

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 (DFAT)

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

To continue to progress the foreign and trade policy priorities outlined in the *2009-10 Portfolio Budget Statements*, the Government has agreed to fund further foreign and trade policy initiatives, which will be delivered by the Department.

Reflecting the increasing importance of Australia's economic relationship with India, the Government will fund the upgrade of Australian Consulates-General in Chennai and Mumbai. This upgrade will significantly enhance the Government's capacity to advocate foreign policy and economic interests in India's economically dynamic South and West.

In the interests of international cooperation and assistance, the Government has agreed to support recovery efforts in L'Aquila, Italy following the April 2009 earthquake. The Australian Government will match the Italian-Australian community's own fundraising efforts dollar-for-dollar up to \$1.5 million. The cost for this measure will be met from within the Department's existing resources.

The Government has also agreed that the Department will implement a range of measures to deliver savings: rationalising the provision of diplomatic services, changing accommodation arrangements overseas, and reducing operating costs of the Overseas Property Office.

A full outline of DFAT's Strategic Direction can be found in the *2009-10 Portfolio Budget Statements*.

1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for the Department of Foreign Affairs and Trade at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2009-10 Budget year, including variations through Appropriation Bills No.3 and No.4, special appropriations and special accounts.

Table 1.1: DFAT resource statement – Additional estimates for 2009-10 as at Additional Estimates November 2009

| | Estimate as at Budget ⁺ | Proposed Additional ⁼ Estimates | Total estimate at Additional Estimates | Total available appropriation |
|--|---------------------------------------|--|---|-------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Ordinary annual services¹ | | | | |
| Departmental appropriation | | | | |
| Prior year departmental appropriation | 271,241 | - | 271,241 | 234,916 |
| Departmental appropriation | 928,154 | 25,493 | 953,647 | 839,311 |
| Section 31 Relevant agency receipts ³ | 48,859 | - | 48,859 | 72,216 |
| Other | | | | 95,117 |
| Total | 1,248,254 | 25,493 | 1,273,747 | 1,241,560 |
| Administered expenses | | | | |
| Outcome 1 | 393,896 | - | 393,896 | 295,584 |
| Outcome 2 | 750 | - | 750 | 500 |
| Outcome 3 | - | - | - | 63,838 |
| Payments to CAC Act bodies | 6,000 | - | 6,000 | 9,700 |
| Total | 400,646 | - | 400,646 | 369,622 |
| Total ordinary annual services | A 1,648,900 | 25,493 | 1,674,393 | 1,611,182 |
| Other services² | | | | |
| Departmental non-operating | | | | |
| Prior year non-operating appropriations | 54,013 | - | 54,013 | 72,503 |
| Equity injections | 58,074 | 7,211 | 65,285 | 36,441 |
| Previous years' outputs | 41,184 | 943 | 42,127 | 10,588 |
| Total | 153,271 | 8,154 | 161,425 | 119,532 |
| Administered non-operating | | | | |
| Administered assets and liabilities ⁴ | 75,000 | - | 75,000 | - |
| Total | 75,000 | - | 75,000 | - |
| Total other services | B 228,271 | 8,154 | 236,425 | 119,532 |
| Total available annual appropriations | 1,877,171 | 33,647 | 1,910,818 | 1,730,714 |
| Special appropriations | | | | |
| Special appropriations limited by amount | | | | |
| Special Appropriation FMA Act, 1997 s28 | 650 | - | 650 | 700 |
| Total special appropriations | C 650 | - | 650 | 700 |
| Total appropriations excluding special accounts | 1,877,821 | 33,647 | 1,911,468 | 1,731,414 |

Table continued on the following page.

Table 1.1: DFAT resource statement – Additional estimates for 2009-10 as at Additional Estimates November 2009 (continued)

| | Estimate as at Budget * | Proposed Additional = Estimates | Total estimate at Additional Estimates | Total available appropriation |
|--|----------------------------|---------------------------------------|---|-------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Special accounts | | | | |
| Opening balance ⁵ | 262,835 | - | 262,835 | 215,585 |
| Appropriation receipts ⁶ | 138,774 | (213) | 138,561 | 136,143 |
| Appropriation receipts - other agencies ⁷ | 44,269 | - | 44,269 | 40,656 |
| Non-appropriation receipts to Special accounts | 9,468 | 12,992 | 22,460 | 18,634 |
| Total special account | D 455,346 | 12,779 | 468,125 | 411,018 |
| Total resourcing | | | | |
| A+B+C+D | 2,333,167 | 46,426 | 2,379,593 | 2,142,432 |
| Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations | (138,774) (81,000) | 213 - | (138,561) (81,000) | (146,575) (9,700) |
| Total net resourcing for DFAT | 2,113,393 | 46,639 | 2,160,032 | 1,986,157 |

Notes:

1. Appropriation Bills (No.1 & 3) 2009-10
2. Appropriation Bills (No.2 & 4) 2009-10
3. s31 Relevant agency receipts – estimate.
4. The Administered Assets and Liabilities appropriation has been provided to DFAT to allow payment to the Export Finance and Insurance Corporation (a CAC Act body) in relation to the measure *Overseas Development Assistance - Debt-to-Health Swap with Government of Indonesia*. The appropriation will be transferred to the Export Finance and Insurance Corporation commencing in 2011-12, once the Memorandum of Understanding with Indonesia is finalised.
5. Actual opening balance for special accounts. For further information on special accounts, see Table 3.1.1.
6. Appropriation receipts from DFAT annual and special appropriations for 2009-10 included above.
7. Appropriation receipts from other agencies credited to DFAT's special accounts.

All figures are GST exclusive.

Third party payments from and on behalf of other agencies

| | Estimate at Budget | Estimate at Additional Estimates |
|---|------------------------|--|
| | 2009-10 \$'000 | 2009-10 \$'000 |
| Receipts received from other agencies for the provision of services (disclosed above within s.31 Relevant Agency receipts) | 48,859 | 48,859 |
| Payments made to CAC Act bodies within the portfolio | | |
| Export Finance and Insurance Corporation | Appropriation Acts 1&2 | 81,000 |
| | | 81,000 |

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2009-10 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Agency Measures since Budget

| | Program | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|--|-----------------------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | |
| Foreign Affairs and Trade Portfolio - efficiencies ¹ | 1.1, 2.1, 3.1, 3.2 | | | | |
| Departmental expenses | | (6,960) | (21,908) | (32,982) | (25,343) |
| Total | | (6,960) | (21,908) | (32,982) | (25,343) |
| Italian earthquake recovery effort - Australian Government's contribution ² | 1.1 | | | | |
| Departmental expenses | | - | - | - | - |
| Total | | - | - | - | - |
| Enhancing Australia's engagement with India | 1.1, 2.1, 3.1 | | | | |
| Departmental expenses | | 6,547 | 9,170 | 8,937 | 9,822 |
| Total | | 6,547 | 9,170 | 8,937 | 9,822 |
| Total expense measures | | | | | |
| Departmental | | (413) | (12,738) | (24,045) | (15,521) |
| Total | | (413) | (12,738) | (24,045) | (15,521) |
| Capital measures | | | | | |
| Foreign Affairs and Trade Portfolio - efficiencies | 1.1, 2.1, 3.1 | | | | |
| Departmental capital | | (738) | 138 | (540) | - |
| Total | | (738) | 138 | (540) | - |
| Enhancing Australia's engagement with India | 1.1, 2.1, 3.1 | | | | |
| Departmental capital | | 7,948 | 9,134 | 9,028 | 42 |
| Total | | 7,948 | 9,134 | 9,028 | 42 |
| Total capital measures | | | | | |
| Departmental | | 7,210 | 9,272 | 8,488 | 42 |
| Total | | 7,210 | 9,272 | 8,488 | 42 |

Notes:

1. Included in the expense figures for the *Foreign Affairs and Trade Portfolio – efficiencies* measure are savings that will be realised by DFAT's Overseas Property Office. These savings will be returned to Budget through a dividend from the Overseas Property Special Account and are not a reduction in appropriations.
2. The measure *Italian earthquake recovery effort - Australian Government's contribution* will be funded through existing departmental resources.

