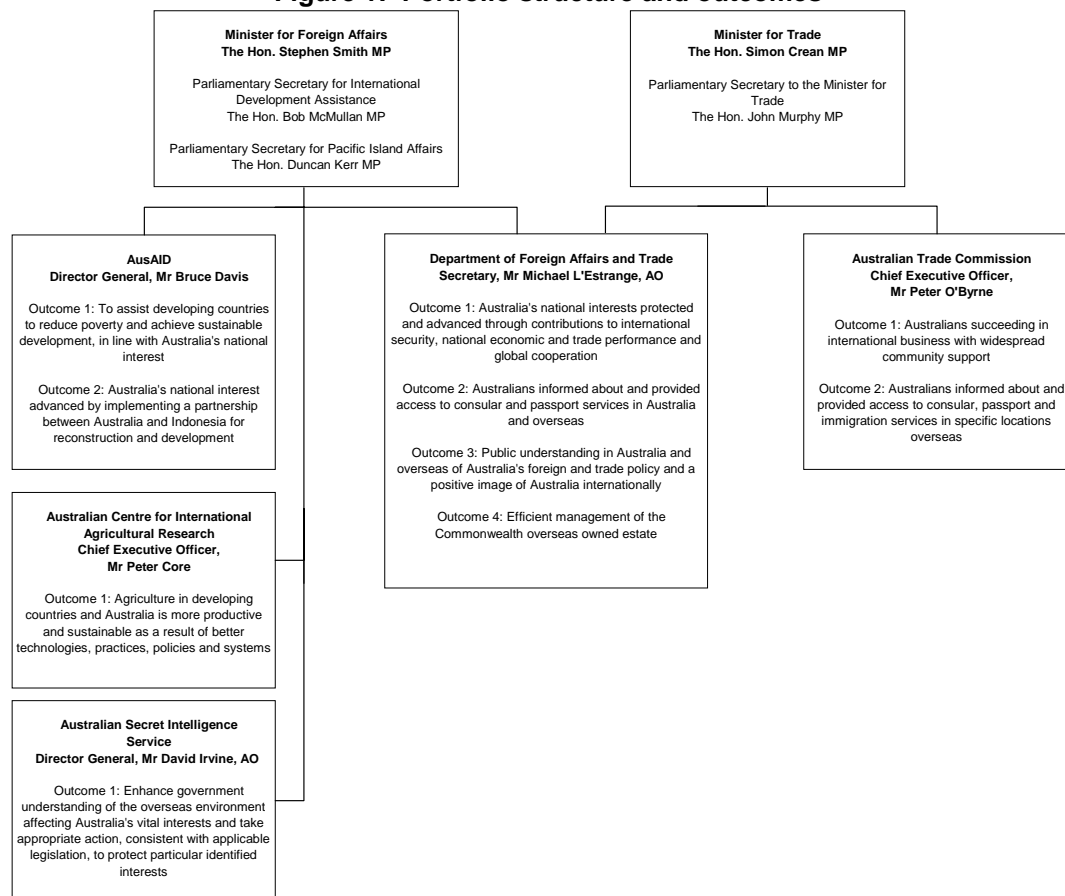
**PORTFOLIO AGENCIES ONLY AFFECTED BY MEASURE RELATING TO
ELECTION COMMITMENT SAVINGS: TWO PER CENT EFFICIENCY
DIVIDEND**

One portfolio agency, the Australian Secret Intelligence Service (ASIS), is affected by the one-off two per cent Efficiency Dividend only.

**Table P.1: Portfolio Agencies only affected by Measure relating to Election
Commitment Savings: 2 per cent Efficiency Dividend**

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Agency Details				
Australian Secret Intelligence Service (ASIS)	(684)	(3,283)	(3,520)	(3,617)

Figure 1: Portfolio structure and outcomes



AGENCY ADDITIONAL ESTIMATES STATEMENTS

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DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

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DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

Section 1: Agency overview and resources; variations and measures

OVERVIEW

As indicated in the *Portfolio Budget Statements 2007-08*, the Department of Foreign Affairs and Trade works towards achieving four outcomes:

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

Staff serving in Canberra, in a network of overseas diplomatic posts, and in state and territory capitals and regional centres work to achieve these outcomes.

The department is implementing the Government's savings commitments, specifically: the partial reversal of funding provided in the 2006-07 Budget for the measure *Department of Foreign Affairs and Trade – budget sustainability*; the reversal of additional funding provided in the 2007-08 Budget for the measure *Australia-China Free Trade Agreement – continuation of negotiations*; the reversal of funding provided in the 2007-08 Budget for the measure *Australia on the World Stage – enhancement*; and a one-off additional Efficiency Dividend of two per cent.

Separately, the department will contribute funding to meet the Government's commitment to establish an Office of National Security in the Department of the Prime Minister and Cabinet in the interests of greater whole-of-government coordination on national security matters.

As a result of the allocation of responsibility for international climate change policy and negotiations to the Department of Climate Change under Part 4 of the Administrative Arrangements Order of 3 December 2007, the department will transfer resources under Section 32 of the *Financial Management and Accountability (FMA) Act 1997* to support this function. This resource transfer is the subject of negotiations and is therefore not included in the additional estimates for the Department of Foreign Affairs and Trade.

Agency Additional Estimates Statements – DFAT

In the interests of international cooperation and assistance, the Government through the Department of Foreign Affairs and Trade made a donation to the Hellenic Red Cross to support bushfire relief efforts following the severe forest fires in Greece in August 2007. This donation is being appropriated to the department through Additional Estimates in administered funding.

In support of Australia's objectives to enhance the Asia-Pacific Economic Cooperation (APEC) forum the Government agreed to additional administered resources for an increase in Australia's APEC membership contribution and for the establishment of a Policy Support Unit within the APEC Secretariat in Singapore. This funding is being appropriated to the department through Additional Estimates.

The Government is providing administered funding to support expatriate Australians to undertake activities in support of Australia's foreign and trade policies.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	To enhance Australia's security, to contribute to growth in Australia's economy, employment and standard of living, and to strengthen global cooperation in ways that advance Australia's interests	<p>Output 1.1 - Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity</p> <p>Output 1.2 - Secure government communications and security of overseas missions</p> <p>Output 1.3 - Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)</p> <p>Output 1.4 Services to diplomatic and consular representatives in Australia</p>
Outcome 2		
Australians informed about and provided access to consular and passport services in Australia and overseas	To assist Australian travellers and Australians overseas	Output 2.1 - Consular and passport services
Outcome 3		
Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	To foster public understanding of Australia's foreign and trade policy and to project a positive image of Australia internationally	Output 3.1 - Public information services and public diplomacy
Outcome 4		
Efficient management of the Commonwealth overseas owned estate	To manage efficiently the Commonwealth's overseas owned estate	<p>Output 4.1 - Property management</p> <p>Output 4.2 - Contract management</p>

Table 1.1a: Outcomes / functions transferred from Department of Foreign Affairs and Trade

Outcome / Functions	Agency / Department
Development and co-ordination of international climate change policy	Department of Climate Change
International climate change negotiations	Department of Climate Change

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Department of Foreign Affairs and Trade is seeking an increase of \$32.449 million in appropriations in 2007-08, comprising a decrease of \$2.944 million for ten new measures and an increase of \$35.393 million in other variations.

Table 1.2: Additional estimates and variations to outcomes – measures

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Measures - All Outcomes				
Increase in administered appropriations				
<i>Expenses</i>				
Outcome 1				
Asia-Pacific Economic Cooperation forum - supporting Australia's involvement	1,250	3,927	3,927	1,949
Outcome 3				
Fires in Greece - donation	3,000	-	-	-
Working with Australians overseas to promote Australia's interests	500	200	200	
<i>Capital</i>				
Nil	-	-	-	-
Decrease in departmental appropriations				
<i>Expenses</i>				
Revision to measure - Australia on the World Stage - enhancement	(1,292)	(4,008)	(6,828)	(6,932)
Revision to measure - Australia-China Free Trade Agreement - continuation of negotiations*	(2,064)	(4,079)	-	-
Revision to measure - Department of Foreign Affairs and Trade - budget sustainability	(500)	(8,900)	(11,300)	(11,300)
Election Commitment Savings: 2 per cent Efficiency Dividend	(3,693)	(16,216)	(16,316)	(16,166)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(2,069)	(4,144)	(6,196)
Revision to measure - Australia-Japan Free Trade Agreement - commencement of negotiations*	-	-	-	-
Off-setting costs for establishment of Office of National Security*	(145)	(205)	(310)	(314)
<i>Capital</i>				
Nil	-	-	-	-

* Figures are for the DFAT component of the measure only.

Table 1.3: Additional estimates and variations to outcomes

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Variations - All Outcomes				
Variations in administered appropriations				
Outcome 1				
Adjustment for International Organisations Payments	4,601	4,601	4,601	4,601
Adjustment for EFIC National Interest Account	4,000	3,800	3,500	(1,000)
Adjustment for other EFIC NIA Related Payments	500	500	500	800
Adjustment to Payments to Suppliers				
- Parameter Adjustments	-	4	6	6
Outcome 2				
Adjustment for Passport Refunds	674	-	-	-
Adjustment for Travellers Emergency Loans	-	-	300	300
Variations in departmental appropriations				
Adjustment for VAT refunds 2006-07	1,866	-	-	-
Adjustment to passport funding due to higher than expected number of passports issued	25,539	-	-	-
Adjustment for foreign exchange rebasing	(4,543)	(4,543)	(4,543)	(4,543)
Adjustment for domestic inflation in 2007-08	-	1,872	2,871	2,935
Adjustment for overseas inflation rebasing	2,756	2,756	2,756	2,756

Foreign exchange (forex) funding adjustments

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

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

Between year forex rebasing

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

Within year forex adjustments

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

Passports funding adjustments

Under the passport funding agreement the actual level of funding for DFAT is adjusted at Additional Estimates each year for actual total passports issued in the previous year. Funding is also adjusted to reflect updated passport projections for the current year.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Expense Measures														
Revision to measure - Australia on the World Stage - enhancement	3	3.1	-	(1,292)	(1,292)	-	(4,008)	(4,008)	-	(6,828)	(6,828)	-	(6,932)	(6,932)
Revision to measure - Australia-China Free Trade Agreement - continuation of negotiations*	1	1.1, 1.3	-	(2,064)	(2,064)	-	(4,079)	(4,079)	-	-	-	-	-	-
Revision to measure - Department of Foreign Affairs and Trade - budget sustainability	1	1.1, 1.3, 1.4	-	(500)	(500)	-	(8,900)	(8,900)	-	(11,300)	(11,300)	-	(11,300)	(11,300)
Election Commitment Savings: 2 per cent Efficiency Dividend	1, 2, 3		-	(3,693)	(3,693)	-	(16,216)	(16,216)	-	(16,316)	(16,316)	-	(16,166)	(16,166)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1, 2, 3		-	-	-	-	(2,069)	(2,069)	-	(4,144)	(4,144)	-	(6,196)	(6,196)
Revision to measure - Australia-Japan Free Trade Agreement - commencement of negotiations*	1	1.1, 1.3	-	-	-	-	-	-	-	-	-	-	-	-
Off-setting costs for establishment of Office of National Security*	1	1.1, 1.3	-	(145)	(145)	-	(205)	(205)	-	(310)	(310)	-	(314)	(314)
Asia-Pacific Economic Cooperation forum - supporting Australia's involvement	1	1.1	1,250	-	1,250	3,927	-	3,927	3,927	-	3,927	1,949	-	1,949
Fires in Greece - donation	3	3.1	3,000	-	3,000	-	-	-	-	-	-	-	-	-
Working with Australians overseas to promote Australia's interests	3	3.1	500	-	500	200	-	200	200	-	200	-	-	-
Total Expenses Measures			4,750	(7,694)	(2,944)	4,127	(35,477)	(31,350)	4,127	(38,898)	(34,771)	1,949	(40,908)	(38,959)
Capital Measures														
Total Capital Measures			-	-	-	-	-	-	-	-	-	-	-	-
Total of all Measures			4,750	(7,694)	(2,944)	4,127	(35,477)	(31,350)	4,127	(38,898)	(34,771)	1,949	(40,908)	(38,959)

* Figures are for the DFAT component of the measure only.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL**Table 1.5: Appropriation Bill (No. 3) 2007-08**

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
ADMINISTERED ITEMS					
Outcome 1					
Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	216,117	220,029	230,380	10,351	-
Outcome 2					
Australians informed about and provided access to consular and passport services in Australia and overseas	500	500	500	-	-
Outcome 3					
Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	22,720	24,778	28,278	3,500	-
Total	239,337	245,307	259,158	13,851	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	562,861	542,854	534,476	-	(8,378)
Outcome 2					
Australians informed about and provided access to consular and passport services in Australia and overseas	212,836	211,521	229,209	17,688	-
Outcome 3					
Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	56,027	53,993	53,563	-	(430)
Outcome 4					
Efficient management of the Commonwealth overseas owned estate	-	-	-	-	-
Total	831,724	808,368	817,248	17,688	(8,808)
Total administered and departmental	1,071,061	1,053,675	1,076,406	31,539	(8,808)

Note: 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: *Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32.*

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

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections	49,236	11,632	11,632	-	-
Loans	-	-	-	-	-
Previous years' outputs	10,482	2,057	11,100	9,043	-
Administered assets and liabilities	-	-	-	-	-
Total non-operating	59,718	13,689	22,732	9,043	-
Department of Foreign Affairs and Trade					
Total	59,718	13,689	22,732	9,043	-

Note: 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

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

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

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 Budget	2007-08 Revised	Variation
Outcome 1 Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation	2,313	2,346	33
Outcome 2 Australians informed about and provided access to consular and passport services in Australia and overseas	844	859	15
Outcome 3 Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally	219	226	7
Outcome 4 Efficient management of the Commonwealth overseas owned estate	24	24	-
Total	3,400	3,455	55

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

There is an estimated overall increase of 55 staff between the 2007-08 Budget and the Revised Estimates. The 2007-08 Budget figures of 3,400 comprised 1,986 Australia-based (A-based) staff and 1,414 locally-engaged staff (LES). The 2007-08 Revised estimate comprises 2,013 A-based and 1,442 LES.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8 provides details of other receipts available to be used and includes FMA Act .31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.8: Other receipts available to be used

	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
Departmental other receipts		
Sales of goods and services	97,732	97,732
Resources received free of charge	390	390
Other	1,100	1,100
Total departmental other receipts available to be used	99,222	99,222
Administered other receipts		
Sponsorship (FMA Act s.31)	-	-
Total administered other receipts available to be used	-	-

