



**BUDGET**\*

**PORTFOLIO BUDGET STATEMENTS 2010-11**  
BUDGET RELATED PAPER NO. 1.10

FOREIGN AFFAIRS AND TRADE PORTFOLIO

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

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**PARLIAMENT HOUSE  
CANBERRA 2600**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2010-11 Budget for the Foreign Affairs and Trade portfolio.

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

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

Yours sincerely

Stephen Smith  
Minister for Foreign Affairs

Simon Crean  
Minister for Trade

## **Abbreviations and conventions**

The following notation may be used:

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| nfp     | not for publication                         |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

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

## **Enquiries**

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

**USER GUIDE  
TO THE  
PORTFOLIO BUDGET STATEMENTS**

## USER GUIDE

The purpose of the 2010-11 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2010-11 (or Appropriation Bill [Parliamentary Departments] No. 1 2010-11 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

# CONTENTS

|   |            |
|---|------------|
| <b>Portfolio Overview .....</b>   | <b>3</b>   |
| Foreign Affairs and Trade Portfolio Overview .....                      | 3          |
| <b>Agency Resources and Planned Performance .....</b>                   | <b>7</b>   |
| Department of Foreign Affairs and Trade (DFAT).....                     | 9          |
| Australian Trade Commission (Austrade) .....                            | 65         |
| Australian Agency for International Development (AusAID) .....          | 95         |
| Australian Centre for International Agricultural Research (ACIAR) ..... | 137        |
| Australian Secret Intelligence Service (ASIS).....                      | 163        |
| <br>  |            |
| <b>Glossary .....</b>   | <b>181</b> |





# **PORTFOLIO OVERVIEW**



# FOREIGN AFFAIRS AND TRADE PORTFOLIO OVERVIEW

## MINISTERS AND PORTFOLIO RESPONSIBILITIES

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

The Minister for Foreign Affairs and the Minister for Trade are the two portfolio ministers. There are two Parliamentary Secretaries with responsibilities for Trade and International Development Assistance. The portfolio consists of the Department of Foreign Affairs and Trade (DFAT), the Australian Trade Commission (Austrade), the Australian Agency for International Development (AusAID), the Australian Centre for International Agricultural Research (ACIAR), the Australian Secret Intelligence Service (ASIS) and the Export Finance and Insurance Corporation (EFIC).

In 2010-11, DFAT will seek to advance the national interest by enhancing Australia's relations multilaterally, regionally and bilaterally, heightening Australia's status and influence as a middle power on global and regional developments and furthering national stability and prosperity.

DFAT will support efforts to improve the international competitiveness of the Australian economy and Australian exporters by reducing trade barriers and expanding markets for Australian exports through systems that complement and are supportive of the multilateral trading system.

DFAT will project a positive image of Australia and promote a clear understanding of government policy. Providing efficient and effective consular services and a secure passport system to Australians will remain an enduring priority.

DFAT will manage and support Australia's overseas diplomatic network. It will manage efficiently the Commonwealth's overseas owned estate. It will continue programs to improve the security of Australia's network of overseas diplomatic missions and will maintain secure government communications overseas. DFAT will continue to provide services to the diplomatic and consular corps in Australia.

Through Austrade, the portfolio will advance Australian trade and investment interests through the delivery of information, advice and services to business, industry, institutions and governments. Building recognition of Australia as a globally-engaged nation, attractive business partner and world class destination through the implementation of the Brand Australia initiative will be an important priority in 2010-11. Austrade will continue to administer the Export Market Development Grants scheme and partner with state and territory governments in attracting productive foreign direct investment in priority industries.

## *Portfolio Overview*

Austrade will also support the sustainable development of Australia's international education and training services through international marketing. The Government's decision to transfer responsibility for this function from the Department of Education, Employment and Workplace Relations to Austrade from 1 July 2010 is yet to be reflected in the Administrative Arrangements Order.