Prepared on a Government Financial Statistics (fiscal) basis.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for DFAT at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2009-10 Budget in Appropriation Bills No.3 and No.4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

| | Program impacted | 2009-10 (\$'000) | 2010-11 (\$'000) | 2011-12 (\$'000) | 2012-13 (\$'000) |
|---|------------------|---------------------|---------------------|---------------------|---------------------|
| Outcome 1 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Enhancing Australia's engagement with India | 1.1 | 10,743 | 12,469 | 13,166 | 9,212 |
| Decrease in estimates (departmental) | | | | | |
| Foreign Affairs and Trade Portfolio - efficiencies ¹ | 1.1 | (4,839) | (15,303) | (23,929) | (17,124) |
| Net impact on estimates for Outcome 1 (departmental) | | 5,904 | (2,834) | (10,763) | (7,912) |
| Outcome 2 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Enhancing Australia's engagement with India | 2.1 | 1,896 | 2,200 | 2,324 | 1,625 |
| Decrease in estimates (departmental) | | | | | |
| Foreign Affairs and Trade Portfolio - efficiencies ¹ | 2.1 | (733) | (2,412) | (3,720) | (2,504) |
| Net impact on estimates for Outcome 2 (departmental) | | 1,163 | (212) | (1,396) | (879) |
| Outcome 3 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Enhanced Engagement with India | 3.1 | 3,083 | 5,843 | 5,380 | 1,828 |
| Decrease in estimates (departmental) | | | | | |
| Foreign Affairs and Trade Portfolio - efficiencies ¹ | 3.1 | (1,140) | (2,122) | (3,968) | (4,001) |
| Net impact on estimates for Outcome 3 (departmental) | | 1,943 | 3,721 | 1,412 | (2,173) |

Notes:

1. Excluded from the figures for the *Foreign Affairs and Trade Portfolio – efficiencies* measure are savings that will be realised by DFAT's Overseas Property Office. These savings will be returned to Budget through a dividend from the Overseas Property Special Account and are not a reduction in appropriations.

Table 1.4: Additional estimates and variations to outcomes from other variations

| | Program impacted | 2009-10 (\$'000) | 2010-11 (\$'000) | 2011-12 (\$'000) | 2012-13 (\$'000) |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Outcome 1 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Adjustment for overseas inflation | 1.1 | 2,990 | 2,935 | 2,990 | 2,881 |
| Adjustment for foreign exchange rebasing | 1.1 | 8,900 | 8,736 | 8,900 | 8,576 |
| Adjustment for VAT refunds 2008-09 | 1.1 | 1,473 | - | - | - |
| Decrease in estimates (departmental) | | | | | |
| Adjustment for domestic inflation | 1.1 | - | (340) | (1,722) | (2,097) |
| Adjustment for within year forex exchange gain | 1.1 | (5,268) | - | - | - |
| Net impact on estimates for Outcome 1 (departmental) | | 8,095 | 11,331 | 10,168 | 9,360 |
| Outcome 2 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Adjustment for overseas inflation | 2.1, 2.2 | 4,521 | 4,576 | 4,699 | 4,753 |
| Adjustment for foreign exchange rebasing | 2.1, 2.2 | 13,679 | 13,841 | 14,216 | 14,378 |
| Decrease in estimates (departmental) | | | | | |
| Adjustment for domestic inflation | 2.1, 2.2 | - | (184) | (942) | (1,207) |
| Adjustment to passport funding due to lower than expected passport issues in 2008-09 | 2.2 | (5,116) | - | - | - |
| Adjustment to passport funding for years beyond the current Passports Funding Agreement | 2.2 | - | - | - | (12,166) |
| Net impact on estimates for Outcome 2 (departmental) | | 13,084 | 18,233 | 17,973 | 5,758 |
| Outcome 3 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Adjustment for overseas inflation | 3.1 | 870 | 870 | 815 | 870 |
| Adjustment for foreign exchange rebasing | 3.1 | 2,589 | 2,589 | 2,427 | 2,589 |
| Decrease in estimates (departmental) | | | | | |
| Adjustment for domestic inflation | 3.1 | - | (100) | (483) | (623) |
| Net impact on estimates for Outcome 3 (departmental) | | 3,459 | 3,359 | 2,759 | 2,836 |

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for DFAT through Appropriation Bills No.3 and No.4.

Table 1.5: Appropriation Bill (No. 3) 2009-10

| | 2008-09 Available (\$'000) | 2009-10 Budget (\$'000) | 2009-10 Revised (\$'000) | Additional Estimates (\$'000) | Reduced Estimates (\$'000) |
|--|----------------------------------|-------------------------------|--------------------------------|-------------------------------------|----------------------------------|
| ADMINISTERED ITEMS | | | | | |
| Outcome 1 | | | | | |
| The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities | 305,284 | 399,896 | 399,896 | - | |
| Outcome 2 | | | | | |
| The protection and welfare of Australian abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas | 500 | 750 | 750 | - | |
| Outcome 3 | | | | | |
| A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's owned estate | 63,838 | - | - | - | |
| Total | 369,622 | 400,646 | 400,646 | - | - |

Note:

2008-09 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. However, the 2008-09 appropriations use an old outcome structure that was replaced by the current structure from 2009-10. Available appropriation is the amount available to be drawn down, and is equal to: *Budget Appropriation + Additional Estimates Appropriation + AFM – Savings – Rephasings – Other Reductions +/- Section 32*

Table continued on the following page.

Table 1.5: Appropriation Bill (No. 3) 2009-10 (continued)

| | 2008-09 Available (\$'000) | 2009-10 Budget (\$'000) | 2009-10 Revised (\$'000) | Additional Estimates (\$'000) | Reduced Estimates (\$'000) |
|--|----------------------------------|-------------------------------|--------------------------------|-------------------------------------|----------------------------------|
| DEPARTMENTAL PROGRAMS | | | | | |
| Outcome 1 | | | | | |
| The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities | 533,034 | 507,810 | 513,849 | 6,039 | - |
| Outcome 2 | | | | | |
| The protection and welfare of Australian abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas | 245,188 | 268,541 | 287,041 | 18,500 | - |
| Outcome 3 | | | | | |
| A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's owned estate | 55,973 | 151,803 | 152,757 | 954 | - |
| Total | 834,195 | 928,154 | 953,647 | 25,493 | - |
| Total administered and departmental | 1,203,817 | 1,328,800 | 1,354,293 | 25,493 | - |

Note:

2008-09 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. However, the 2008-09 appropriations use an old outcome structure that was replaced by the current structure from 2009-10. Available appropriation is the amount available to be drawn down, and is equal to: *Budget Appropriation + Additional Estimates Appropriation + AFM – Savings – Rephasings – Other Reductions +/- Section 32*