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

	Outcome No	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
Estimated expenses			
Special Appropriation FMA Act, 1997 s28 (A) ⁽¹⁾	2	500	1,174
Total estimated expenses		500	1,174

D = Departmental

A = Administered

Acts Glossary:

Financial Management and Accountability Act 1997 = FMA Act, 1997

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

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance 2007-08 ⁽¹⁾ 2006-07 ⁽¹⁾ (\$'000)	Receipts 2007-08 2006-07 (\$'000)	Payments 2007-08 2006-07 (\$'000)	Adjustments 2007-08 2006-07 (\$'000)	Closing Balance 2007-08 2006-07 (\$'000)
Australia-China Council Special Account - FMA Act 1997 s20 (A)	3	38	750	788	0	0
		1	829	792	0	38
Australia-France Endowment Special Account - FMA Act 1997 s20 (A)	1	7	53	60	0	0
		29	53	75	0	7
Australia-India Council Special Account - FMA Act 1997 s20 (A)	3	308	750	1,058	0	0
		328	805	825	0	308
Australia-Indonesia Institute Special Account - FMA Act 1997 s20 (A)	3	59	750	809	0	0
		1	945	887	0	59
Australia-Korea Foundation Special Account - FMA Act 1997 s20 (A)	3	3	750	753	0	0
		8	795	800	0	3
Consular Services Special Account - FMA Act 1997 s20 (A)	2	42	200	242	0	0
		43	317	318	0	42
Australia-Japan Foundation Special Account - FMA Act 1997 s20 (A)	3	956	1,000	1,956	0	0
		0	1,316	360	0	956
Services for Other Governments & Non-Agency Bodies Account - FMA Act 1997 s20 (A)	1,2,3	1,392	2,000	3,392	0	0
		1,040	1,053	701	0	1,392
Other Trust Monies Account - FMA Act 1997 s20 (A)	1,2,3	305	800	1,105	0	0
		527	826	1,048	0	305
Administered Payments and Receipts for Other Entities Special Account - FMA Act 1997 s20 (A)	1,2,3	5,000	230,000	230,000	0	5,000
		5,000	161,893	161,893	0	5,000
Overseas Property Account - Finance Determination 2002-01 (D)	4	190,825	173,779	165,850	0	198,754
		131,181	159,912	100,268	0	190,825
Total special accounts		198,935	410,832	406,013	-	203,754

D = Departmental

A = Administered

Acts Glossary:

Financial Management and Accountability Act 1997 = FMA Act, 1997

Note 1 The revised Opening Balance for 2007-08 is the same as the final closing balance for 2006-07. This balance may have changed from that shown in the 2007-08 PB Statements as the actual for 2006-07 may have been updated to reflect the final budget outcome for that year.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

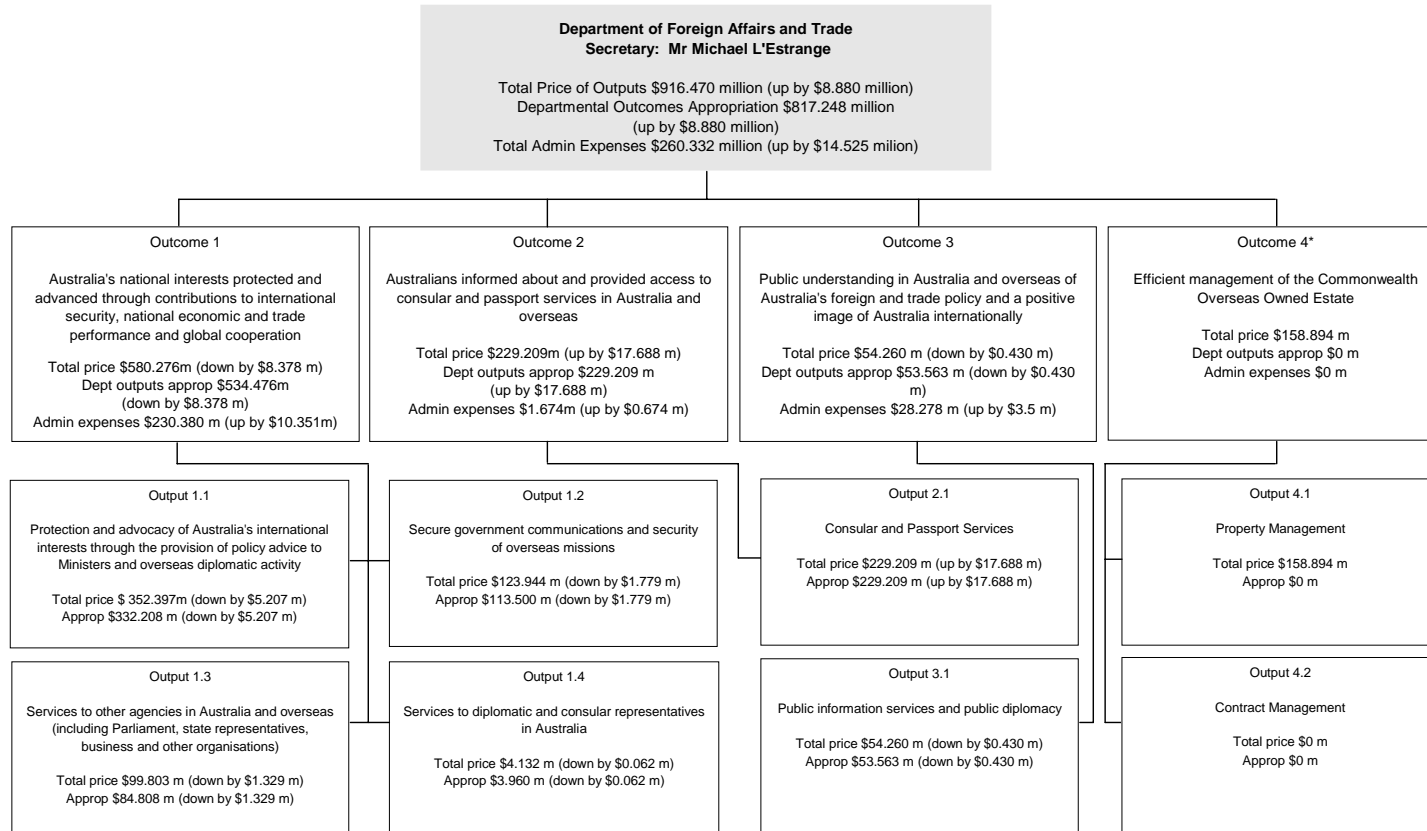
Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and output groups for the Department of Foreign Affairs and Trade.

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

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

Output cost attribution

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

Figure 2: Outcome and output structure

*Price of outputs shown under this outcome includes an amount of \$106.169 m for inter-entity transactions, being rent paid by DFAT to the Overseas Property Office for services provided to DFAT's overseas diplomatic network. The contribution of this outcome to DFAT's total price of outputs is \$52.725 m.

Outcome 1

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

The administered appropriation will increase by \$10.351 million as a result of an increase in \$5.851 million in the estimated cost of contributions to international organisations including the APEC measure and \$4.500 million in the net expenses relating to the EFIC National Interest Account.

Revised performance information — 2007-08

The performance information that the Department of Foreign Affairs and Trade will use to assess the level of its achievement against Outcome 1 during 2007-08 is shown at Tables 2.1 and 2.2. The general effectiveness indicators for Outcome 1 are unchanged from the *Portfolio Budget Statements 2007-08*. The price of all outputs has changed as a result of Additional Estimates.

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

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Output 1.1 Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity	<p><u>Quality:</u> Satisfaction of portfolio ministers with the department's policy advice, analysis, speeches and briefings, including the department's contribution to the development of policies of other Australian Government agencies which have an international dimension.</p> <p>Satisfaction of portfolio ministers with the protection and advancement of Australia's international interests, including the conduct and timeliness of bilateral and multilateral negotiations, effective advocacy and representations, post reporting and the organisation of official programs.</p> <p>Strong capacity to assess, analyse and advise on responses to international developments.</p> <p><u>Quantity:</u> Scope and composition of the DFAT-managed diplomatic network.</p> <p>Number of units of policy advice delivered, including ministerial and cabinet submissions, ministerial correspondence, and speeches and briefings including parliamentary briefings.</p> <p>Number of consultations conducted with other Australian Government agencies, state and territory governments, business and non-government organisations in the context of the department's development of foreign and trade policy advice.</p> <p>Number of representations made to other governments and international organisations in support of Australia's international interests.</p> <p>Number of international meetings or negotiations attended, including on behalf of other Australian Government agencies.</p>	<p><u>Quality:</u> <i>No change</i></p> <p><u>Quantity:</u> <i>No change</i></p>

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

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
	Number of official programs prepared for portfolio ministers and senior officials.	
	Number of official programs prepared for the Prime Minister, other Australian Government ministers and senior officials.	
	Number of reporting cables produced by our overseas posts.	
	Number of occasions on which the department has contributed to the development of policies by other Australian Government agencies.	
	Number of Foreign Affairs Council and Trade Policy Advisory Council meetings organised.	
	Price: \$357.604 million	Price: \$352.397 million
Output 1.2	<u>Quality:</u>	<u>Quality:</u>
Secure government communications and security of overseas missions	Client satisfaction with the secure communications network and secure telecommunications infrastructure.	<i>No change</i>
	Availability to clients, and reliability, of communications through the secure network (including cable delivery).	
	Client satisfaction with the level of physical security at overseas chanceries and residences, including responsiveness to unexpected events.	
	<u>Quantity:</u>	<u>Quantity:</u>
	Number of posts and Australian Government entities with access to the secure communications network and secure telecommunications infrastructure.	<i>No change</i>
	Number of clients serviced, types of services provided and volume of traffic handled.	
	Number of visits to overseas missions to address protective security issues.	
	Number of security clearances and reviews processed.	
	Price: \$125.723 million	Price: \$123.944 million

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

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Output 1.3 Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)	<p><u>Quality:</u> Client satisfaction with briefing, administrative, visit facilitation, communications and other services provided.</p> <p><u>Quantity:</u> Scope and composition of administrative services provided to other agencies overseas.</p> <p>Number of official programs organised for members of the Australian Parliament (excluding the Prime Minister or ministers) and parliamentary delegations.</p> <p>Number of services provided to parliamentary committees.</p> <p>Number of overseas visits by representatives of state or territory governments, and by state and territory parliamentarians, supported by the department.</p> <p>Number of Australian companies supported by the department with advice on market conditions, access to government and private sector contacts, and through representations directly connected with their particular interests.</p>	<p><u>Quality:</u> <i>No change</i></p> <p><u>Quantity:</u> <i>No change</i></p>
	Price: \$101.132 million	Price: \$99.803 million
Output 1.4 Services to diplomatic and consular representatives in Australia	<p><u>Quality:</u> Client satisfaction with the provision of services to diplomatic and consular representatives.</p> <p><u>Quantity:</u> Number of diplomatic and consular representatives for whom the department provides services.</p> <p>Number and category of services provided.</p>	<p><u>Quality:</u> <i>No change</i></p> <p><u>Quantity:</u> <i>No change</i></p>
	Price: \$4.195 million	Price: \$4.132 million

**Table 2.2 - Performance information for outputs affected by additional estimates:
Outcome 1 Administered items**

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Contributions to international organisations	<u>Quality:</u> Efficiency and timeliness of administration of contributions paid in accordance with the requirements of relevant organisations	<u>Quality:</u> <i>No change</i>
	<u>Quantity:</u> Number of international organisations to which Australia contributes	<u>Quantity:</u> <i>No change</i>
	Price: \$208.620 million	Price: \$214.471 million
Export Finance and Insurance Corporation National Interest Account	<u>Quality:</u> National interest payments and receipts managed in accordance with the national interest provisions of the <i>Export Finance and Insurance Corporation Act 1991</i>	<u>Quality:</u> <i>No change</i>
	<u>Quantity:</u> Value of exports supported by EFIC's National Interest Account; value of claims paid on National Interest Account business	<u>Quantity:</u> <i>No change</i>
	Price: \$8.200 million	Price: \$12.700 million
Compensation for detriment caused by defective administration	<u>Quality:</u> Efficiency and timeliness of case management, where necessary	<u>Quality:</u> <i>No change</i>
	<u>Quantity:</u> Where necessary, number of cases successfully managed	<u>Quantity:</u> <i>No change</i>
	Price: \$0.054 million	Price: <i>No change</i>

Outcome 2

Variations include a proportionate share (based on the Outcome/Outputs share of the department's overall budget) of the following items: savings measures, funding for higher levels of passport production, overseas inflation, foreign exchange variations and rebasing; and VAT refunds. These variations have affected the price of outputs under Outcome 2.

The department will receive an additional Special Appropriation under s28 of the FMA Act (Refund of Revenue) for Administered Outcome 2 - Passports Fee Refunds of \$0.674 million. This variation is due to an increase in passport fee refunds made in July 2007. Special Appropriations for passport fee refunds do not appear in Table 1.5 as they are distinct from the other Administered appropriations.

Revised performance information — 2007-08

The performance information that the Department of Foreign Affairs and Trade will use to assess the level of its achievement against Outcome 2 during 2007-08 is shown at Tables 2.3 and 2.4. The general effectiveness indicators for Outcome 2 are unchanged from the *Portfolio Budget Statements 2007-08*. The price of the output has changed as a result of Additional Estimates.