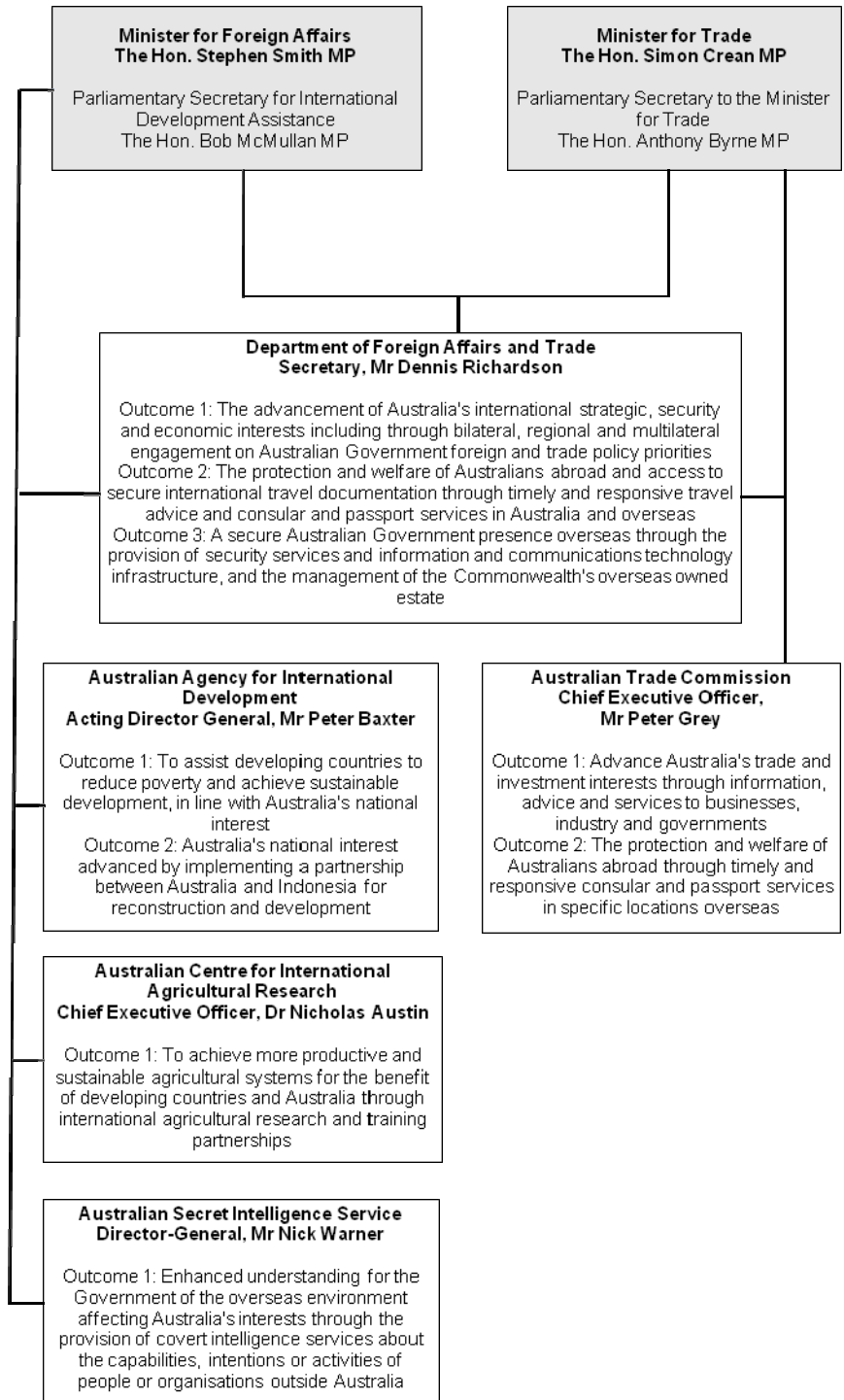
Through AusAID, the Australian aid program helps developing countries reduce poverty and achieve sustainable development, in line with Australia's national interest. AusAID will continue to provide support for health and education with an emphasis on primary health care and basic education needs, and continue to help developing countries work towards sustainable economic growth.

ACIAR will continue to implement research projects designed to reduce poverty and raise productivity in accordance with the whole-of-government *Overseas Development Assistance - Food Security Through Rural Development* initiative. ACIAR will also administer, on behalf of the Australian Government, Australia's contribution to multilateral agricultural innovation for developing countries through increased investment in the Consultative Group for International Agricultural Research.