Table 1.6: Appropriation Bill (No. 4) 2009-10

| | 2008-09 Available (\$'000) | 2009-10 Budget (\$'000) | 2009-10 Revised (\$'000) | Additional Estimates (\$'000) | Reduced Estimates (\$'000) |
|--|----------------------------------|-------------------------------|--------------------------------|-------------------------------------|----------------------------------|
| Non-operating | | | | | |
| Equity injections | 36,441 | 58,074 | 65,285 | 7,211 | - |
| Previous years' programs | 10,588 | 41,184 | 42,127 | 943 | - |
| Total non-operating | | | | | |
| Department of Foreign Affairs & Trade | | | | | |
| Total | 47,029 | 99,258 | 107,412 | 8,154 | - |

Section 2: Revisions to agency resources and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

OUTCOME 1: THE ADVANCEMENT OF AUSTRALIA'S INTERNATIONAL STRATEGIC, SECURITY AND ECONOMIC INTERESTS INCLUDING THROUGH BILATERAL, REGIONAL AND MULTILATERAL ENGAGEMENT ON AUSTRALIAN GOVERNMENT FOREIGN AND TRADE POLICY PRIORITIES

Outcome 1 Strategy

There is no change to the Department's Outcome Strategy as expressed in the *2009-10 Portfolio Budget Statements*. Measures being funded through Additional Estimates are aimed at continuing Australia's bilateral relationships with a view to more effectively realising the Government's foreign, trade and security policy priorities.

The Government will fund the upgrade of Australian Consulates-General in Chennai and Mumbai.

The Government will contribute to recovery efforts in L'Aquila, Italy following the April 2009 earthquake.

The Government will reduce costs within the Department, including through rationalising the provision of diplomatic services and changing accommodation plans overseas.

Table 2.1: Budgeted Expenses and Resources for Outcome 1

| Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities | 2008-09 Actual Expenses \$'000 | 2009-10 Revised Estimated Expenses \$'000 |
|--|---|---|
| Program 1.1: Other Departmental | | |
| Departmental Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) ¹ | 459,925 | 513,849 |
| Revenues from Independent Sources (Section 31) | 49,152 | 48,969 |
| Expenses not requiring Appropriation in the Budget year | 3,546 | 1,727 |
| Total for Program 1.1 | 512,623 | 564,545 |
| Program 1.2: Payments to International Organisations | | |
| Administered Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 290,130 | 300,800 |
| Total for Program 1.2 | 290,130 | 300,800 |
| Program 1.3: Public Information Services and Public Diplomacy | | |
| Administered Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 23,545 | 24,083 |
| Special Accounts | 42,841 | 35,917 |
| Total for Program 1.3 | 66,386 | 60,000 |
| Program 1.4: Other Administered | | |
| Administered Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 25,205 | 9,054 |
| Other services (Appropriation Bill No. 2) | - | 75,000 |
| Total for Program 1.4 | 25,205 | 84,054 |
| Outcome 1 Totals by Appropriation type | | |
| Administered Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 338,880 | 333,937 |
| Other services (Appropriation Bill No. 2) | - | 75,000 |
| Special Accounts | 42,841 | 35,917 |
| Departmental Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 459,925 | 513,849 |
| Revenues from Independent Sources (Section 31) | 49,152 | 48,969 |
| Expenses not requiring Appropriation in the Budget year | 3,546 | 1,727 |
| Total Expenses for Outcome 1 | 894,344 | 1,009,399 |
| Average Staffing Level (number)² | 1,950 | 1,999 |

Notes:

- These expenses include a portion of an intra-entry amount of \$102.6 million (2008-09 \$100.6 million) representing rent paid by DFAT to the DFAT Overseas Property Special Account which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).
- ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 – Programs 2.1 and 2.3 (Consular Services) and Outcome 3 – Programs 3.1 and 3.2.

Program 1.1: Other Departmental – DFAT**Program 1.1 Objective**

There is no change to the objective for Program 1.1 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 1.1 Expenses

| | 2008-09 Actuals | 2009-10 Revised estimate | 2010-11 Forward estimate | 2011-12 Forward estimate | 2012-13 Forward estimate |
|-------------------------------|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Annual departmental expenses: | | | | | |
| Departmental item | 512,623 | 564,545 | 564,996 | 559,037 | 574,250 |
| Total program expenses | 512,623 | 564,545 | 564,996 | 559,037 | 574,250 |

Program 1.1 Deliverables

Program 1.1 deliverables are affected by Additional Estimates measures which provide for increased representation in India and savings associated with the rationalisation of diplomatic services and changed accommodation plans overseas.

Program 1.1 Key Performance Indicators

There is no change to the key performance indicators for Program 1.1 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 1.2: Payments to International Organisations (Administered)**Program 1.2 Objective**

There is no change to the objective for Program 1.2 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 1.2 Expenses

| | 2008-09 Actuals | 2009-10 Revised estimate | 2010-11 Forward estimate | 2011-12 Forward estimate | 2012-13 Forward estimate |
|---|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Program component name | | | | | |
| Annual administered expenses: | | | | | |
| Payments to International Organisations | 290,130 | 300,800 | 308,800 | 308,800 | 308,800 |
| Total program expenses | 290,130 | 300,800 | 308,800 | 308,800 | 308,800 |

Program 1.2 Deliverables

There is no change to the deliverables for Program 1.2 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 1.2 Key Performance Indicators

There is no change to the key performance indicators for Program 1.2 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 1.3: Public Information Services and Public Diplomacy

Program 1.3 Objective

There is no change to the objective for Program 1.3 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 1.3 Expenses

| | 2008-09 Actuals | 2009-10 Revised estimate | 2010-11 Forward estimate | 2011-12 Forward estimate | 2012-13 Forward estimate |
|--|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Program component name | | | | | |
| Annual administered expenses: | | | | | |
| Administered Grants Program | 4,722 | 4,794 | 4,594 | 4,594 | 4,594 |
| Australia Network | 18,823 | 19,289 | 19,354 | - | - |
| Special Account expenses: | | | | | |
| Expositions Special Account | 42,841 | 35,917 | 4,557 | - | - |
| Expenses not requiring Appropriation in the Budget year - Shanghai World Expo expenses funded through sponsorship received | - | 5,950 | 2,925 | - | - |
| Total program expenses | 66,386 | 65,950 | 31,430 | 4,594 | 4,594 |

Program 1.3 Deliverables

There is no change to the deliverables for Program 1.3 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 1.3 Key Performance Indicators

There is no change to the key performance indicators for Program 1.3 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 1.4: Other Administered**Program 1.4 Objective**

There is no change to the objective for Program 1.4 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 1.4 Expenses

| | 2008-09 Actuals \$'000 | 2009-10 Revised estimate \$'000 | 2010-11 Forward estimate \$'000 | 2011-12 Forward estimate \$'000 | 2012-13 Forward estimate \$'000 |
|--|------------------------------|--|--|--|--|
| Program component name | | | | | |
| Annual administered expenses: | | | | | |
| Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses | 13,611 | 6,700 | 7,300 | 7,600 | 7,100 |
| Overseas development assistance - Debt-to-Health Swap with Government of Indonesia | - | 75,000 | - | - | - |
| Hosting of the 35th Antarctic Treaty Consultative Meeting | - | 13 | 29 | 1,386 | - |
| Personal Benefits - Locally Engaged Staff pension schemes | 4,955 | 1,880 | 1,870 | 1,870 | 1,870 |
| Other Administered Items | 6,639 | 461 | 471 | 476 | 482 |
| Total program expenses | 25,205 | 84,054 | 9,670 | 11,332 | 9,452 |

Program 1.4 Deliverables

There is no change to the deliverables for Program 1.4 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 1.4 Key Performance Indicators

There is no change to the key performance indicators for Program 1.4 as expressed in the *2009-10 Portfolio Budget Statements*.