**Table 2.3 - Performance information for outputs affected by additional estimates:
Outcome 2**

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Output 2.1: Consular and passport services		
Consular services	<p><u>Quality:</u> Satisfaction of the public and travel industry with consular services.</p> <p>Extent to which highly developed crisis management procedures are in place and tested.</p> <p>Client satisfaction with the suitability and effectiveness of contingency plans at overseas posts.</p> <p>Response time to consular issues.</p> <p><u>Quantity:</u> Number of Australians assisted overseas, including the number of public inquiries handled, notarial acts performed and travel advisories issued.</p> <p>Number of unexpected events or crises handled by the department, number of associated Emergency Task Force meetings held, and the duration of Crisis Centre operations.</p>	<p><u>Quality:</u> <i>No change</i></p> <p><u>Quantity:</u> <i>No change</i></p>
Passport services	<p><u>Quality:</u> Satisfaction of the public and travel industry with passport services.</p> <p>Turnaround time for passport issue, including urgent issues.</p> <p><u>Quantity:</u> Number of passport inquiries handled by the Australian Passport Information Service.</p> <p>Number of travel documents issued, including urgent issues.</p> <p>Price: \$211.521 million</p>	<p><u>Quality:</u> <i>No change</i></p> <p><u>Quantity:</u> <i>No change</i></p> <p>Price: \$229.209 million</p>

**Table 2.4 - Performance information for outputs affected by additional estimates:
Outcome 2 Administered items**

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Travellers emergency loans	<u>Quality:</u> Travellers emergency loans granted to Australian travellers in accordance with the guidelines laid down in the Consular instructions <u>Quantity:</u> Number of Australian travellers assisted by emergency loans Success of debt recovery activities Price: \$0.300 million	<u>Quality:</u> <i>No change</i> <u>Quantity:</u> <i>No change</i> Price: <i>No change</i>
Consular Emergency Services	<u>Quality:</u> Consular emergency services provided to Australian travellers in accordance with the guidelines laid down in the Consular Handbook. <u>Quantity:</u> Number of Australian travellers assisted by emergency services. Price \$0.200 million	<u>Quality:</u> <i>No change</i> <u>Quantity:</u> <i>No change</i> Price: <i>No change</i>

Outcome 3

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

The administered appropriation will increase by \$3.500 million as a result of the donation to the Hellenic Red Cross and a grant to support activities of Australians working overseas to promote Australia's interests.

Revised performance information — 2007-08

The performance information that the Department of Foreign Affairs and Trade will use to assess the level of its achievement against Outcome 3 during 2007-08 is shown at Tables 2.5 and 2.6. The general effectiveness indicators for Outcome 3 are unchanged from the *Portfolio Budget Statements 2007-08*. The price of the output has changed as a result of Additional Estimates.

**Table 2.5 - Performance information for outputs affected by additional estimates:
Outcome 3**

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Output 3.1 Public information services and public diplomacy	<p><u>Quality:</u> Satisfaction, particularly of ministers, with the provision and impact of public diplomacy and information activities in Australia and the degree to which a positive image of Australia is projected internationally and Australia's profile raised.</p> <p>Timeliness and relevance of cultural and media activities and publications.</p> <p>Number of departmentally processed Freedom of Information and Archives requests not subject to requests for review and appeal.</p> <p><u>Quantity:</u> Number of Australian performing groups, artists, exhibitors and other cultural visitors supported.</p> <p>Number of public briefings given by departmental staff in Australia and overseas.</p> <p>Number of other public diplomacy/cultural activities organised.</p> <p>Number of media-related inquiries handled by the media liaison section.</p> <p>Number of visits organised under the International Media and Special Visits Programs and the International Cultural Visits program.</p> <p>Number of publications produced and number of copies distributed.</p> <p>Number of statistical services provided to external clients.</p> <p>Number of treaties maintained on, and added to, the international treaties database.</p> <p>Number of Freedom of Information requests processed.</p> <p>Number of records assessed for international relations sensitivities before release under the <i>Archives Act 1983</i> and number of completed requests for archival information.</p> <p>Price: \$54.690 million</p>	<p><u>Quality:</u> <i>No change</i></p> <p><u>Quantity:</u> <i>No change</i></p> <p>Price: \$54.260 million</p>

**Table 2.6 - Performance information for outputs affected by additional estimates:
Outcome 3 Administered items**

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Grants	<u>Quality:</u> Grants administered in accordance with Government guidelines on the administration of the Discretionary Grants Programme. <u>Quantity:</u> Number of grants. Price: \$4.541 million	<u>Quality:</u> No change <u>Quantity:</u> No change Price: \$5.041 million
Asia Pacific television service - Australia Network	<u>Quality:</u> ABC to meet its contractual obligations with the department in regard to the quality, coverage and management of the Asia Pacific television service - Australia Network <u>Quantity:</u> Performance of the television service measured by tests and assessments prescribed in the contract Price: \$18.737 million	<u>Quality:</u> No change <u>Quantity:</u> No change Price: No change
Shanghai World Expo 2010 Planning and design	<u>Quality:</u> Stakeholder satisfaction with design and other plans produced. <u>Quantity:</u> Number of planning and design options produced. Price: \$1.500 million	<u>Quantity:</u> No change <u>Quantity:</u> No change Price: No change

Section 3: Budgeted financial statements

The Budgeted Financial Statements for DFAT presented in this section will form the basis of the financial statements that will appear in the department's 2007-08 Annual Report and the basis for the input into the whole of government accounts.

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

Budgeted departmental income statement

This statement provides a picture of the actual 2006-07 financial results and the expected financial results for 2007-08 and forward years for the department by identifying full accrual expenses and revenues. This provides an assessment as to whether the department is operating at a sustainable level.

The department has budgeted for a surplus of \$83.7 million in 2007-08 of which \$72.6 million relates to the Overseas Property Office. The overall DFAT budget position is break-even. The DFAT budgeted operating surplus includes appropriation revenues of \$11 million for prior year outputs. Appropriation for prior year outputs includes VAT refunds, funding for higher levels of passport production, the integration of the Australia-Japan Foundation and security related rent supplementation.

The department's appropriation has changed since the *Portfolio Budget Statements 2007-08* due to reductions arising from savings measures including: a two per cent one-off Efficiency Dividend; additional funding for higher levels of passport production; variations for overseas inflation and foreign exchange movements and rebasing and VAT refunds.

Expenses have increased due to passports funding.

Budgeted departmental balance sheet

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

This statement has been revised since the publication of the *Portfolio Budget Statements 2007-08* to reflect the reassessment of expected closing balances based on actual results and performance in 2006-07. Receivables have increased as a result of adjustments to reflect 2006-07 actual results. Inventories have decreased due to a decrease in passport inventory balance in 2006-07. Assets have changed due to the rephrasing of a number of security works in overseas missions. Liabilities have increased as a result of adjustments to reflect 2006-07 actual results.

Budgeted departmental statement of cash flows

Budgeted cash flows, as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating, investing and financial activities.

This statement has been revised since the publication of the *Portfolio Budget Statements 2007-08* to reflect the reassessment and change in the expected closing balances in the budgeted departmental income statement and the budgeted departmental balance sheet.

The Overseas Property Office has a special account. It funds new projects from existing resources which impacts on the amount to be paid as a dividend.

Departmental statement of changes in equity — summary of movement

This schedule discloses details of movements in departmental equity.

Departmental capital budget statement

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

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

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

Schedule of administered activity

Details of transactions administered by the agency on behalf of the Commonwealth are shown in the following schedules to the financial statements:

Schedule of budgeted income and expenses administered on behalf of government

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

Administered revenues have been budgeted at \$312.234 million in 2007-08. Total revenue is estimated to increase by \$35.146 million since the *Portfolio Budget Statements 2007-08*, primarily due to increases in the projected passport revenue and dividend received from the Export Finance and Insurance Corporation (EFIC). In the forward years, goods and services revenue is impacted by the expectation that passport revenue will continue to increase.

Total expenses administered on behalf of the Government are budgeted at \$264.053 million in 2007-08. Total estimated expenses have increased by \$14.525 million since the *Portfolio Budget Statements 2007-08*, due to payments associated with an increase to international organisations totalling \$5.851 million, EFIC National Interest Account

expenses of \$4.500 million, grants of \$3.500 million and passport refunds of \$0.674 million.

Schedule of budgeted assets and liabilities administered on behalf of government

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

This statement has been revised since the publication of the *Portfolio Budget Statements 2007-08* to reflect the final actual closing balances in 2006-07, including fair value adjustments required under the new Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Schedule of budgeted administered cash flows

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

Administered cash received moves in line with the administered revenue, with the exception of AEIFRS-related fair value revenue which has no cash impact, and is returned to the Consolidated Revenue Fund. Total cash received is expected to increase by \$20.621 million since the *Portfolio Budget Statements 2007-08*, primarily due to increased projected passport revenue. Administered cash used moves according to estimated expenses incurred on behalf of Government, with the exception of AEIFRS fair value related expense which has no cash impact. Cash used is funded by an annual appropriation.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	832,941	828,348	792,396	794,192	784,869
Goods and services	102,644	97,732	97,184	85,725	87,872
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	3,253	1,100	1,100	1,521	1,911
Total revenue	938,838	927,180	890,680	881,438	874,652
Gains					
Net foreign exchange gains	839	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	523	-	-	-
Other	1,600	390	390	390	390
Total gains	2,439	913	390	390	390
Total income	941,277	928,093	891,070	881,828	875,042
EXPENSE					
Employees	340,888	369,896	358,272	366,982	323,205
Suppliers	390,698	369,290	354,515	365,895	403,461
Grants	957	900	900	900	900
Subsidies	-	-	-	-	-
Depreciation and amortisation	67,698	75,668	78,844	87,317	89,135
Finance costs	987	649	624	457	400
Write-down of assets and impairment of assets	1,672	28,004	3,360	-	-
Net losses from sale of assets	2,691	-	910	4	-
Net foreign exchange losses	-	-	-	-	-
Other	48	-	-	-	-
Total expenses	805,639	844,407	797,425	821,555	817,101
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result before Income Tax					
Income Tax expense	-	-	-	-	-
Net operating result	135,638	83,686	93,645	60,273	57,941

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2008) (continued)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
Operating result from continuing operations	135,638	83,686	93,645	60,273	57,941
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
Operating result					
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	135,638	83,686	93,645	60,273	57,941

Table 3.2: Budgeted departmental balance sheet (as at 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	49,088	31,268	28,933	32,757	32,786
Receivables	494,470	552,619	564,525	635,623	609,069
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	3,895	3,895	3,895	3,895	3,895
Other financial assets	-	-	-	-	-
Total financial assets	547,453	587,782	597,353	672,275	645,750
Non-financial assets					
Land and buildings	1,623,869	1,714,061	1,717,861	1,709,754	1,773,096
Infrastructure, plant and equipment	92,644	78,251	85,986	135,756	124,146
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	16,397	16,397	16,397	16,396	16,396
Intangibles	8,177	18,902	17,107	11,734	21,691
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	14,485	123	123	123	123
Other non-financial assets	106,577	77,569	96,235	136,526	153,375
Total non-financial assets	1,862,149	1,905,303	1,933,709	2,010,289	2,088,827
Total assets	2,409,602	2,493,085	2,531,062	2,682,564	2,734,577
LIABILITIES					
Payables					
Suppliers	78,387	86,179	86,170	76,364	76,354
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Financing costs	-	-	-	-	-
Other payables	11,052	11,744	12,451	12,994	12,994
Total payables	89,439	97,923	98,621	89,358	89,348
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	2,214	1,459	648	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	2,214	1,459	648	-	-
Provisions					
Employees	110,403	110,113	110,157	110,298	110,317
Other provisions	8,485	8,485	8,485	8,485	8,485
Total provisions	118,888	118,598	118,642	118,783	118,802
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	210,541	217,980	217,911	208,141	208,150

Table 3.2: Budgeted departmental balance sheet (as at 30 June 2008) (continued)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	1,491,463	1,503,096	1,533,071	1,628,007	1,628,007
Reserves	365,168	377,767	379,187	385,319	379,382
Retained surpluses or accumulated deficits	342,430	394,242	400,893	461,097	519,038
Total parent entity interest	2,199,061	2,275,105	2,313,151	2,474,423	2,526,427
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	2,199,061	2,275,105	2,313,151	2,474,423	2,526,427
Current assets	594,066	604,302	613,873	688,794	662,269
Non-current assets	1,815,536	1,888,783	1,917,189	1,993,770	2,072,308
Current liabilities	194,584	197,751	196,975	186,662	186,671
Non-current liabilities	15,958	20,229	20,936	21,479	21,479

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

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	110,528	97,040	96,476	85,184	87,872
Appropriations	763,301	791,685	756,367	722,703	785,040
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	24,810	19,362	19,362	19,362	19,362
Other cash received	-	1,479	1,116	1,931	1,931
Total cash received	898,639	909,566	873,321	829,180	894,205
Cash used					
Employees	335,115	371,038	360,005	367,922	324,671
Suppliers	369,857	353,410	353,387	351,114	405,041
Grants	957	900	900	900	900
Financing costs	-	-	20	20	400
Net GST paid	24,625	19,637	19,362	19,362	19,362
Other cash used	-	20	20	20	-
Total cash used	730,554	745,005	733,694	739,338	750,374
Net cash from or (used by) operating activities	168,085	164,561	139,627	89,842	143,831
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	3,549	17,246	4,769	4,570	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	3,549	17,246	4,769	4,570	-
Cash used					
Purchase of property, plant and equipment	134,495	118,562	62,357	114,282	98,059
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash used	60,051	52,878	49,408	75,306	75,551
Total cash used	194,546	171,440	111,765	189,588	173,610
Net cash from or (used by) investing activities	(190,997)	(154,194)	(106,996)	(185,018)	(173,610)

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2008) (continued)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	71,350	11,633	29,975	94,936	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other cash received	-	(7,946)	22,053	4,133	29,808
Total cash received	71,350	3,687	52,028	99,069	29,808
Cash used					
Repayments of debt (including finance lease principal)	-	-	-	-	-
Dividends paid	27,284	17,512	84,731	-	-
Other cash used	1,618	14,362	2,263	69	-
Total cash used	28,902	31,874	86,994	69	-
Net cash from or (used by) financing activities	42,448	(28,187)	(34,966)	99,000	29,808
Net increase or (decrease) in cash held	19,536	(17,820)	(2,335)	3,824	29
Cash at the beginning of the reporting period	28,713	49,088	31,268	28,933	32,757
Effect of exchange rate movements on cash at the beginning of reporting period	839	-	-	-	-
Asset/Liability Transfers	-	-	-	-	-
Net Effect	-	-	-	-	-
Cash at the end of the reporting period	49,088	31,268	28,933	32,757	32,786

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	342,430	365,168	-	1,491,463	2,199,061
Adjustment for changes in accounting policies					
Adjusted opening balance	342,430	365,168	-	1,491,463	2,199,061
Income and expense					
Income and expenses recognised directly in equity:	-	-	-	-	-
Gain/loss on revaluation of property	-	12,599	-	-	12,599
Sub-total income and expense recognised directly in equity	-	12,599	-	-	12,599
Net operating result	83,686	-	-	-	83,686
Total income and expenses	83,686	12,599	-	-	96,285
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	(17,512)	-	-	-	(17,512)
Returns of capital					
Restructuring	-	-	-	-	-
Other:					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	11,633	11,633
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	(17,512)	-	-	11,633	(5,879)
Amount (to)/from OPA - Agency					
Cash transfers to OPA	(14,362)	-	-	-	(14,362)
Transfers between equity components	-	-	-	-	-
Other movements	-	-	-	-	-
Estimated closing balance as at 30 June 2008	394,242	377,767	-	1,503,096	2,275,105

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	49,236	11,632	29,976	94,935	-
Appropriation of Previous Year Accrued Revenue	10,482	11,100	-	-	-
Total capital appropriations	59,718	22,732	29,976	94,935	-
Represented by:					
Purchase of non-financial assets	49,236	11,632	29,976	94,935	-
Other	10,482	11,100	-	-	-
Total represented by	59,718	22,732	29,976	94,935	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	60,654	11,632	29,976	94,935	-
Funded internally by Departmental resources	87,700	168,326	66,082	31,610	156,761
Total	148,354	179,958	96,058	126,545	156,761

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	864,235	-	781,651	-	135,248	-	39,463	-	1,820,597
Accumulated depreciation	-	-	(22,017)	-	(42,604)	-	(31,286)	-	(95,907)
Opening net book value	864,235	-	759,634	-	92,644	-	8,177	-	1,724,690
Additions:									
by purchase	50,033	-	96,941	-	13,591	-	19,393	-	179,958
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	12,574	-	(28,004)	-	25	-	-	-	(15,405)
Reclassifications									
Depreciation/amortisation expense	-	-	(41,352)	-	(25,648)	-	(8,668)	-	(75,668)
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	(2,361)	-	-	-	(2,361)
As at 30 June 2008									
Gross book value	926,842	-	850,588	-	146,503	-	58,856	-	1,982,789
Accumulated depreciation	-	-	(63,369)	-	(68,252)	-	(39,954)	-	(171,575)
Estimated closing net book value	926,842	-	787,219	-	78,251	-	18,902	-	1,811,214

Schedule of administered activity

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Goods and services	241,027	274,974	296,463	321,656	329,362
Interest	12,369	6,900	6,600	6,100	5,500
Dividends	14,362	20,400	9,600	9,600	9,600
Other sources of non-taxation revenues	82,907	9,960	9,160	8,960	8,660
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Total non-taxation	350,665	312,234	321,823	346,316	353,122
Total revenues administered on behalf of Government	350,665	312,234	321,823	346,316	353,122
Gains					
Net foreign exchange gains	3,629	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	3,629	-	-	-	-
Total income administered on behalf of Government	354,294	312,234	321,823	346,316	353,122
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	205,121	222,712	222,089	222,089	221,762
Subsidies	-	-	-	-	-
Personal benefits	4,750	2,200	1,950	1,950	1,700
Employees	-	-	-	-	-
Suppliers	16,652	22,441	20,389	20,873	20,962
Depreciation and amortisation	-	-	-	-	-
Write down and impairment of assets	92	-	-	-	-
Interest	-	12,600	12,000	11,300	6,600
Other	29,614	4,100	3,500	3,000	2,500
Losses					
Net foreign exchange losses	-	-	-	-	-
Net loss from sale of assets	-	-	-	-	-
Other losses	-	-	-	-	-
Total expenses administered on behalf of Government	256,229	264,053	259,928	259,212	253,524

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents [this can include investments including s.39 FMA Act]	5,187	5,187	5,187	5,187	5,187
Receivables	20,654	19,738	20,038	20,338	20,638
Investments (s.39 FMA Act)	359,800	359,800	359,800	359,800	359,800
Accrued revenues	-	1,216	1,216	1,216	1,216
Other financial assets	-	-	-	-	-
Total financial assets	385,641	385,941	386,241	386,541	386,841
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	1,539	1,539	1,539	1,539	1,539
Total non-financial assets	1,539	1,539	1,539	1,539	1,539
Total assets administered on behalf of Government	387,180	387,480	387,780	388,080	388,380
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Australian Government securities	-	-	-	-	-
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	-	-	-	-	-
Total provisions	-	-	-	-	-

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June 2008) (continued)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
Payables					
Suppliers	344	344	344	344	344
Grants and subsidies	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Taxation refunds due	-	-	-	-	-
Other payables	109,297	105,597	102,697	100,397	99,097
Total payables	109,641	105,941	103,041	100,741	99,441
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities administered on behalf of Government	109,641	105,941	103,041	100,741	99,441

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Sales of goods	242,205	274,974	296,463	321,656	329,362
Rendering of services	-	-	-	-	-
Interest	113,018	100	100	100	100
Dividends	14,362	20,400	9,600	9,600	9,600
Net GST received	1,829	-	-	-	-
Other	17,030	6,660	6,560	6,660	6,760
Total cash received	388,444	302,134	312,723	338,016	345,822
Cash used					
Borrowing costs	-	-	-	-	-
Employees	-	-	-	-	-
Grant payments	204,831	223,012	222,389	222,389	222,062
Interest paid	18,205	8,600	8,000	7,300	6,600
Subsidies paid	-	-	-	-	-
Personal benefits	2,101	2,200	1,950	1,950	1,700
Suppliers	18,192	22,441	20,389	20,873	20,962
Net GST paid	1,828	-	-	-	-
Other	875	4,079	3,448	2,932	2,511
Total cash used	246,032	260,332	256,176	255,444	253,835
Net cash from operating activities	142,412	41,802	56,547	82,572	91,987
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Proceeds from sales of equity instruments	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Transfers from other entities	-	-	-	-	-
Investments (s.39 FMA Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June 2008) (continued)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
Cash used					
Purchase of property, plant and equipment and intangibles	-	-	-	-	-
Purchase of equity instruments	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Investments (s.39 FMA Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	240,847	260,332	256,176	255,444	253,835
Other	-	-	-	-	-
Total cash received	240,847	260,332	256,176	255,444	253,835
Cash used					
Net repayment of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	383,292	302,134	312,723	338,016	345,822
Other	-	-	-	-	-
Total cash used	383,292	302,134	312,723	338,016	345,822
Net cash from financing activities	(142,445)	(41,802)	(56,547)	(82,572)	(91,987)
Net increase or (decrease) in cash held	(33)	-	-	-	-
Cash at beginning of reporting period	5,220	5,187	5,187	5,187	5,187
Cash from Official Public Account for:					
- appropriations	-	-	-	-	-
- special accounts	-	-	-	-	-
Transfers from other entities (Finance - Whole of Government)	-	-	-	-	-
Cash to Official Public Account for:					
- appropriations	-	-	-	-	-
- special accounts	-	-	-	-	-
Transfers to other entities (Finance - Whole of Government)	-	-	-	-	-
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	5,187	5,187	5,187	5,187	5,187

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

Departmental

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

- Departmental price of outputs appropriations: representing the Government's purchase of outputs from agencies; and
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies.

Administered

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

- Administered expense appropriations: for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in Administered equity through funding non-expense Administered payments.

Administered investments in controlled entities

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

Asset Revaluation

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

AUSTRALIAN TRADE COMMISSION (AUSTRADE)

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AUSTRALIAN TRADE COMMISSION

Section 1: Agency overview and resources; variations and measures

OVERVIEW

Austrade's role, operating framework, outcomes and outputs as reported in the *Portfolio Budget Statements 2007-08* remain unchanged as a result of Additional Estimates.

The Government's decision to transfer the 'investment promotion' function currently being undertaken by the Department of Innovation, Industry, Science and Research to the Australian Trade Commission has yet to be reflected in the Administrative Arrangements Order. Arrangements are subject to ongoing negotiation between agencies. The impact on resources is therefore not reflected in the Commission's revised estimates.

Total resourcing for Austrade has decreased by \$2.2 million since the 2007-08 Budget. This reduction is mainly due to the movement of administered funds within Austrade from 2007-08 to 2006-07 and a reduction in revenue from the provision of goods and services. This reduction is partially offset by an increase in depreciation.

Table 1.1: Agency outcomes and output groups

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

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes – measures

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Decrease in estimates (departmental)				
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent		(32)	(528)	(1,038)

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

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Variations (administered)				
Movement of funds between years	(2,400)	-	-	-
Variations (departmental)				
Forex Adjustments				
Within Year	(650)	-	-	-
Between Year	66	66	66	66
Price Deflators	(59)	(85)	(90)	(99)
Goods and Services (s. 31 FMA Act)	(2,049)	(1,849)	(1,849)	(1,849)
Depreciation	2,869	3,919	3,807	3,637
Total variations to outcomes	(2,223)	2,051	1,934	1,755

Glossary:

FMA Act = Financial Management and Accountability Act, 1997

Explanation of variations

Movement of funds between years

The movement of funds to 2006-07 of \$2.4 million is a result of the higher than estimated grant payments in the Export Market Development Grants (EMDG) scheme for 2006-07.

Foreign Exchange (forex) adjustment

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

There are two types of foreign exchange funding adjustments:

Within year forex adjustments

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

Between year forex adjustments

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

Price Deflators

Austrade's funding has decreased by \$0.06 million in 2007-08 to reflect updated economic parameters.

Goods and Services

The decrease to goods and services revenue of \$2.0 million in 2007-08 is the result of a reduction in estimated revenue from external sources.

Depreciation

An increase in depreciation funding of \$2.9 million for 2007-08 is a result of revised estimates based on the current asset base and planned capital expenditure.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures														
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1.3	-	-	-	-	(32)	(32)	-	(528)	(528)	-	(1,038)	(1,038)
Total Expense Measures			-	-	-	-	(32)	(32)	-	(528)	(528)	-	(1,038)	(1,038)

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
ADMINISTERED ITEMS					
Outcome 1 - Output Group 1.4					
Export Market Development Grants for small to medium sized businesses	153,920	159,280	156,880	-	(2,400)
Total	153,920	159,280	156,880	-	(2,400)
DEPARTMENTAL OUTPUTS					
Outcome 1 - Output Groups 1.1 - 1.3					
Australians succeeding in international business with widespread community support	163,659	160,637	162,863	2,226	-
Outcome 2 - Output Group 2.1					
Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	9,783	9,706	9,706		-
Total	173,442	170,343	172,569	2,226	-
Total administered and departmental	327,362	329,623	329,449	2,226	(2,400)

Note: 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

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

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

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 Budget	2007-08 Revised	Variation
Outcome 1			
Australians succeeding in international business with widespread community support	986	985	(1)
Outcome 2			
Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	51	50	(1)
Total	1,037	1,035	(2)

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8 provides details of other receipts available to be used and includes FMA Act s.31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.8: Other receipts available to be used

	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
Departmental other receipts		
Sale of Goods and Services (s31 FMA Act)	29,479	27,430
Other (s31 FMA Act)	3,677	3,677
Total departmental other receipts available to be used	33,156	31,107

Glossary:

FMA Act = Financial Management and Accountability Act, 1997

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Not applicable to Austrade.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance 2007-08 <i>2006-07</i> (\$'000)	Receipts 2007-08 <i>2006-07</i> (\$'000)	Payments 2007-08 <i>2006-07</i> (\$'000)	Adjustments 2007-08 <i>2006-07</i> (\$'000)	Closing Balance 2007-08 <i>2006-07</i> (\$'000)
Admin Payments and Receipts	1	100	7,900	7,900	-	100
for Other Entities - s20 FMA Act (A)		-	7,670	7,570		100
Other Trust Moneys (D)	1	77	700	700	-	77
		-	781	704		77
Total special accounts		177	8,600	8,600	-	177

Glossary:

FMA Act = Financial Management and Accountability Act, 1997

D = Departmental

A = Administered

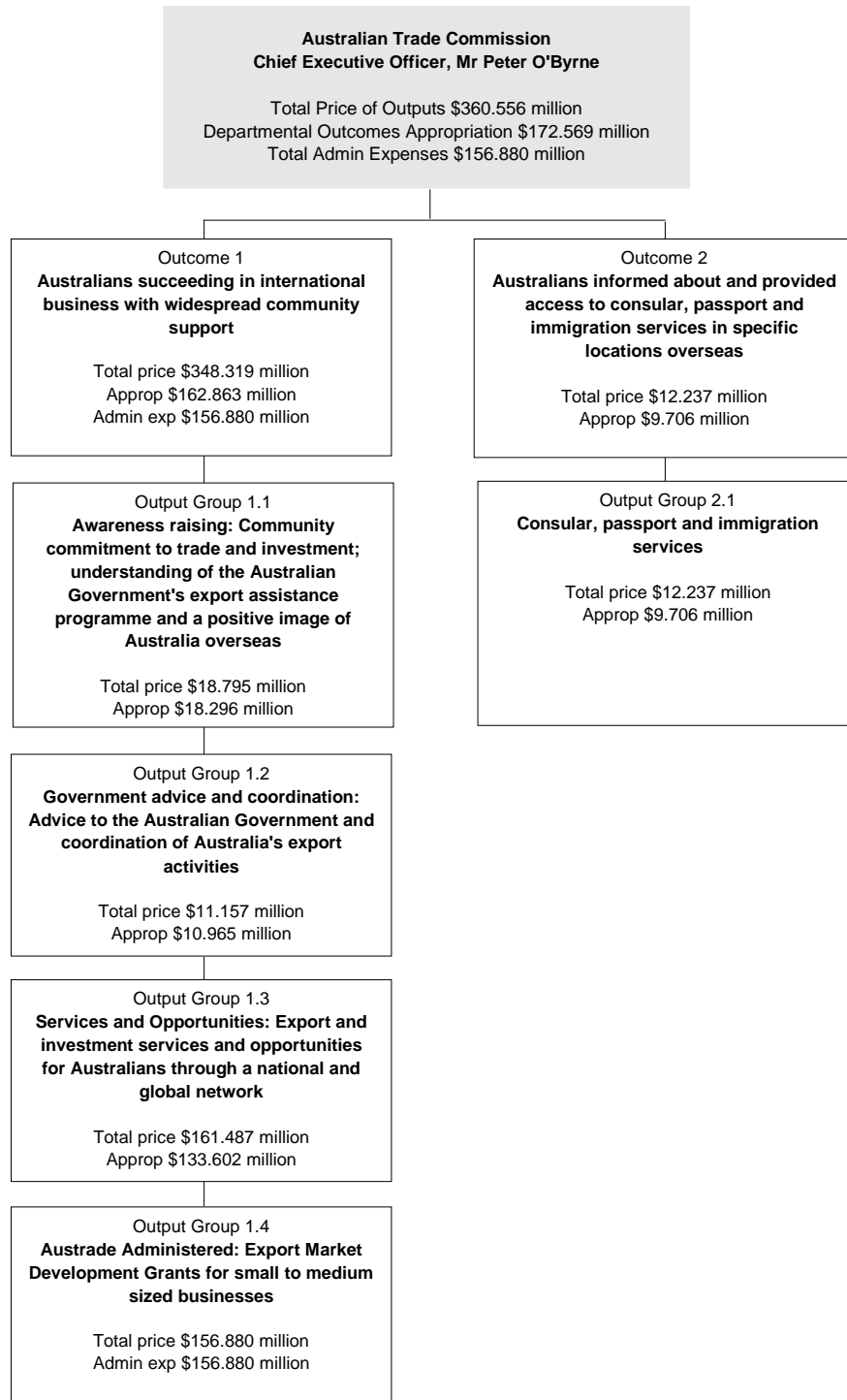
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

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

The outcomes and outputs framework for Austrade remains unchanged to that reported in the *Portfolio Budget Statements 2007-08*. However, an overall decrease to resources since the 2007-08 Budget has changed the price of outputs.