**OUTCOME 2: THE PROTECTION AND WELFARE OF AUSTRALIANS
ABROAD AND ACCESS TO SECURE INTERNATIONAL TRAVEL
DOCUMENTATION THROUGH TIMELY AND RESPONSIVE TRAVEL ADVICE
AND CONSULAR AND PASSPORT SERVICES IN AUSTRALIA AND
OVERSEAS**

Outcome 2 Strategy

There is no change to DFAT's Outcome Strategy as expressed in the *2009-10 Portfolio Budget Statements*.

Table 2.1.1 Budgeted Expenses and Resources for Outcome 2

| Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas | 2008-09 Actual Expenses \$'000 | 2009-10 Revised Estimated Expenses \$'000 |
|---|---|---|
| Program 2.1: Consular Services (Departmental) | | |
| Departmental Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) ¹ | 75,524 | 83,220 |
| Revenues from Independent Sources (Section 31) | - | - |
| Expenses not requiring Appropriation in the Budget year | 76 | 37 |
| Total for Program 2.1 | 75,600 | 83,257 |
| Program 2.2: Passport Services (Departmental) | | |
| Departmental Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) ¹ | 184,974 | 203,821 |
| Revenues from Independent Sources (Section 31) | - | - |
| Expenses not requiring Appropriation in the Budget year | 181 | 88 |
| Total for Program 2.2 | 185,155 | 203,909 |
| Program 2.3 Consular Services (Administered) | | |
| Administered Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 501 | 750 |
| Total for Program 2.3 | 501 | 750 |
| Program 2.4 Passport Services (Administered) | | |
| Administered Expenses | | |
| Special Appropriations | 571 | 650 |
| Total for Program 2.4 | 571 | 650 |
| Outcome 2 Totals by Appropriation type | | |
| Administered Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 501 | 750 |
| Special Appropriations | 571 | 650 |
| Departmental Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 260,498 | 287,041 |
| Revenues from Independent Sources (Section 31) | - | - |
| Expenses not requiring Appropriation in the Budget year | 257 | 125 |
| Total Expenses for Outcome 2 | 261,827 | 288,566 |
| Average Staffing Level (number)² | 943 | 972 |

Notes:

- These expenses include a portion of an intra-entry amount of \$102.6 million (2008-09 \$100.6 million) representing rent paid by DFAT to the DFAT Overseas Property Office which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).
- ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 – Programs 2.1 and 2.3 (Consular Services)

Program 2.1: Consular Services (Departmental)

Program 2.1 Objective

There is no change to the objective for Program 2.1 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 2.1 Expenses

| | 2008-09 Actuals | 2009-10 Revised estimate | 2010-11 Forward estimate | 2011-12 Forward estimate | 2012-13 Forward estimate |
|-------------------------------|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Annual departmental expenses: | | | | | |
| Departmental item | 75,600 | 83,257 | 83,710 | 81,269 | 83,932 |
| Total program expenses | 75,600 | 83,257 | 83,710 | 81,269 | 83,932 |

Program 2.1 Deliverables

Program 2.1 deliverables are affected by Additional Estimates measures which provide for increased representation in India and savings associated with the rationalisation of diplomatic services.

Program 2.1 Key Performance Indicators

There is no change to the key performance indicators for Program 2.1 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 2.2: Passport Services (Departmental)

Program 2.2 Objective

There is no change to the objective for Program 2.2 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 2.2 Expenses

| | 2008-09 Actuals | 2009-10 Revised estimate | 2010-11 Forward estimate | 2011-12 Forward estimate | 2012-13 Forward estimate |
|-------------------------------|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Annual departmental expenses: | | | | | |
| Departmental item | 185,155 | 203,909 | 208,364 | 214,257 | 219,715 |
| Total program expenses | 185,155 | 203,909 | 208,364 | 214,257 | 219,715 |

Program 2.2 Deliverables

There is no change to the deliverables for Program 2.2 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 2.2 Key Performance Indicators

There is no change to the key performance indicators for Program 2.2 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 2.3: Consular Services (Administered)**Program 2.3 Objective**

There is no change to the objective for Program 2.3 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 2.3 Expenses

| | 2008-09 Actuals \$'000 | 2009-10 Revised estimate \$'000 | 2010-11 Forward estimate \$'000 | 2011-12 Forward estimate \$'000 | 2012-13 Forward estimate \$'000 |
|---|------------------------------|--|--|--|--|
| Program component name | | | | | |
| Annual administered expenses: | | | | | |
| Consular Emergency Services | 48 | 200 | 200 | 200 | 200 |
| Thailand - repatriation of Australian citizens and permanent residents | 102 | - | - | - | - |
| Other Administered Appropriation Items: | | | | | |
| Travellers' Emergency Loans* | - | 550 | 550 | 550 | 550 |
| Other Administered Items** | 351 | - | - | - | - |
| Total program expenses | 501 | 750 | 750 | 750 | 750 |

Notes:

* Travellers' Emergency Loans (TELs) are recorded as receivables to the Commonwealth and therefore are not disclosed as program expenses. Actual loans issued in cash for 2008-09 totalled \$0.366 million.

** Other Administered items for the Consular (Services Administered) program consists exclusively of the non cash expense for Write Down and Impairment of Assets (i.e. impairment of TELs receivable).

Program 2.3 Deliverables

There is no change to the deliverables for Program 2.3 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 2.3 Key Performance Indicators

There is no change to the key performance indicators for Program 2.3 as expressed in the *2009-10 Portfolio Budget Statements*.

DFAT Additional Estimates Statements

Program 2.4: Passport Services (Administered)

Program 2.4 Objective

There is no change to the objective for Program 2.4 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 2.4 Expenses

| | 2008-09 Actuals | 2009-10 Revised estimate | 2010-11 Forward estimate | 2011-12 Forward estimate | 2012-13 Forward estimate |
|--|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Program component name | | | | | |
| Special appropriations: | | | | | |
| <i>Special Appropriation FMA Act s28</i> | | | | | |
| <i>Passport Refunds</i> | 571 | 650 | 650 | 650 | 650 |
| Total program expenses | 571 | 650 | 650 | 650 | 650 |

Program 2.4 Deliverables

There is no change to the deliverables for Program 2.4 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 2.4 Key Performance Indicators

There is no change to the key performance indicators for Program 2.4 as expressed in the *2009-10 Portfolio Budget Statements*.

**OUTCOME 3: A SECURE AUSTRALIAN GOVERNMENT PRESENCE
OVERSEAS THROUGH THE PROVISION OF SECURITY SERVICES AND
INFORMATION AND COMMUNICATIONS TECHNOLOGY INFRASTRUCTURE,
AND THE MANAGEMENT OF THE COMMONWEALTH'S OVERSEAS OWNED
ESTATE**

Outcome 3 Strategy

There is no change to DFAT's Outcome Strategy as expressed in the *2009-10 Portfolio Budget Statements*.