Figure 2: Outcome and output structure for Austrade



Outcome 1

Explanation of variations

There is an overall increase in Departmental resources of \$0.2m for Outcome 1. This is due to increased funding for depreciation (\$2.9m), offset by a reduction in goods and services revenue (\$2.0m), foreign exchange variations (\$0.6m) and onshore and offshore inflation (\$0.1m). This is reflected in an adjustment to Output 1.3.

There is a reduction to the Administered appropriation for Outcome 1 of \$2.4 million resulting from the movement of funds to 2006-07 after the 2007-08 Budget. This is reflected in an adjustment to Output 1.4.

Revised performance information — 2007-08

Other than the changes to the price of Outputs 1.3 and 1.4, the performance information for Austrade remains unchanged to that reported in the *2007-08 Portfolio Budget Statements*.

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

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Output 1.3		
Services and Opportunities: Export and investment services and opportunities for Australians through a national and global network	Quality: Client satisfaction (85%)	Quality: No change
	Quantity: Number of clients achieving export success with Austrade's assistance (5,500) ⁽¹⁾	Quantity: No change
	Number of new and irregular exporter clients achieving export success with Austrade's assistance (1,900) ⁽¹⁾	
	Number of established clients achieving export success with Austrade's assistance (3,600) ⁽¹⁾	
	Dollar value of those export successes achieved by clients with acknowledged assistance from Austrade (\$18.00b) ⁽¹⁾	
	Total number of clients achieving outward investment success with Austrade assistance (170) ⁽²⁾	
	Total number of businesses achieving export success indirectly through Austrade (1,000) ⁽²⁾	
	Total number of clients receiving services from Austrade (16,000) ⁽²⁾	
	Price: \$161.310m	Price: \$161.487m
	Performance information 2007-08 Budget	Performance information 2007-08 revised
Output 1.4		
Austrade Administered: Export Market Development Grants for small to medium sized businesses	Quantity: Total number of grant applicants (4,150) ⁽²⁾	Quantity: No change
	Total number of grant recipients (3,840) ⁽²⁾	
	Number of first-time grant applicants (1,245) ⁽²⁾	
	Number of first-time grant recipients (1,150) ⁽²⁾	
	Price: \$159.280m	Price: \$156.880m

Notes:

(1) Target is a quantity based on planned levels of activity

(2) Estimate is a quantity based on historical performance

Outcome 2

Explanation of variations

There are no variations to Outcome 2 since the 2007-08 Budget.

Revised performance information – 2007-08

The performance information for Outcome 2 remains unchanged to that reported in the *2007-08 Portfolio Budget Statements*.

Section 3: Budgeted financial statements

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

Budgeted departmental income statement

This statement provides actual financial results for 2006-07 and the estimated revenue and expenses for 2007-08 and forward years.

Total revenue in 2007-08 is estimated to be \$203.7 million which represents an increase of \$0.2 million from Budget. This is a result of the increased funding for depreciation offset by a reduction in revenue from the provision of goods and services revenue, foreign exchange variations and onshore and offshore inflation.

Total expenses for 2007-08 have also increased by \$0.2 million to reflect the increase in revenue.

Budgeted departmental balance sheet

This statement discloses the estimated end of year financial position for Austrade.

The Commission's net asset position of \$59.5 million represents an increase of \$3.2 million from the 2007-08 Budget. The increase is predominantly due to the 2006-07 asset revaluations and the flow on effect of the 2006-07 actual results impacting the budgeted financial position.

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.

The Commission's cash balance at the end of 2007-08 is estimated to be \$5.5 million.

Departmental statement of changes in equity — summary of movement

This statement discloses movements in the Commission's equity for 2007-08.

The Commission will receive an equity injection of \$4.9 million for 2007-08 increasing Austrade's total equity to \$59.5 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.

Austrade has reduced its estimated capital expenditure on non-financial assets in 2007-08 by \$1.0m since the 2007-08 Budget.

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

This statement shows the movements in departmental non-financial assets for the budget year.

Schedule of administered activity

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

Schedule of budgeted income and expenses administered on behalf of Government

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

Administered expenses of \$156.9 million have decreased by \$2.4m since the 2007-08 Budget as a result of a movement of funds to 2006-07 after the 2007-08 Budget.

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 2007-08 are estimated at \$0.5 million and \$3.4 million respectively. The Commission's liabilities have increased by \$1.4 million since the 2007-08 Budget. This is predominantly a result of the flow on effect of the grants payable from 2006-07 impacting the budgeted financial position.

Schedule of budgeted administered cash flows

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

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	171,951	172,569	174,850	175,883	176,872
Goods and services	28,797	27,430	27,630	27,630	27,630
Other	2,139	3,427	3,227	3,227	3,227
Total revenue	202,887	203,426	205,707	206,740	207,729
Gains					
Net foreign exchange gains	723	-	-	-	-
Net gains from sale of assets	110	250	250	250	250
Total gains	833	250	250	250	250
Total income	203,720	203,676	205,957	206,990	207,979
EXPENSE					
Employees	101,714	96,282	97,921	98,055	98,742
Suppliers	91,936	90,994	90,342	91,353	91,825
Depreciation and amortisation	12,978	16,000	17,294	17,182	17,012
Write-down of assets and impairment of assets	45	200	200	200	200
Net losses from sale of assets	-	200	200	200	200
Total expenses	206,673	203,676	205,957	206,990	207,979
Operating result before Income Tax	(2,953)	-	-	-	-
Income Tax expense	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	(2,953)	-	-	-	-

Table 3.2: Budgeted departmental balance sheet (as at 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,915	5,500	5,500	5,500	5,500
Receivables	36,965	30,393	31,561	32,618	34,730
Total financial assets	39,880	35,893	37,061	38,118	40,230
Non-financial assets⁽¹⁾					
Land and buildings	23,747	28,274	26,252	24,632	23,267
Infrastructure, plant and equipment	12,496	15,483	16,299	16,870	17,104
Intangibles	11,654	13,374	13,899	14,266	14,385
Other	10,101	10,101	10,101	10,101	10,101
Total non-financial assets	57,998	67,232	66,551	65,869	64,857
Total assets	97,878	103,125	103,612	103,987	105,087
LIABILITIES					
Payables					
Suppliers	10,969	10,151	9,333	8,515	8,515
Other payables	9,854	9,546	9,238	8,930	8,930
Total payables	20,823	19,697	18,571	17,445	17,445
Provisions					
Employees	21,197	22,697	24,197	25,698	27,198
Other provisions	1,270	1,270	1,270	1,270	1,270
Total provisions	22,467	23,967	25,467	26,968	28,468
Total liabilities	43,290	43,664	44,038	44,413	45,913
EQUITY⁽²⁾					
Parent entity interest					
Contributed equity	8,281	13,154	13,267	13,267	13,267
Reserves	59,322	59,322	59,322	59,322	59,322
Retained surpluses or accumulated deficits	(13,015)	(13,015)	(13,015)	(13,015)	(13,015)
Total parent entity interest	54,588	59,461	59,574	59,574	59,574
Total equity	54,588	59,461	59,574	59,574	59,574
Current assets	48,334	50,925	51,166	51,351	51,894
Non-current assets	49,544	52,200	52,446	52,636	53,193
Current liabilities	38,649	38,983	39,317	39,652	40,991
Non-current liabilities	4,641	4,681	4,721	4,761	4,922

Notes:

1. Non-financial assets have been reclassified since the 2007-08 Budget. Land and Buildings which were previously classified as Infrastructure, Plant & Equipment are now separately identified.

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

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	28,053	27,430	27,630	27,630	27,630
Appropriations	174,685	179,141	173,682	174,826	174,360
Net GST received	4,498	4,864	4,864	4,820	4,892
Other cash received	3,219	3,427	3,227	3,227	3,227
Total cash received	210,455	214,862	209,403	210,503	210,109
Cash used					
Employees	100,573	94,782	96,421	96,555	97,242
Suppliers	94,625	92,120	91,468	92,478	91,825
Cash to the Official Public Account	27,500	-	-	-	-
Net GST paid	4,885	4,864	4,864	4,820	4,892
Total cash used	227,583	191,766	192,753	193,853	193,959
Net cash from or (used by) operating activities	(17,128)	23,096	16,650	16,650	16,150
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	607	250	250	250	250
Total cash received	607	250	250	250	250
Cash used					
Purchase of property, plant and equipment	17,007	25,634	17,013	16,900	16,400
Total cash used	17,007	25,634	17,013	16,900	16,400
Net cash from or (used by) investing activities	(16,400)	(25,384)	(16,763)	(16,650)	(16,150)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	4,511	4,873	113	-	-
Total cash received	4,511	4,873	113	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	4,511	4,873	113	-	-
Net increase or (decrease) in cash held	(29,017)	2,585	-	-	-
Cash at the beginning of the reporting period	31,932	2,915	5,500	5,500	5,500
Cash at the end of the reporting period	2,915	5,500	5,500	5,500	5,500

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	(13,015)	21,532	37,790	8,281	54,588
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(13,015)	21,532	37,790	8,281	54,588
Income and expense					
Net operating result	-	-	-	-	-
Total income and expenses	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	4,873	4,873
Sub-total transactions with owners	-	-	-	4,873	4,873
Estimated closing balance as at 30 June 2008	(13,015)	21,532	37,790	13,154	59,461

Table 3.5: Departmental capital budget statement (Budget Year 2007-08)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	8,281	4,873	113	-	-
Appropriation of Previous Year					
Accrued Revenue	-	-	-	-	-
Total capital appropriations	8,281	4,873	113	-	-
Represented by:					
Purchase of non-financial assets	8,281	4,873	113	-	-
Other	-	-	-	-	-
Total represented by	8,281	4,873	113	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	8,281	4,873	113	-	-
Funded internally by					
Departmental resources	8,726	20,761	16,900	16,900	16,400
Total	17,007	25,634	17,013	16,900	16,400

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007				
Gross book value	34,258	26,875	27,934	89,067
Accumulated depreciation	10,511	14,379	16,280	41,170
Opening net book value	23,747	12,496	11,654	47,897
Additions:				
by purchase	11,527	7,887	6,220	25,634
Depreciation/amortisation expense	7,000	4,500	4,500	16,000
Other movements	-	(400)	-	(400)
As at 30 June 2008				
Gross book value	45,785	34,762	34,154	114,701
Accumulated depreciation	17,511	19,279	20,780	57,570
Estimated closing net book value	28,274	15,483	13,374	57,131

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Goods and services	1	-	-	-	-
Other sources of non-taxation revenues	93	-	-	-	-
Total non-taxation	94	-	-	-	-
Total revenues administered on behalf of Government	94	-	-	-	-
Total income administered on behalf of Government	94	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	146,569	148,916	142,880	142,880	142,880
Employees	5,790	5,680	5,350	5,350	5,350
Suppliers	2,119	2,284	2,170	2,170	2,170
Total expenses administered on behalf of Government	154,478	156,880	150,400	150,400	150,400

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	10	-	-	-	-
Receivables	532	532	532	532	532
Total financial assets	542	532	532	532	532
Total assets administered on behalf of Government	542	532	532	532	532
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Provisions					
Employees	1,799	1,799	1,799	1,799	1,799
Total provisions	1,799	1,799	1,799	1,799	1,799
Payables					
Suppliers	106	106	106	106	106
Grants payable	1,430	1,430	1,430	1,430	1,430
Other payables	90	90	90	90	90
Total payables	1,626	1,626	1,626	1,626	1,626
Total liabilities administered on behalf of Government	3,425	3,425	3,425	3,425	3,425

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	200	195	195	195	195
Other	94	-	-	-	-
Total cash received	294	195	195	195	195
Cash used					
Employees	5,852	5,680	5,350	5,350	5,350
Grant payments	145,140	148,916	142,880	142,880	142,880
Suppliers	2,081	2,284	2,170	2,170	2,170
Net GST paid	200	195	195	195	195
Total cash used	153,273	157,075	150,595	150,595	150,595
Net cash from operating activities	(152,979)	(156,880)	(150,400)	(150,400)	(150,400)
INVESTING ACTIVITIES					
Net cash from investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Net cash from financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	(152,979)	(156,880)	(150,400)	(150,400)	(150,400)
Cash at beginning of reporting period	7,040	10	-	-	-
Cash from Official Public Account for:					
- appropriations	153,357	156,880	150,400	150,400	150,400
Cash to Official Public Account for:					
- other	(7,408)	(10)	-	-	-
Cash at end of reporting period	10	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

The Commission budgeted statements are prepared on an Australian Equivalents to International Financial Standards (AEIFRS) basis.

Under the Australian Government's accrual budgeting framework, transactions that agencies control (Departmental transactions) are separately budgeted for and reported on from transactions 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.

AUSAID (AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT)

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AusAID

Section 1: Agency overview and resources; variations and measures

OVERVIEW

Through the *2007-08 Portfolio Additional Estimates*, AusAID will receive an additional \$211 million to enable the Australian Government to increase its contribution to the fifteenth replenishment of the International Development Association.

To implement the Government's election commitments, AusAID has applied the two per cent Efficiency Dividend to its current and forward estimates.

There have been no changes to AusAID's role, outcome and outputs, and/or its evaluation, competitive tendering and contracting and purchaser provider practices as a result of Additional Estimates.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output
Outcome 1		
To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest	Promotion of sustainable development and poverty reduction in developing countries, particularly in the Asia-Pacific region.	Output 1.1 Policy Output 1.2 Programme Management
Outcome 2		
Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development	To support Indonesia's reconstruction and development efforts, both in and beyond tsunami affected areas, through long-term cooperation, focused on assistance for economic and social development projects and Indonesia's programmes of reform and democratisation.	Output 2.1 Australia-Indonesia Partnership for Reconstruction and Development Management

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes – measures

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Increase in estimates (administered)				
Afghanistan and Pakistan - assistance	-	50,687	-	-
Global Fund - contribution	-	46,500	46,500	-
International Development Association 15 replenishment - contribution	210,894	-	-	-
Humanitarian assistance - Darfur	-	-	-	-
Orang-utan conservation in Indonesia - funding	-	-	-	-
Emergency and humanitarian relief - contributions	-	-	-	-
Increase in estimates (departmental)				
Afghanistan and Pakistan - assistance	-	15,657	-	-
Decrease in estimates (departmental)				
Election commitment Savings: 2 per cent Efficiency Dividend	(380)	(2,103)	(1,957)	(1,961)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 percent	-	(180)	(363)	(551)
Outcome 2				
Decrease in estimates (departmental)				
Election commitment Savings: 2 per cent Efficiency Dividend	(30)	(132)	(123)	(107)

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

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Resources available at Budget - administered				
Transfer of funds to the Department of the Environment, Water, Heritage and the Arts (DEWHA) for implementation of the Kokoda Track initiative (refer to 2007-08 PEFO for further detail)	(1,888)	-	-	-
Resources available at Additional Estimates	(1,888)	-	-	-

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Outputs Affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures														
Afghanistan and Pakistan - assistance ¹	1	1.1 & 1.2	-	-	-	50,687	15,657	66,344	-	-	-	-	-	-
Global Fund - contribution	1		-	-	-	46,500	-	46,500	46,500	-	46,500	-	-	-
International Development Association 15 replenishment - contribution	1		42,200	-	42,200	-	-	-	-	-	-	-	-	-
Election Commitment Savings: 2 per cent Efficiency Dividend	1 & 2	1.1, 1.2 , 2.1	-	(410)	(410)	-	(2,235)	(2,235)	-	(2,080)	(2,080)	-	(2,068)	(2,068)
Efficiency dividend - increase in rate from 1 per cent to 1.25 per cent	1	1.1 & 1.2	-	-	-	-	(180)	(180)	-	(363)	(363)	-	(551)	(551)
Humanitarian assistance - Darfur ²	1		-	-	-	-	-	-	-	-	-	-	-	-
Orang-utan conservation in Indonesia - funding ²	1		-	-	-	-	-	-	-	-	-	-	-	-
Emergency and humanitarian relief - contributions ²	1		-	-	-	-	-	-	-	-	-	-	-	-
Total Expense Measures			42,200	(410)	41,790	97,187	13,152	110,339	46,500	(2,443)	44,057	-	(2,641)	(2,641)
Capital Measures														
International Development Association 15 replenishment - contribution	1		168,664	-	168,664	-	-	-	-	-	-	-	-	-
Total Capital Measures			168,664	-	168,664	-	-	-	-	-	-	-	-	-
Total of All Measures			210,864	(410)	210,454	97,187	13,152	110,339	46,500	(2,443)	44,057	-	(2,641)	(2,641)

1. This measure includes \$48.6 million absorbed in 2007-08.

2. This measure has been absorbed from within the Aid Budget.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
ADMINISTERED ITEMS					
Outcome 1					
To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest	1,761,820	2,483,918	2,226,495	0	257,423
Outcome 2					
Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development	3,370	4,482	4,482	0	0
Total	1,765,190	2,488,400	2,230,977	0	257,423
DEPARTMENTAL OUTPUTS					
Outcome 1					
To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest	87,440	102,386	102,006	0	380
Outcome 2					
Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development	5,722	6,518	6,488	0	30
Total	93,162	108,904	108,494	0	410
Total administered and departmental	1,858,352	2,597,304	2,339,471	0	257,833

Note: 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

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

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

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

The reduction in Departmental Outputs for Outcome 1 and Outcome 2 relates to the application of the one off 2 per cent efficiency dividend.

Note: The decrease in administered items relates to a change in the accounting treatment for the funding for the International Development Association. The original funding of \$255 million provided in Bill 1 of the 2007-08 Budget, will be returned to the Budget as the investment component of this replenishments is being funded through Bill 4. AusAID's overall appropriation has increased by \$210.6 million in 2007-08.

Note: The balance of the decrease relates to the transfer of administered appropriation to DEWHA (refer to Table 1.3 for details).

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections	6,644	2,093	0	0	0
Loans	0	0	0	0	0
Previous years' outputs	0	0	0	0	0
Administered assets and liabilities	22,563	14,240	480,640	466,400	0
Total non-operating					
AusAID	22,563	14,240	480,640	466,400	0
Total	51,770	30,573	480,640	466,400	0

Note: 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

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

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

Note: The additional amount over the additional \$168.6 million identified in Table 1.4 – Measures Table for an increase to Australia's contribution to the International Development Association reflects a change in the accounting treatment for the \$255 million previously appropriated with funding for the investment components of these replenishments now provided through Bill 4. The original funding provided in Bill 1 of the 2007-08 Budget, will be returned to the Budget. Please refer to Table 1.5 for the reduction in estimates.

SUMMARY OF STAFFING CHANGES

There are no changes to AusAID's 2007-08 average staffing level.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8: Other receipts available to be used¹

	Budget estimate 2007-08 \$'000	Revised estimate 2007-08 \$'000
Departmental resources		
Sales of goods and services (FMA Act s.31) ²	229	229
Other gains - resources received free of charge	91	91
Total departmental other resources available to be used	320	320
Administered other resources		
Other non-taxation revenue ³	3,049	3,049
Total administered other resources available to be used	3,049	3,049

Notes:

1. This table represents own source receipts available for spending on departmental or administered purposes.
2. All Departmental Sales of Goods and Services are used for AusAID's outcomes (*Financial Management and Accountability Act s. 31*).
3. Administered Other non-taxation revenue refers to unused funds returned from contractors and non-government organisations and taxation paid to partner government and returned to AusAID, which were appropriated in former years and will be returned to the Official Public Account (OPA).

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

AusAID has no expenses or cash drawdown associated with special appropriations.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

		Opening balance 2007-08 2006-07	Receipts 2007-08 2006-07	Payments 2007-08 2006-07	Adjustments 2007-08 2006-07	Closing balance 2007-08 2006-07
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Government and Non-Agency Bodies (A) <i>Financial Management and Accountability Act 1997 s.20</i>	1	3,681	14,000	14,000	0	3,681
		2,154	7,967	6,439	0	3,681
Australia-Indonesia Partnership for Reconstruction and Development (Grants) Special Account (A) <i>Financial Management and Accountability Act 1997 s.20</i>	2	288,290	0	130,000	0	158,290
		395,738	0	107,448	0	288,290
Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account (A) <i>Financial Management and Accountability Act 1997 s.20</i>	2	442,754	0	98,000	0	344,754
		500,000	0	57,246	0	442,754
Total special accounts 2007-08 Budget estimate		734,725	14,000	242,000	0	506,725
Total special accounts 2006-07 estimated actual		897,892	7,967	171,133	0	734,725

(A) = Administered

(D) = Departmental

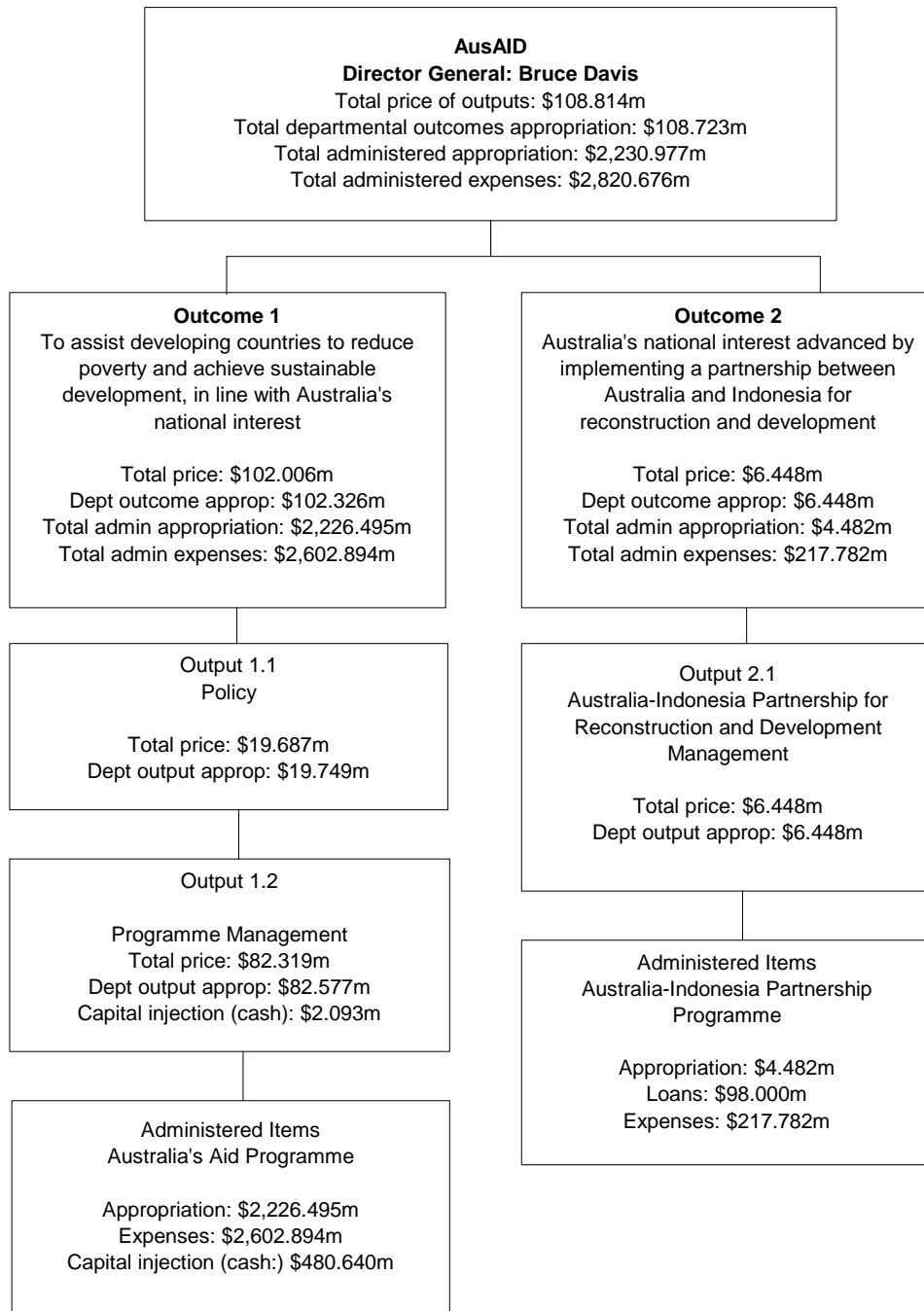
Note: The two special accounts for the Australia-Indonesia Partnership for Reconstruction and Development were created to hold the \$1 billion grants and loans appropriation through the 2004-05 Portfolio Supplementary Additional Estimates Statements tabled in March 2005.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and outputs for AusAID.

Figure 2: Outcome and Output structure for AusAID



Outcome 1

Agency Measure Summary

Afghanistan – Pakistan – assistance

The Government will provide \$114.9 million over two years for new and expanded assistance programmes in Afghanistan and Pakistan. Funding of \$48.6 million in 2007-08 will be met from within existing resources (*refer to the 2007-08 Mid Year Economic Fiscal Outlook for further detail*).

International Development Association 15 replenishment - contribution

The Government will provide a contribution to the current replenishment of the International Development Association (IDA) – the concessional lending arm of the World Bank. This measure includes \$211.0 million in additional funding, with the remainder to be met from within existing resources (*refer to the 2007-08 Mid Year Economic Fiscal Outlook for further detail*).

Global Fund contribution

The Government will provide \$93.0 million over two years from 2008-09 to the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (the Global Fund). This funding is in addition to the \$42.0 million provided in 2007-08 and will bring Australia's contribution to the Global Fund to \$135.0 million over three years (*refer to the 2007-08 Mid Year Economic Fiscal Outlook for further detail*).

Humanitarian Assistance to Darfur

The Government will provide an additional \$20 million in humanitarian assistance to the Darfur region of Sudan in 2007-08. The cost of this measure has been met from within existing resources (*refer to the 2007-08 Mid Year Economic Fiscal Outlook for further detail*).

Emergency and Humanitarian relief – contributions

The Government has provided \$43.8 million since the 2007-08 Budget for emergency and humanitarian relief efforts. The funding has been provided through various international agencies, such as the United Nations Children's Fund, the World Food Organisation and the World Health Organisation. The cost of this measure has been met from within existing resources (*refer to 2007-08 Mid Year Economic Fiscal Outlook for further detail*).

Orang-utan conservation in Indonesia – funding

The Government is providing \$0.5 million over four years for Orang-utan conservation in Indonesia. This funding is being met from within existing resources (*refer to 2007-08 Pre Election Fiscal Outlook for further detail*).

Revised performance information — 2007-08

The revised performance information that AusAID will use to assess the level of its achievement against Outcome 1 during 2007-08 is shown below. The general effectiveness indicators for Outcome 1 are unchanged from the *Portfolio Budget Statements 2007-08*. The price of both outputs has changed as a result of Additional Estimates.

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

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Output 1.1		
Policy	<p>Quality: Ministerial/Parliamentary Secretary satisfaction.</p> <p>Quantity: number of submissions or briefs; questions on notice; PPQ's; submissions to Parliamentary Committees; correspondence; press releases; speeches; number of programme strategies prepared or reviewed.</p>	<p>Quality: No change</p> <p>Quantity: No change</p>
	Price: \$19.822 million	Price: \$19.687 million
Output 1.2		
Programme Management	<p>Quality: major programmes harmonised with key donors and aligned with partner government systems, aid modalities reflect good international practice; continuous improvement of tools and processes; core quality principles applied.</p> <p>Quantity: number of initiatives; number of new initiatives launched and ongoing initiatives managed.</p>	<p>Quality: No change</p> <p>Quantity: No change</p>
	Price: \$82.884 million	Price: \$82.319 million

Outcome 2

Revised performance information — 2007-08

The revised performance information that AusAID will use to assess the level of its achievement against Outcome 2 during 2007-08 is shown below. The general effectiveness indicators for Outcome 2 are unchanged from the *Portfolio Budget Statements 2007-08*. The price of the output has changed as a result of Additional Estimates.