The operating costs of the Overseas Property Office will be reduced by 4 per cent annually from 2010-11 onwards (2 per cent in 2009-10) to achieve savings.

Table 2.1.2 Budgeted Expenses and Resources for Outcome 3

| | 2008-09 Actual Expenses | 2009-10 Revised Estimated Expenses |
|--|-------------------------------|---|
| Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate | | |
| | \$'000 | \$'000 |
| Program 3.1: Other Departmental (Departmental) | | |
| Departmental Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) ¹ | 138,640 | 152,757 |
| Revenues from Independent Sources (Section 31) | - | - |
| Expenses not requiring Appropriation in the Budget year | 121 | 59 |
| Total for Program 3.1 | 138,761 | 152,816 |
| Program 3.2: Overseas Property (Departmental) | | |
| Departmental Expenses | | |
| Special Accounts | 66,944 | 72,886 |
| Total for Program 3.2 | 66,944 | 72,886 |
| Outcome 3 Totals by Appropriation type | | |
| Departmental Expenses | | |
| Ordinary Annual Services (Appropriation Bill No. 1) | 138,640 | 152,757 |
| Revenues from Independent Sources (Section 31) | - | - |
| Special Accounts | 66,944 | 72,886 |
| Expenses not requiring Appropriation in the Budget year | 121 | 59 |
| Total Expenses for Outcome 2 | 205,705 | 225,702 |
| | 2008-09 | 2009-10 |
| Average Staffing Level (number)² | 556 | 588 |

Notes:

1. These expenses include a portion of an intra-entry amount of \$102.6 million (2008-09 \$100.6 million) representing rent paid by DFAT to the DFAT Overseas Property Special Account which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).
2. ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 3 – Programs 3.1 and 3.2.

Program 3.1: Other Departmental**Program 3.1 Objective**

There is no change to the objective for Program 3.1 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 3.1 Expenses

| | 2008-09 Actuals | 2009-10 Revised estimate | 2010-11 Forward estimate | 2011-12 Forward estimate | 2012-13 Forward estimate |
|-------------------------------|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Annual departmental expenses: | | | | | |
| Departmental item | 138,761 | 152,816 | 151,507 | 142,967 | 153,513 |
| Total program expenses | 138,761 | 152,816 | 151,507 | 142,967 | 153,513 |

Program 3.1 Deliverables

There is no change to the deliverables for Program 3.1 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 3.1 Key Performance Indicators

There is no change to the key performance indicators for Program 3.1 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 3.2: Overseas Property**Program 3.2 Objective**

There is no change to the objective for Program 3.2 as expressed in the *2009-10 Portfolio Budget Statements*.

Program 3.2 Expenses

| | 2008-09 Actuals | 2009-10 Revised estimate | 2010-11 Forward estimate | 2011-12 Forward estimate | 2012-13 Forward estimate |
|--|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Special account expenses: | | | | | |
| <i>Overseas Property Special Account - Finance Determination 2002-01</i> | 66,944 | 72,886 | 70,356 | 70,018 | 66,314 |
| Total program expenses | 66,944 | 72,886 | 70,356 | 70,018 | 66,314 |

Program 3.2 Deliverables

Savings in Overseas Property Special Account operating expenditure will be achieved largely through changes in the preventative maintenance program.

Program 3.2 Key Performance Indicators

There is no change to the key performance indicators for Program 3.2 as expressed in the *2009-10 Portfolio Budget Statements*.

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by DFAT. The corresponding table in the *2009-10 Portfolio Budget Statements* is Table 3.1.2.

Table 3.1.1: Estimates of special account flows

| | | Opening balance 2009-10 2008-09 | Receipts 2009-10 2008-09 | Payments 2009-10 2008-09 | Adjustments 2009-10 2008-09 | Closing balance 2009-10 2008-09 |
|---|---------|---|---------------------------------------|---------------------------------------|--|---|
| | Outcome | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Australia-China Council Special Account - FMA Act 1997 s20 (A)* | 1 | 1 66 | - 21 | (1) (86) | - - | - 1 |
| Australia-France Endowment Special Account - FMA Act 1997 s20 (A)* | 1 | 1 5 | - - | (1) (4) | - - | - 1 |
| Australia-India Council Special Account - FMA Act 1997 s20 (A)* | 1 | 1 87 | - 3 | (1) (89) | - - | - 1 |
| Australia-Indonesia Institute Special Account - FMA Act 1997 s20 (A)* | 1 | - 34 | - 456 | - (490) | - - | - - |
| Australia-Korea Foundation Special Account - FMA Act 1997 s20 (A)* | 1 | 1 111 | - 13 | (1) (123) | - - | - 1 |
| Consular Services Special Account - FMA Act 1997 s20 (A) | 2 | 54 46 | 310 233 | (364) (225) | - - | - 54 |
| Australia-Japan Foundation Special Account - FMA Act 1997 s20 (A)* | 1 | 64 615 | - 55 | (64) (606) | - - | - 64 |
| Expositions Special Accounts - FMA Act 1997 s20 (A) | 1 | 337 53 | 42,393 42,082 | (42,205) (41,798) | - - | 525 337 |

Notes:

(A) = Administered

(D) = Departmental

* The Minister for Finance and Deregulation issued a determination to abolish the special accounts relating to the Foundations, Councils and Institutes (FCIs) on 25 May 2009. Management of funding provided to DFAT under the International Relations Grants Program for allocation to the FCIs is now fully integrated into the DFAT Administered accounts and removes the need for the special accounts. The balances for the FCI special accounts are now zero.

Table 3.1.1: Estimates of special account flows (continued)

| | | Opening balance 2009-10 2008-09 | Receipts 2009-10 2008-09 | Payments 2009-10 2008-09 | Adjustments 2009-10 2008-09 | Closing balance 2009-10 2008-09 |
|---|---------|---|---------------------------------------|---------------------------------------|--|---|
| | Outcome | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Services for Other Governments & Non-Agency Bodies Account - FMA Act 1997 s20 (A) | 1 | 3,481 3,379 | 3 4,440 | (3,484) (4,338) | - - | - 3481 |
| Other Trust Monies Account - FMA Act 1997 s20 (A) | 1 | 788 214 | 180 3,183 | (968) (2,609) | - - | - 788 |
| Administered Payments and Receipts for Other Entities Special Account - FMA Act 1997 s20 (A) | 1 | 4,967 5,000 | 230,000 191,963 | (229,967) (191,996) | - - | 5000 4967 |
| Overseas Property Special Account - Finance Determination 2002-01 (D) | 3 | 262,430 214,613 | 162,897 152,802 | (113,469) (104,985) | - - | 311,858 262,430 |
| Services for Other Entities and Trust Monies Special Account - FMA Act 1997 s20 (A) | 1 | - - | 3,333 - | (3,333) - | - - | - - |
| Total special accounts 2009-10 Budget estimate | | 272,125 | 439,116 | (393,858) | - | 317,383 |
| Total special accounts 2008-09 estimate actual | | 224,223 | 395,251 | (347,349) | - | 272,125 |

Notes:

(A) = Administered

(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Budget Departmental Income Statement

The Department will receive additional appropriation funding of \$25.5 million (excluding equity injections and prior year adjustments) in 2009-10. This comprises additional funding of \$7.8 million for new measures, offset by a reduction of \$6.0 million in efficiency measures. It also includes an additional \$23.7 million in other adjustments, primarily relating to foreign exchange, overseas and domestic inflation.

Overall, the department is forecasting a surplus of \$81.0 million in 2009-10, all of which relates to the Overseas Property Special Account. The DFAT component of the budget position is breakeven.

Budgeted Departmental Balance Sheet

The department will receive additional equity injections totalling \$7.2 million for funding of capital works as a result of new measures and will receive \$0.9 million for adjustments to previous years' outputs. The latter amount relates to adjustments for foreign exchange losses in 2008-09 and VAT supplementation but is offset by funding to be returned to Budget due to lower than forecast passport production levels in 2008-09.

For 2009-10, the Department's non-financial asset position is budgeted to be \$2,124.3 million at year-end. The major asset component is \$1,915.1 million for Land and Buildings which includes \$1,682.5 million managed in the Overseas Property Special Account.

Table 3.2.1: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 378,293 | 440,966 | 445,720 | 429,520 | 418,177 |
| Supplier | 408,418 | 440,614 | 451,254 | 449,927 | 491,833 |
| Grants | 3,040 | 900 | 900 | 900 | 900 |
| Depreciation and amortisation | 81,467 | 87,496 | 103,833 | 109,241 | 111,210 |
| Write-down and impairment of assets | 2,048 | - | - | - | - |
| Losses from asset sales | 3,393 | 976 | - | - | 188 |
| Finance costs | 1,714 | 457 | 400 | 300 | 300 |
| Other | 83 | 3,361 | 3,334 | 3,329 | 1,857 |
| Total expenses | 878,456 | 974,770 | 1,005,441 | 993,217 | 1,024,465 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Revenue | | | | | |
| Sale of goods and rendering of services | 114,829 | 99,496 | 90,261 | 89,918 | 91,690 |
| Fees and fines | - | - | - | - | - |
| Other revenue | 3,459 | 1,521 | 1,911 | 1,780 | 2,033 |
| Total revenue | 118,288 | 101,017 | 92,172 | 91,698 | 93,723 |
| Gains | | | | | |
| Sale of assets | - | 732 | - | - | - |
| Other Gains | 801 | 390 | 390 | 392 | 392 |
| Total gains | 801 | 1,122 | 390 | 392 | 392 |
| Total own-source income | 119,089 | 102,139 | 92,562 | 92,090 | 94,115 |
| Net cost of (contribution by) services | 759,367 | 872,631 | 912,879 | 901,127 | 930,350 |
| Appropriation revenue | 871,746 | 953,647 | 955,477 | 945,706 | 978,371 |
| Surplus (Deficit) | 112,379 | 81,016 | 42,598 | 44,579 | 48,021 |
| Surplus (Deficit) attributable to the Australian Government | 112,379 | 81,016 | 42,598 | 44,579 | 48,021 |

Prepared on Australian Accounting Standards basis.

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

| | Actual | Revised | Forward | Forward | Forward |
|---|------------------|------------------|------------------|------------------|------------------|
| | 2008-09 | budget | estimate | estimate | estimate |
| | \$'000 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and equivalents | 40,782 | 92,612 | 94,014 | 95,387 | 95,387 |
| Trade and other receivables | 616,717 | 662,711 | 614,988 | 563,419 | 431,544 |
| Other | 7,290 | 7,290 | 7,290 | 7,290 | 7,290 |
| Total financial assets | 664,789 | 762,613 | 716,292 | 666,096 | 534,221 |
| Non-financial assets | | | | | |
| Land and buildings | 1,951,053 | 1,915,117 | 1,965,719 | 1,972,400 | 1,999,989 |
| Infrastructure, plant and equipment | 127,755 | 160,959 | 172,438 | 195,063 | 225,697 |
| Inventories | 31,489 | 31,489 | 31,489 | 31,489 | 31,489 |
| Intangibles | 9,965 | 8,004 | 9,607 | 7,910 | 6,214 |
| Other | 24,382 | 8,776 | 52,028 | 146,140 | 300,503 |
| Total non-financial assets | 2,144,644 | 2,124,345 | 2,231,281 | 2,353,002 | 2,563,892 |
| Total assets | 2,809,433 | 2,886,958 | 2,947,573 | 3,019,098 | 3,098,113 |
| LIABILITIES | | | | | |
| Interest bearing liabilities | | | | | |
| Leases | 648 | - | - | - | - |
| Total interest bearing liabilities | 648 | - | - | - | - |
| Provisions | | | | | |
| Employees | 122,456 | 122,597 | 122,616 | 122,616 | 122,616 |
| Other | 19,547 | 19,547 | 19,547 | 19,547 | 19,547 |
| Total provisions | 142,003 | 142,144 | 142,163 | 142,163 | 142,163 |
| Payables | | | | | |
| Suppliers | 85,973 | 76,167 | 76,157 | 76,157 | 76,157 |
| Other | 11,564 | 12,106 | 12,106 | 12,106 | 12,106 |
| Total payables | 97,537 | 88,273 | 88,263 | 88,263 | 88,263 |
| Total liabilities | 240,188 | 230,417 | 230,426 | 230,426 | 230,426 |
| Net assets | 2,569,245 | 2,656,541 | 2,717,147 | 2,788,672 | 2,867,687 |

Prepared on Australian Accounting Standards basis.

Table continued on the following page.

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

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|---|------------------|-------------------|---------------------|---------------------|---------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 1,529,788 | 1,595,074 | 1,633,082 | 1,674,383 | 1,712,950 |
| Reserves | 496,374 | 447,621 | 429,554 | 417,104 | 411,245 |
| Retained surpluses or accumulated deficits | 543,083 | 613,846 | 654,511 | 697,185 | 743,492 |
| Total parent entity interest | 2,569,245 | 2,656,541 | 2,717,147 | 2,788,672 | 2,867,687 |
| Total equity | 2,569,245 | 2,656,541 | 2,717,147 | 2,788,672 | 2,867,687 |
| Current assets | 696,278 | 794,102 | 747,781 | 697,585 | 565,710 |
| Non-current assets | 2,113,155 | 2,092,856 | 2,199,792 | 2,321,513 | 2,532,403 |
| Current liabilities | 209,077 | 198,764 | 198,773 | 198,773 | 198,773 |
| Non-current liabilities | 31,111 | 31,653 | 31,653 | 31,653 | 31,653 |

Note:

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

Table 3.2.3: Budgeted departmental statement of cash flows (as at 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Goods and services | 124,214 | 98,955 | 90,261 | 89,918 | 91,690 |
| Appropriations | 838,557 | 958,506 | 934,660 | 930,728 | 973,434 |
| Interest | | | | | |
| Dividends | | | | | |
| Other | 25,782 | 21,293 | 21,293 | 21,143 | 21,396 |
| Total cash received | 988,553 | 1,078,754 | 1,046,214 | 1,041,789 | 1,086,520 |
| Cash used | | | | | |
| Employees | 371,332 | 441,668 | 446,628 | 430,262 | 418,217 |
| Suppliers | 436,041 | 424,210 | 449,947 | 448,793 | 491,402 |
| Grants | - | 900 | 900 | 900 | 900 |
| Borrowing costs | - | 20 | 400 | 300 | 300 |
| Other | 62,974 | 22,744 | 22,696 | 22,692 | 21,408 |
| Income taxes paid | | | | | |
| Total cash used | 870,347 | 889,542 | 920,571 | 902,947 | 932,227 |
| Net cash from or (used by) operating activities | 118,206 | 189,212 | 125,643 | 138,842 | 154,293 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | 8,396 | 14,223 | - | - | - |
| Total cash received | 8,396 | 14,223 | - | - | - |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 134,890 | 127,480 | 155,789 | 109,993 | 149,268 |
| Other | - | 29,731 | 73,047 | 133,419 | 178,691 |
| Total cash used | 134,890 | 157,211 | 228,836 | 243,412 | 327,959 |
| Net cash from or (used by) investing activities | (126,494) | (142,988) | (228,836) | (243,412) | (327,959) |