Table 2.1: Performance information for outputs affected by additional estimates — outcome 2

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Output 2.1		
Australia-Indonesia Partnership for Reconstruction and Development Management	Quality: major programmes harmonised with key donors and aligned with partner government systems, aid modalities reflect good international practice; continuous improvement of tools and processes; core quality principles applied.	Quality: No change
	Quantity: number of initiatives; number of new initiatives launched and ongoing initiatives managed.	Quantity: No change
	Price: \$6.518 million	Price: \$6.448 million

Section 3: Budgeted financial statements

BUDGETED FINANCIAL STATEMENTS

The budgeted financial statements for AusAID, presented in this section, form the basis of both the financial statements that will appear in AusAID's 2007-08 Annual Report and input into the Whole-of-Government Accounts.

Departmental financial statements

Budgeted departmental income statement

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

Budgeted departmental balance sheet

This statement was previously titled "Statement of Financial Position". This statement shows the expected financial position of AusAID. It enables decision makers to track the management of AusAID's assets and liabilities.

Budgeted departmental statement of cash flows

This statement shows budgeted cash flows, as reflected in the statement of cash flows, providing important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental statement of changes in equity — summary of movement

This statement shows movement in the agency's equity.

Departmental capital budget statement

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

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

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

Schedule of administered activity

Details of transactions administered by AusAID on behalf of the Commonwealth are shown in the following schedules to the financial statements:

Schedule of budgeted income and expenses administered on behalf of government

This schedule identifies the main revenues and expenses relating to the Australian Government's Official Overseas Aid Programme administered by AusAID.

Schedule of budgeted assets and liabilities administered on behalf of government

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

Schedule of budgeted administered cash flows

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

Schedule of administered capital budget

This schedule shows details of planned administered capital expenditure.

Schedule of administered property, plant, equipment and intangibles — summary of movement

This schedule discloses details of movements in administered non-financial assets during the budget year.

Departmental financial statements

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	93,162	108,494	125,196	121,175	120,997
Goods and services	277	229	231	231	231
Other	-				
Total revenue	93,439	108,723	125,427	121,406	121,228
Gains					
Other	235	91	91	91	91
Total gains	235	91	91	91	91
Total income	93,674	108,814	125,518	121,497	121,319
EXPENSE					
Employees	58,128	73,750	82,043	79,460	78,731
Suppliers	30,303	31,604	40,254	38,910	39,460
Depreciation and amortisation	3,232	3,385	3,138	3,041	3,042
Finance costs	1,767				
Write-down of assets and impairment of assets	8	75	83	86	86
Net losses from sale of assets	12	-	-	-	-
Other	-				
Total expenses	93,450	108,814	125,518	121,497	121,319
Net surplus or (deficit) attributable to the Australian Government	224	-	-	-	-

Table 3.2: Budgeted departmental balance sheet (as at 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	920	1,530	2,252	2,252	2,252
Receivables	18,386	22,099	25,618	26,647	27,265
Other financial assets	-	-	-	-	-
Total financial assets	19,306	23,629	27,870	28,899	29,517
Non-financial assets					
Leasehold improvements	12,669	12,954	12,874	12,892	12,910
Infrastructure, plant and equipment	5,523	4,615	3,583	2,548	1,513
Intangibles	4,923	3,900	3,061	3,461	3,860
Other	447	466	486	486	486
Total non-financial assets	23,562	21,935	20,004	19,387	18,769
Total assets	42,868	45,564	47,874	48,286	48,286
LIABILITIES					
Payables					
Suppliers	4,926	4,783	5,550	5,550	5,550
Other payables	4,322	4,322	4,322	4,322	4,322
Total payables	9,248	9,105	9,872	9,872	9,872
Provisions					
Employees	15,544	16,290	16,912	17,324	17,324
Total provisions	15,544	16,290	16,912	17,324	17,324
Total liabilities	24,792	25,395	26,784	27,196	27,196
EQUITY*					
Parent entity interest					
Contributed equity	17,013	19,106	20,027	20,027	20,027
Reserves	374	374	374	374	374
Retained surpluses or accumulated deficits	689	689	689	689	689
Total parent entity interest	18,076	20,169	21,090	21,090	21,090
Total equity	18,076	20,169	21,090	21,090	21,090
Current assets	19,753	19,177	23,438	24,467	25,085
Non-current assets	23,115	15,422	13,471	12,854	12,236
Current liabilities	19,434	5,112	6,335	6,382	6,382
Non-current liabilities	5,358	7,857	8,113	8,219	8,219

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

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	902	229	231	231	231
Appropriations	81,584	104,872	121,768	120,237	120,470
Other cash received	-	997	1,011	1,012	1,013
Total cash received	82,486	106,098	123,010	121,480	121,714
Cash used					
Employees	56,156	73,004	81,421	79,048	78,731
Suppliers	24,141	31,766	39,507	38,910	39,460
Net GST paid	96	997	1,011	1,012	1,013
Other cash used	-	-	-	-	-
Total cash used	80,393	105,767	121,939	118,970	119,204
Net cash from or (used by) operating activities	2,093	331	1,071	2,510	2,510
INVESTING ACTIVITIES					
Cash received					
Other cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of infrastructure, plant and equipment	16,509	1,684	1,140	2,380	1,140
Other cash used	-	130	130	130	1,370
Total cash used	16,509	1,814	1,270	2,510	2,510
Net cash from or (used by) investing activities	(16,509)	(1,814)	(1,270)	(2,510)	(2,510)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	6,644	2,093	921	-	-
Total cash received	6,644	2,093	921	-	-
Cash used					
Other cash used	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	6,644	2,093	921	-	-
Net increase or (decrease) in cash held	(7,772)	610	722	-	-
Cash at the beginning of the reporting period	8,692	920	1,530	2,252	2,252
Cash at the end of the reporting period	920	1,530	2,252	2,252	2,252

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	689	374	-	17,013	18,076
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	689	374	-	17,013	18,076
Income and expense					
Income and expenses recognised directly in equity:	-	-	-	-	-
Sub-total income and expense recognised directly in equity	-	-	-	-	-
Net operating result	-	-	-	-	-
Total income and expenses	-	-	-	-	-
Sub-total income and expense attributable to Australian Government					
attributable to minority interest	-	-	-	-	-
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other:	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	2,093	-
Other:					
Sub-total transactions with owners					
Transfers between equity components	-	-	-	-	-
Closing balance less minority interests	689	374	-	17,013	18,076
Estimated closing balance as at 30 June 2008	689	374	-	19,106	20,169

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	6,644	2,093	921	-	-
Total loans	-	-	-	-	-
Total capital appropriations	6,644	2,093	921	-	-
Represented by:					
Purchase of non-financial assets	6,644	2,093	921	-	-
Other	-	-	-	-	-
Total represented by	6,644	2,093	921	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	6,644	2,093	921	-	-
Funded internally by Departmental resources	-	(279)	349	2,510	2,510
Total	6,644	1,814	1,270	2,510	2,510

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	14,065	-	8,846	-	4,249	4,812	31,972
Accumulated depreciation	-	-	(1,396)	-	(3,323)	-	(2,910)	(1,228)	(8,857)
Opening net book value	-	-	12,669	-	5,523	-	1,339	3,584	23,115
Additions:									-
by purchase	-	-	953	-	731	-	110	20	1,814
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense			(668)		(1,564)		(753)	(400)	(3,385)
Impairments recognised in operating result	-	-	-	-	(75)	-	-	-	(75)
Other movements									-
Disposals:									-
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2008									
Gross book value	-	-	15,018	-	9,502	-	4,359	4,832	33,711
Accumulated depreciation	-	-	(2,064)	-	(4,887)	-	(3,663)	(1,628)	(12,242)
Estimated closing net book value	-	-	12,954	-	4,615	-	696	3,204	21,469

Schedule of administered activity

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Interest	329	3,049	3,202	3,362	3,530
Other sources of non-taxation revenues	-	-	-	-	-
Total non-taxation	329	3,049	3,202	3,362	3,530
Total revenues administered on behalf of Government	329	3,049	3,202	3,362	3,530
Gains					
Other gains	1,341,130	-	-	-	-
Total gains administered on behalf of Government	1,341,130	-	-	-	-
Total income administered on behalf of Government	1,341,459	3,049	3,202	3,362	3,530
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Aid program grants	423,990	493,959	423,356	237,487	272,771
Other - Aid program	1,428,545	1,865,519	2,111,991	2,253,571	2,372,325
Write down and impairment of assets	174	-	-	-	-
Depreciation and amortisation	792	1,498	1,499	1,500	1,500
Finance Costs	49,158	83,300	123,250	136,000	33,790
Concessional Investment Discount	-	376,400	192,657	-	255,003
Other	-	-	-	-	-
Total expenses administered on behalf of Government	1,902,659	2,820,676	2,852,753	2,628,558	2,935,389

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	21,903	21,903	21,903	21,903	21,903
AIPRD Loans Receivables	8,576	23,276	45,026	69,026	75,236
IDA/ADF Investments	1,188,000	1,278,000	1,318,000	1,318,000	1,377,999
Receivables	10,585	1,863,237	1,828,567	1,416,104	1,593,125
Other financial assets	-	-	-	-	-
Total financial assets	1,229,064	3,186,416	3,213,496	2,825,033	3,068,263
Non-financial assets					
Leasehold improvements	2,745	2,152	1,558	963	368
Infrastructure, plant and equipment	2,798	2,473	1,848	1,231	615
Intangibles	61	156	251	346	441
Other	746	746	746	746	746
Total non-financial assets	6,350	5,527	4,403	3,286	2,170
Total assets administered on behalf of Government	1,235,414	3,191,943	3,217,899	2,828,319	3,070,433
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	-	879	1,844	2,220	2,532
Total interest bearing liabilities	-	879	1,844	2,220	2,532
Provisions					
Other provisions	3,681	3,681	3,681	3,681	3,681
Total provisions	3,681	3,681	3,681	3,681	3,681
Payables					
Suppliers	691,293	91,107	94,223	95,403	96,510
Grants and subsidies	271,090	505,732	542,243	422,861	401,823
IDA/ADF investment payable	-	852,100	988,834	855,960	1,010,164
Total payables	962,383	1,448,939	1,625,300	1,374,224	1,508,497
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities administered on behalf of Government	966,064	1,453,499	1,630,825	1,380,125	1,514,710

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	59,571	61,270	66,993	71,854	76,418
Other	544	3,049	3,202	3,362	3,530
Total cash received	60,115	64,319	70,195	75,216	79,948
Cash used					
Finance costs	49,115	-	-	-	-
Grant payments	422,866	522,265	353,520	414,522	400,785
Aid program	1,566,782	2,101,511	2,360,966	2,465,373	2,372,324
Net GST paid	53,256	62,377	67,674	72,248	76,748
Other	-	-	-	-	-
Total cash used	2,092,019	2,686,153	2,782,160	2,952,143	2,849,857
Net cash from operating activities	(2,031,904)	(2,621,834)	(2,711,965)	(2,876,927)	(2,769,909)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	4,338	675	375	383	384
Purchase of financial assets	8,247	-	-	-	-
Other	-	-	-	-	-
Total cash used	12,585	675	375	383	384
Net cash from investing activities	(12,585)	(675)	(375)	(383)	(384)
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Capital injections	22,563	480,640	239,709	6,234	318,684
Total cash received	22,563	480,640	239,709	6,234	318,684
Cash used					
Net repayment of borrowings	62,192	61,270	67,232	71,867	76,373
Other	-	-	-	-	-
Total cash used	62,192	61,270	67,232	71,867	76,373
Net cash from financing activities	(39,629)	(61,270)	(67,232)	(71,867)	(76,373)
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	69,563	21,903	21,903	21,903	21,903
Cash from Official Public Account for:					
- appropriations	2,036,458	2,382,211	2,462,808	2,668,306	2,732,456
- special accounts		230,154	247,154	207,893	56,959
Cash at end of reporting period	21,903	21,903	21,903	21,903	21,903

Table 3.10: Schedule of administered capital budget

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Administered capital	-	480,640	239,709	6,234	318,684
Special appropriations	-	-	-	-	-
Total capital appropriations	-	480,640	239,709	6,234	318,684
Represented by:					
Purchase of non-financial assets	-	480,640	239,740	6,234	318,684
Other	-	-	-	-	-
Total represented by	-	480,640	239,740	6,234	318,684
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	-	675	375	383	384
Total	-	675	375	383	384

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	2,786	-	4,904	-	66	-	7,756
Accumulated depreciation	-	-	(41)	-	(2,106)	-	(5)	-	(2,152)
Opening net book value	-	-	2,745	-	2,798	-	61	-	5,604
Additions:									
by purchase	-	-	-	-	575	-	100	-	675
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	(593)	-	(900)	-	(5)	-	(1,498)
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2008									
Gross book value	-	-	2,786	-	5,479	-	166	-	8,431
Accumulated depreciation	-	-	(634)	-	(3,006)	-	(10)	-	(3,650)
Estimated closing net book value	-	-	2,152	-	2,473	-	156	-	4,781

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

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AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There has been no change to the ACIAR mission, outcomes and outputs as advised in the *Portfolio Budget Statements 2007-08*.

Table 1.2 and Table 1.4 show the financial effect on resources available to ACIAR of the application of the additional one-off two per cent Efficiency Dividend and the increase in the rate of the ongoing Efficiency Dividend from 1 to 1.25 per cent.

Reductions in ACIAR's appropriation have been shared proportionately between operational costs and grant expenditure. These changes are reflected in Table 3.1 and Table 3.3.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1	Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems	Output 1.1 Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia
		Output 1.2 Training researchers in developing countries and Australia

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes – measures

	2007-08	2008-09	2009-10	2010-11
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Outcome 1				
Decrease in estimates (departmental)				
Election Commitment Savings: 2 per cent	(237)	(1,038)	(1,042)	(1,056)
Efficiency Dividend				
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(259)	(391)	(526)

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Total Expense Measures														
Total Capital Measures														
Revenue Measures														
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1.1	-	(237)	(237)	-	(1,038)	(1,038)	-	(1,042)	(1,042)	-	(1,056)	(1,056)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1.1	-	-	-	-	(259)	(259)	-	(391)	(391)	-	(526)	(526)
Total Revenue Measures			-	(237)	(237)	-	(1,297)	(1,297)	-	(1,433)	(1,433)	-	(1,582)	(1,582)
Total of All Measures			-	(237)	(237)	-	(1,297)	(1,297)	-	(1,433)	(1,433)	-	(1,582)	(1,582)

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems	50,362	51,479	51,242	-	237
Total departmental	50,362	51,479	51,242	-	237

Notes to the table:

Note 1: 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

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

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

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

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 Budget	2007-08 Revised	Variation
Outcome 1			
Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems	65	65	-
Total	65	65	-

Note: Average Staffing Levels are expressed as Full-Time Equivalent (FTE) staff employed under the *Australian Public Service Act* (44.5 FTE) and include locally engaged staff in overseas posts (20.5 FTE).