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows (as at 30 June)
(continued)**

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations - contributed equity | 44,263 | 65,286 | 38,008 | 41,301 | 38,567 |
| Proceeds from issuing financial instruments | - | 1 | - | - | - |
| Other | - | (49,428) | 68,520 | 66,547 | 136,813 |
| Total cash received | 44,263 | 15,859 | 106,528 | 107,848 | 175,380 |
| Cash used | | | | | |
| Repayments of debt | | | | | |
| Dividends paid | 24,731 | 986 | 1,933 | 1,905 | 1,714 |
| Other | 1,511 | 9,267 | | | |
| Total cash used | 26,242 | 10,253 | 1,933 | 1,905 | 1,714 |
| Net cash from or (used by) financing activities | 18,021 | 5,606 | 104,595 | 105,943 | 173,666 |
| Net increase or (decrease) in cash held | 9,733 | 51,830 | 1,402 | 1,373 | - |
| Cash at the beginning of the reporting period | 30,712 | 40,782 | 92,612 | 94,014 | 95,387 |
| Effect of exchange rate movements on cash at the beginning of reporting period | 337 | - | - | - | - |
| Cash at the end of the reporting period | 40,782 | 92,612 | 94,014 | 95,387 | 95,387 |

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2009-10)

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Other reserves \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|-----------------------------|---|---------------------------|
| Opening balance as at 1 July 2009 | | | | | |
| Balance carried forward from previous period | 543,083 | 496,374 | - | 1,529,788 | 2,569,245 |
| Adjustment for changes in accounting policies | | | | | |
| Adjusted opening balance | 543,083 | 496,374 | - | 1,529,788 | 2,569,245 |
| Income and expense | | | | | |
| Income and expenses recognised directly in equity: | | | | | |
| Gain/loss on revaluation of property | - | - | - | 65,286 | 65,286 |
| | - | (48,753) | - | - | (48,753) |
| Sub-total income and expense | - | (48,753) | - | 65,286 | 16,533 |
| Surplus (deficit) for the period | 81,016 | | | | 81,016 |
| Total income and expenses recognised directly in equity | 81,016 | (48,753) | - | 65,286 | 97,549 |
| Transactions with owners | | | | | |
| <i>Distribution to owners</i> | | | | | |
| Cash transfers to the OPA | (9,267) | - | - | - | (9,267) |
| Dividends | (986) | - | - | - | (986) |
| Sub-total transactions with owners | (10,253) | - | - | - | (10,253) |
| Transfers between equity components | | | | | |
| Estimated closing balance as at 30 June 2010 | 613,846 | 447,621 | - | 1,595,074 | 2,656,541 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Capital Budget Statement – Departmental

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | 36,441 | 65,285 | 38,008 | 41,363 | 38,567 |
| Previous Years' Outputs | 10,588 | 42,127 | | | |
| Total capital appropriations | 47,029 | 107,412 | 38,008 | 41,363 | 38,567 |
| Represented by: | | | | | |
| Purchase of non-financial assets | 36,441 | 65,285 | 38,008 | 41,363 | 38,567 |
| Other | 10,588 | 42,127 | | | |
| Total represented by | 47,029 | 107,412 | 38,008 | 41,363 | 38,567 |
| ACQUISITION OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations | 36,441 | 65,285 | 38,008 | 41,363 | 38,567 |
| Funded internally from departmental resources ¹ | 103,196 | 84,780 | 147,576 | 88,999 | 141,301 |
| TOTAL | 139,637 | 150,065 | 185,584 | 130,362 | 179,868 |

Notes:

1. Includes the following sources of funding:
 - annual and prior year appropriations;
 - donations and contributions;
 - gifts;
 - finance leases;
 - internally developed receipts;
 - s31 relevant agency receipts; and
 - proceeds from the sale of assets.

These figures are currently subject to review under the Government's net cash framework as part of the Operation Sunlight review and may increase by approximately \$49.8 million in 2009-10.

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2009-10)

| | Land | Buildings | Other infrastructure, plant and equipment | Intangibles | Total |
|--|------------------|----------------|---|--------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2009 | | | | | |
| Gross book value | 1,036,126 | 953,084 | 197,346 | 37,617 | 2,224,173 |
| Accumulated depreciation/amortisation | - | (38,157) | (69,591) | (27,652) | (135,400) |
| Opening net book balance | 1,036,126 | 914,927 | 127,755 | 9,965 | 2,088,773 |
| CAPITAL ASSET ADDITIONS | | | | | |
| Estimated expenditure on new or replacement assets | | | | | |
| By purchase or internally developed | 21,705 | 48,206 | 74,941 | 5,212 | 150,064 |
| Acquisition of entities or operations (including restructuring) sub-total | 21,705 | 48,206 | 74,941 | 5,212 | 150,064 |
| Other movements | | | | | |
| Depreciation/amortisation expense | - | (24,111) | (32,740) | (7,173) | (64,024) |
| Disposals | (6,042) | (3,830) | (4,497) | - | (14,369) |
| Revaluations | (28,371) | (43,493) | (4,500) | - | (76,364) |
| As at 30 June 2010 | | | | | |
| Gross book value | 1,023,418 | 953,967 | 263,290 | 42,829 | 2,283,504 |
| Accumulated depreciation/amortisation | - | (62,268) | (102,331) | (34,825) | (199,424) |
| Closing net book balance | 1,023,418 | 891,699 | 160,959 | 8,004 | 2,084,080 |

Note:

The numbers in this table are subject to review under the Government's net cash framework as part of the Operation Sunlight review.

Prepared on Australian Accounting Standards basis.

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 \$367.8 million in 2009-10. Total revenue is estimated to increase by \$41.1 million since the *2009-10 Portfolio Budget Statements*. The estimated revenue has been affected by an increase to estimated passport revenue of \$33.4 million, and a re-phasing of estimated sponsorship funding for Australia's participation in the Shanghai World Expo (\$6.0 million in sponsorship revenue has been re-phased from 2010-11 to 2009-10). The Department also forecasts increased revenue from the Export and Finance Insurance Corporation of \$2.2 million. This comprises dividends, rating fees and premiums.

Total expenses administered on behalf of government are budgeted at \$451.7 million in 2009-10. Total estimated expenses have decreased by \$23.9 million since the *2009-10 Portfolio Budget Statements*. Foreign exchange variation since the 2009-10 Budget has led to a decrease in estimated payments to international organisations and peacekeeping operations totalling \$29.9 million (based on revised *Mid Year Economic and Fiscal Outlook* exchange rates). This reduction has been offset by re-phased expenditure on Shanghai World Expo 2010 by \$5.7 million (additional expenditure related to sponsorship requirements).

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 *2009-10 Portfolio Budget Statements* to reflect the final actual closing balances in 2008-09, including fair value adjustments required under the Australian Accounting Standards.

Schedule of budgeted administered cash flows

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

Administered cash received generally moves in line with the administered revenue, and is returned to the Consolidated Revenue Fund. Total cash received is expected to increase by \$44.7 million since the *2009-10 Portfolio Budget Statements*. This reflects the changes to estimated revenue from Shanghai World Expo sponsorship and passport revenues outlined above.

DFAT Additional Estimates Statements

Administered cash outflows generally move according to estimated expenses incurred on behalf of Government. The cash outflows are expected to decrease by \$22.2 million since the *2009-10 Portfolio Budget Statements*, reflecting the increased estimated payments for Shanghai World Expo 2010 and foreign exchange variations detailed above. All cash used for DFAT Administered is funded by an annual appropriation.

Table 3.2.8: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| INCOME ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Revenue | | | | | |
| Non-taxation | | | | | |
| Goods and services | 290,697 | 333,403 | 350,160 | 367,060 | 381,844 |
| Interest | 7,518 | 6,152 | 5,772 | 5,472 | 4,782 |
| Dividends | 9,866 | 16,800 | 11,650 | 10,250 | 12,950 |
| Other sources of non-taxation revenues | 27,256 | 11,430 | 8,315 | 4,110 | 3,490 |
| Total non-taxation | 335,337 | 367,785 | 375,897 | 386,892 | 403,066 |
| Total revenues administered on behalf of government | 335,337 | 367,785 | 375,897 | 386,892 | 403,066 |
| Gains | | | | | |
| Foreign exchange | - | - | - | - | - |
| Total gains administered on behalf of government | - | - | - | - | - |
| Total income administered on behalf of government | 335,337 | 367,785 | 375,897 | 386,892 | 403,066 |
| EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Grants | 294,900 | 305,794 | 313,594 | 313,594 | 313,594 |
| Personal benefits | - | 1,880 | 1,870 | 1,870 | 1,870 |
| Employees | 6,094 | 1,081 | 647 | - | - |
| Suppliers | 74,499 | 63,999 | 30,039 | 24,666 | 23,186 |
| Write down and impairment of assets | 351 | 75,000 | - | - | - |
| Finance costs | 6,949 | 3,900 | 4,600 | 4,800 | 4,400 |
| Total expenses administered on behalf of government | 382,793 | 451,654 | 350,750 | 344,930 | 343,050 |

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 5,233 | 5,758 | 5,233 | 5,233 | 5,233 |
| Receivables | 16,533 | 16,178 | 18,083 | 18,673 | 20,533 |
| Appropriation Receivable | - | 75,000 | 75,000 | 62,500 | 50,000 |
| Investments | 376,700 | 376,700 | 376,700 | 376,700 | 376,700 |
| Other financial assets | 1,338 | 1,338 | 1,338 | 1,338 | 1,338 |
| Total financial assets | 399,804 | 474,974 | 476,354 | 464,444 | 453,804 |
| Non-financial assets | | | | | |
| Other | 3,649 | 3,649 | 3,649 | 3,649 | 3,649 |
| Total non-financial assets | 3,649 | 3,649 | 3,649 | 3,649 | 3,649 |
| Total assets administered on behalf of government | 403,453 | 478,623 | 480,003 | 468,093 | 457,453 |
| LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Interest bearing liabilities | | | | | |
| Other | 28,970 | 24,940 | 25,490 | 20,740 | 16,280 |
| Total interest bearing liabilities | 28,970 | 24,940 | 25,490 | 20,740 | 16,280 |
| Payables | | | | | |
| Suppliers | 3,961 | 3,961 | 3,961 | 3,961 | 3,961 |
| Personal benefits payable | 39,466 | 39,466 | 39,466 | 39,466 | 39,466 |
| Other payables | 29,746 | 102,578 | 100,678 | 86,578 | 74,078 |
| Total payables | 73,173 | 146,005 | 144,105 | 130,005 | 117,505 |
| Total liabilities administered on behalf of government | 102,143 | 170,945 | 169,595 | 150,745 | 133,785 |

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of budgeted administered cash flows (for the period ended 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Sales of goods and rendering of services | 290,556 | 333,403 | 350,160 | 381,844 | 381,841 |
| Interest | 135 | 122 | 122 | 122 | 122 |
| Dividends | 9,866 | 16,800 | 11,650 | 12,950 | 10,000 |
| Subsidy Receipts | 3,083 | - | - | - | - |
| Net GST received | 3,856 | 6,657 | 2,862 | 1,934 | 1,934 |
| Other | 3,588 | 10,835 | 5,060 | 2,280 | 2,000 |
| Total cash received | 311,084 | 367,817 | 369,854 | 399,130 | 395,897 |
| Cash used | | | | | |
| Borrowing costs | 9,677 | 3,900 | 4,400 | 4,200 | 3,500 |
| Employees | 1,129 | 1,081 | 647 | - | - |
| Grant payments | 280,441 | 306,344 | 314,144 | 314,144 | 314,144 |
| Personal benefits | 2,100 | 1,880 | 1,870 | 1,870 | 1,870 |
| Suppliers | 59,313 | 61,199 | 27,339 | 20,486 | 20,493 |
| Net GST paid | 4,274 | 6,657 | 2,862 | 1,934 | 1,934 |
| Other | 1,309 | 3,400 | 2,700 | 2,800 | 2,700 |
| Total cash used | 358,243 | 384,461 | 353,962 | 345,434 | 344,641 |
| Net cash from or (used by) operating activities | (47,159) | (16,644) | 15,892 | 53,696 | 51,256 |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from borrowing | | | | | |
| Cash from Official Public Account | 352,666 | 371,854 | 348,175 | 343,500 | 342,707 |
| Other | - | - | - | - | 12,500 |
| Total cash received | 352,666 | 371,854 | 348,175 | 343,500 | 355,207 |
| Cash used | | | | | |
| Cash to Official Public Account | 305,445 | 354,685 | 364,592 | 397,196 | 393,963 |
| Other | - | - | - | - | 12,500 |
| Total cash used | 305,445 | 354,685 | 364,592 | 397,196 | 406,463 |
| Net cash from or (used by) financing activities | 47,221 | 17,169 | (16,417) | (53,696) | (51,256) |
| Net increase or (decrease) in cash held | 62 | 525 | (525) | - | - |
| Cash at beginning of reporting period | 5,171 | 5,233 | 5,758 | 5,233 | 5,233 |
| Cash at end of reporting period | 5,233 | 5,758 | 5,233 | 5,233 | 5,233 |

Prepared on Australian Accounting Standards basis.

Table 3.2.11: Schedule of Administered Capital Budget

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|--|---------|-------------------|---------------------|---------------------|---------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CAPITAL APPROPRIATIONS | | | | | |
| Administered assets | - | 75,000 | - | - | - |
| Total capital appropriations | - | 75,000 | - | - | - |
| Represented by: | | | | | |
| Other | - | 75,000 | - | - | - |
| Total represented by | - | 75,000 | - | - | - |
| ACQUISITION OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations | - | 75,000 | - | - | - |
| TOTAL | - | 75,000 | - | - | - |

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

Departmental Financial Statements and Schedule of Administered Activity

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

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

Appropriations in the accrual budgeting framework

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

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

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

Administered investments in controlled entities

The Department has one administered investment in the Export Finance and Insurance Corporation with an estimated asset value of \$376.7 million as at 30 June 2009.

Asset Valuation

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