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8 provides details of other receipts available to be used and includes FMA Act s.31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.8: Other receipts available to be used

	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
Departmental other receipts		
Resources received free of charge	24	24
Sales of goods and services	10	10
Other	10	10
External Funds (e.g AusAID)	7,535	12,300
Total departmental other receipts available to be used	7,579	12,344
Administered other receipts		
FMA Act s.31 receipts	-	-
Other	-	-
Total administered other receipts available to be used	-	-

ESTIMATES OF SPECIAL ACCOUNT FLOWS

These estimates have been revised since the publication of the *Portfolio Budget Statements 2007-08* to reflect the changed usage of the ACIAR Special Account, within the Official Public Account, which was established under the ACIAR Act 1982, during 2006-07. The Special Account has been used to hold cash received from AusAID and the Australian Greenhouse Office in advance of project expenditure.

Advice was received from the Department of Finance and Deregulation that this was the proper use of the Account and that this approach avoided exceeding ACIAR's working cash limit in our operational bank account. In 2005-06 the opening balance of cash held was reported as part of appropriation receivable. This amount totalled \$3.329 million. As at 30 June 2007 cash balance of \$4.435 million is reported under cash. For further detail refer to Table 1.10.

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance 2007-08 ⁽¹⁾ 2006-07 ⁽¹⁾ (\$'000)	Receipts 2007-08 2006-07 (\$'000)	Payments 2007-08 2006-07 (\$'000)	Adjustments ⁽²⁾ 2007-08 2006-07 (\$'000)	Closing Balance 2007-08 2006-07 (\$'000)
Australian Centre for International Agricultural Research Account - s20 <i>FMA Act</i> (Departmental)	1	4,435 3,329	12,300 13,875	12,300 12,769	- -	4,435 4,435
Other Trust Moneys Account - s20 <i>FMA Act</i> (Departmental)		-	-	-	-	-
Services for Other Governments and Non-Agency Bodies Account - s20 <i>FMA Act</i> (Departmental)		-	-	-	-	-
Total special accounts		4,435	12,300	12,300	-	4,435

FMA Act = *Financial Management and Accountability Act, 1997*

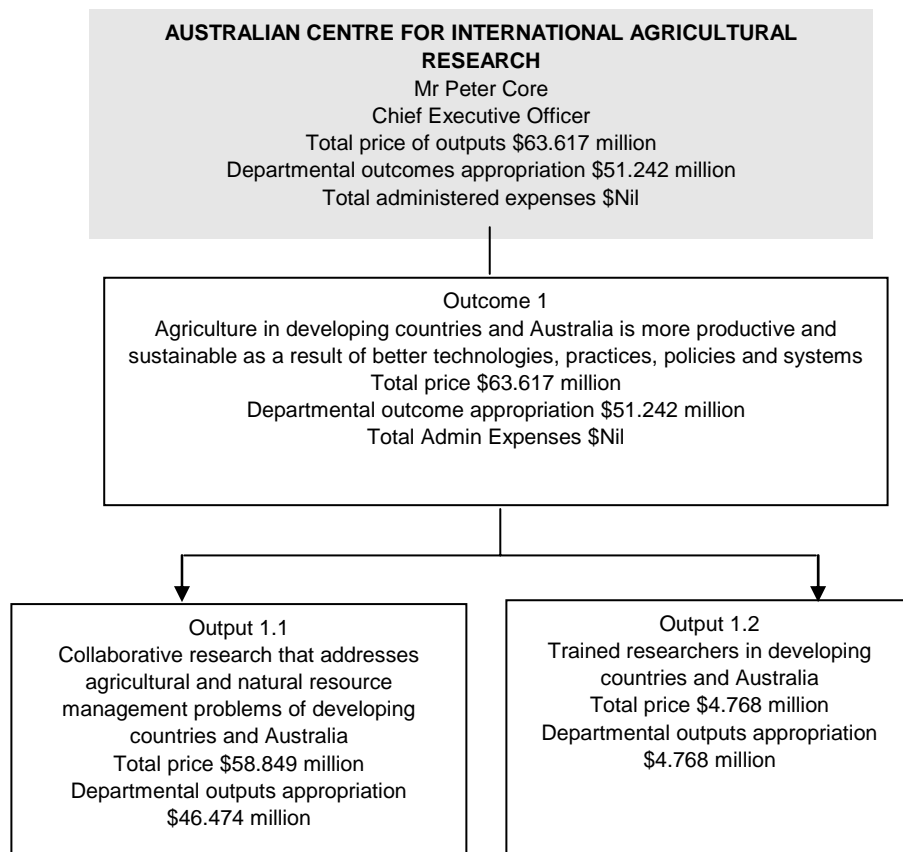
Note 1 The Opening Balance for 2007-08 is the same as the closing balance for 2006-07

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

There has been no change in the definition of ACIAR's Outcome.

Figure 2: Outcome and output structure for ACIAR



Outcome 1

There is a \$0.237 million decrease in the Departmental appropriation as a result of the application of the additional one-off two per cent Efficiency Dividend. This is reflected in an adjustment to Output 1.1.

Revised performance information — 2007-08

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

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

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Output 1.1		
Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia	Quality:	Quality: no change to indicators
	- Regional investment profile is consistent with Australian Government aid priorities	
	- Research partners are contributing 40-55% of project costs	
	- >90% of concluding projects are assessed by external reviews as having achieved their main objectives	
	- There is further substantiated evidence of significant economic, social and environmental impacts from completed ACIAR projects	
	- Support for multilateral research providers is concentrated on those international agricultural research centres with greatest comparative advantage	
	Quantity:	Quantity: no change to indicators
	- Around 250 research projects are delivering outputs during 2007-08	
	- >10,000 copies of ACIAR research publications and papers are requested or downloaded	
	Price: \$59.086m	Price: \$58.849m
Output 1.2		
Training researchers in developing countries and Australia	Quality:	Quality: no change to indicators
	- >90% of trainees indicate satisfaction with training	
	Quantity:	Quantity: no change to indicators
	- >100 trainees take part in formal, ACIAR-supported training courses	
	Price: \$4.768m	Price: \$4.768m

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of ACIAR's budgeted financial statements, as reflected in the budgeted Departmental financial statements for 2007-08 is provided below.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

This statement provides a picture of the expected financial results for ACIAR by identifying full accrual income and expenditure, which highlights whether ACIAR is operating at a sustainable level.

This statement has been revised since the publication of the *Portfolio Budget Statements 2007-08* to reflect the savings from the one-off two per cent of Efficiency Dividend from 2007-08 and forward years (a pro-rata 0.46 per cent Efficiency Dividend is used for 2007-08) and the increase in the rate of the ongoing Efficiency Dividend from 1 to 1.25 per cent.

Budgeted departmental balance sheet

This statement shows the financial position of ACIAR. It helps decision makers to track the management of ACIAR's assets and liabilities. There is no significant change since the publication of the *Portfolio Budget Statements 2007-08*.

Budgeted departmental statement of cash flows

Budgeted cash flows, as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

This statement has been revised since the publication of the *Portfolio Budget Statements 2007-08* to reflect the savings from the one-off two per cent of Efficiency Dividend from 2007-08 and forward years (a pro-rata 0.46 per cent Efficiency Dividend is used for 2007-08) and the increase in the rate of the ongoing Efficiency Dividend from 1 to 1.25 per cent.

Departmental Statement of changes in equity – summary of movement

This statement shows the movement in equity. There is no significant change since the publication of the *Portfolio Budget Statements 2007-08*.

Departmental capital budget statement

Shows all planned capital acquisitions that are funded from internal sources.

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

Shows budgeted acquisitions and disposals of non-financial assets during the budget year. There is no significant change since the publication of the *Portfolio Budget Statements 2007-08*.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	50,362	51,242	50,595	50,640	51,186
Goods and services	13	10	10	10	10
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Grants	10,422	12,301	13,300	13,300	13,300
Other	64	40	40	40	40
Total revenue	60,861	63,593	63,945	63,990	64,536
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	14	-	-	-	-
Other	23	24	24	24	24
Total gains	37	24	24	24	24
Total income	60,898	63,617	63,969	64,014	64,560
EXPENSE					
Employees	5,327	5,250	5,340	5,400	5,500
Suppliers	3,903	3,958	3,796	3,852	3,892
Grants	44,924	47,659	47,083	47,012	47,388
Subsidies	-	-	-	-	-
Depreciation and amortisation	307	295	295	295	325
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from sale of assets	-	10	10	10	10
Net foreign exchange losses	-	-	-	-	-
Other	6,382	6,445	7,445	7,445	7,445
Total expenses	60,843	63,617	63,969	64,014	64,560
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result before Income Tax					
Income Tax expense	-	-	-	-	-
Net operating result	55	-	-	-	-

Table 3.1: Budgeted departmental income statement (for the period ended 30 June 2008) (continued)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
Operating result from continuing operations					
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
Operating result					
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	55	-	-	-	-

Table 3.2: Budgeted departmental balance sheet (as at 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	4,932	4,932	4,932	4,932	4,932
Receivables	2,389	2,489	2,589	2,689	2,789
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total financial assets	7,321	7,421	7,521	7,621	7,721
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	808	808	808	942	1,112
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	169	169	169	169	169
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Other	346	346	346	346	346
Assets held for sale	-	-	-	-	-
Total non-financial assets	1,323	1,323	1,323	1,457	1,627
Total assets	8,644	8,744	8,844	9,078	9,348
LIABILITIES					
Payables					
Suppliers	315	315	315	315	315
Grants	1,820	1,820	1,820	1,820	1,820
Dividends	-	-	-	-	-
Financing costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other payables	4,399	4,399	4,399	4,399	4,399
Total payables	6,534	6,534	6,534	6,534	6,534
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	1,227	1,327	1,427	1,527	1,627
Other provisions	-	-	-	-	-
Total provisions	1,227	1,327	1,427	1,527	1,627
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	7,761	7,861	7,961	8,061	8,161

**Table 3.2: Budgeted departmental balance sheet (as at 30 June 2008)
(continued)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	-	-	-	134	304
Reserves	325	325	325	325	325
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	558	558	558	558	558
Total parent entity interest	883	883	883	1,017	1,187
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	883	883	883	1,017	1,187
Current assets	7,667	7,767	7,867	7,967	8,067
Non-current assets	977	977	977	1,111	1,281
Current liabilities	7,644	7,744	7,844	7,944	8,044
Non-current liabilities	117	117	117	117	117

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

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2008)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	16	15	15	15	15
Appropriations	48,777	51,242	50,595	50,640	51,186
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	-	-	-	-	-
Other cash received	20,777	13,700	14,700	14,700	14,700
Total cash received	69,570	64,957	65,310	65,355	65,901
Cash used					
Employees	5,416	5,350	5,450	5,550	5,650
Suppliers	3,749	4,323	4,136	4,198	4,310
Grants	47,394	47,499	46,939	46,822	47,156
Financing costs	-	-	-	-	-
Net GST paid	-	-	-	-	-
Other cash used	8,279	7,500	8,500	8,500	8,500
Total cash used	64,838	64,672	65,025	65,070	65,616
Net cash from or (used by) operating activities	4,732	285	285	285	285
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	11	10	10	10	10
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	11	10	10	10	10
Cash used					
Purchase of property, plant and equipment	281	295	295	429	465
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash used	-	-	-	-	-
Total cash used	281	295	295	429	465
Net cash from or (used by) investing activities	(270)	(285)	(285)	(419)	(455)

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2008) (continued)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	-	-	134	170
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	-	-	-	134	170
Cash used					
Repayments of debt (including finance lease principal)	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other cash used	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	134	170
Net increase or (decrease) in cash held	4,462	-	-	-	-
Cash at the beginning of the reporting period	470	4,932	4,932	4,932	4,932
Effect of exchange rate movements on cash at the beginning of reporting period	4,462	-	-	-	-
Cash at the end of the reporting period	4,932	4,932	4,932	4,932	4,932

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	558	325	-	-	883
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	558	325	-	-	883
Income and expense					
Income and expenses recognised directly in equity: [list each item, example follows] Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense recognised directly in equity	-	-	-	-	-
Net operating result	-	-	-	-	-
Total income and expenses	-	-	-	-	-
Sub-total income and expense attributable to Australian Government					
attributable to minority interest	-	-	-	-	-
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other: [provide details]	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Other: [provide details, example follows] Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Closing balance less minority interests	558	325	-	-	883
Estimated closing balance as at 30 June 2008	558	325	-	-	883

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	134	170
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	134	170
Represented by:					
Purchase of non-financial assets	-	-	-	134	170
Other	-	-	-	-	-
Total represented by	-	-	-	134	170
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	134	170
Funded internally by					
Departmental resources	295	295	295	295	325
Total	295	295	295	429	495

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	-	-	1,550	-	580	-	2,130
Accumulated depreciation	-	-	-	-	742	-	411	-	1,153
Opening net book value	-	-	-	-	808	-	169	-	977
Additions:									
by purchase	-	-	-	-	220	-	85	-	305
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	210	-	85	-	295
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	10	-	-	-	10
As at 30 June 2008									
Gross book value	-	-	-	-	1,760	-	665	-	2,425
Accumulated depreciation	-	-	-	-	952	-	496	-	1,448
Estimated closing net book value	-	-	-	-	808	-	169	-	977

[option: can present computer software, other intangibles separately]

NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Notes

Under the Australian Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

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

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

ACIAR's financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are prepared in accordance with the Financial Management and Accountability (FMA) Orders.

Appropriations in the Accrual Budgeting Framework

Under the Australian Government's accrual budgeting framework, annual appropriations are provided for Departmental price of outputs representing the Government's purchase of outputs from agencies.

Asset valuation

From 30 June 2003 Property, Plant and Equipment have been valued on a fair value basis. Fair value essentially reflects the current market value of an asset.

GLOSSARY

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

Glossary

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

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

Glossary

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

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

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