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

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

**Figure 1: Foreign Affairs and Trade portfolio structure and outcomes**



## PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2010-11 budget year, by agency.

**Table 1: Portfolio Resources 2010-11**

|  | Appropriation     |                   |                | Receipts     | Total  |
|--|-------------------|-------------------|----------------|--------------|--|
|  | Bill No. 1<br>\$m | Bill No. 2<br>\$m | Special<br>\$m | \$m          | \$m  |
| <b>Department of Foreign Affairs and Trade</b>                   |                   |                   |                |              |  |
| Administered appropriations                                      | 295.0             | -                 | 0.7            | 8.0          | 303.7  |
| Departmental appropriations                                      | 948.0             | 71.9              | -              | 156.2        | 1,176.1  |
| <b>Total:</b>  | <b>1,243.0</b>    | <b>71.9</b>       | <b>0.7</b>     | <b>164.2</b> | <b>1,479.8</b>                                       |
| <b>Australian Trade Commission</b>                               |                   |                   |                |              |  |
| Administered appropriations                                      | 150.4             | -                 | -              | -            | 150.4  |
| Departmental appropriations                                      | 198.3             | -                 | -              | 26.0         | 224.3  |
| <b>Total:</b>  | <b>348.7</b>      | <b>-</b>          | <b>-</b>       | <b>26.0</b>  | <b>374.7</b>   |
| <b>AusAID</b>  |                   |                   |                |              |  |
| Administered appropriations                                      | 3,424.5           | 318.8             | -              | 9.5          | 3,752.8  |
| Departmental appropriations                                      | 219.2             | 12.3              | -              | 0.2          | 231.7  |
| <b>Total:</b>  | <b>3,643.7</b>    | <b>331.1</b>      | <b>-</b>       | <b>9.7</b>   | <b>3,984.5</b>                                       |
| <b>Australian Centre for International Agricultural Research</b> |                   |                   |                |              |  |
| Administered appropriations                                      | 61.0              | -                 | -              | 17.3         | 78.3   |
| Departmental appropriations                                      | 9.9               | -                 | -              | -            | 9.9  |
| <b>Total:</b>  | <b>70.9</b>       | <b>-</b>          | <b>-</b>       | <b>17.3</b>  | <b>88.2</b>  |
| <b>Australian Secret Intelligence Service</b>                    |                   |                   |                |              |  |
| Administered appropriations                                      | -                 | -                 | -              | -            | -  |
| Departmental appropriations                                      | 203.4             | 0.4               | -              | 36.0         | 239.8  |
| <b>Total:</b>  | <b>203.4</b>      | <b>0.4</b>        | <b>-</b>       | <b>36.0</b>  | <b>239.8</b>   |
| <b>Portfolio total</b>   | <b>5,509.7</b>    | <b>403.4</b>      | <b>0.7</b>     | <b>253.2</b> | <b>6,167.0</b>                                       |
| Less amounts transferred within portfolio                        |                   |                   |                |              |  |
|  |                   |                   |                |              | <b>Resources available within portfolio: 6,167.0</b> |

# **AGENCY RESOURCES AND PLANNED PERFORMANCE**

|  |            |
|--|------------|
| <b>Department of Foreign Affairs and Trade (DFAT).....</b>                     | <b>9</b>   |
| <b>Australian Trade Commission (Austrade).....</b>                             | <b>65</b>  |
| <b>Australian Agency for International Development (AusAID).....</b>           | <b>95</b>  |
| <b>Australian Centre for International Agricultural Research (ACIAR) .....</b> | <b>137</b> |
| <b>Australian Secret Intelligence Service (ASIS).....</b>                      | <b>163</b> |





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

## **Agency resources and planned performance**



# DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

|  |           |
|--|-----------|
| <b>Section 1: Agency overview and resources</b> .....                        | <b>13</b> |
| 1.1 Strategic Direction Statement.....                                       | 13        |
| 1.2 Agency Resource Statement.....   | 16        |
| 1.3 Budget Measures.....   | 18        |
| <b>Section 2: Outcomes and planned performance</b> .....                     | <b>20</b> |
| 2.1 Outcomes and performance information .....                               | 20        |
| <b>Section 3: Explanatory tables and budgeted financial statements</b> ..... | <b>46</b> |
| 3.1 Explanatory tables .....   | 46        |
| 3.2 Budgeted Financial Statements.....                                       | 50        |



# DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

In 2010-11, DFAT will continue to advance the interests of Australia and Australians internationally. The Department will continue to contribute to the development of Australia's relations with key international partners. It will deepen engagement with our main strategic ally, the United States, on economic, political and security issues. It will build on Australia's mature and broad-ranging ties with Japan. It will enhance growing links with China and the Republic of Korea based on significant shared interests. It will continue to implement the Government's commitment to bring Australia's relationship with India to the front rank of our international partnerships. It will expand cooperation on security, trade and people-to-people links with Indonesia. It will enhance long-standing productive relations with New Zealand and Canada.

The Department will work to ensure that global economic institutions, particularly the G20 (through summits in Canada and the Republic of Korea), strengthen the coordination of governments' measures on global financial and economic issues. Reinforcing global economic growth through the World Trade Organization (WTO) Doha round will remain a key priority. The Department will also continue to contribute to the enhancement of regional architecture.

Consistent with the Prime Minister's Port Moresby Declaration, the Department will continue to enhance Australia's engagement with Pacific island countries including through strengthening regional cooperation, security and economic growth. It will also work to advance economic integration among Pacific island nations and cooperate on responses to climate change. The Department will continue to support Australia's role in the Pacific Islands Forum, particularly in building regional and international support for the Cairns Compact on Strengthening Development Coordination in the Pacific, and in advancing regional trade and economic integration through the Pacific Agreement on Closer Economic Relations Plus negotiations. It will continue to promote and actively support international pressure on Fiji's military regime to return the country to democracy and the rule of law.

The Department will continue to reinvigorate Australia's political and economic relations with Europe including through membership of the Asia-Europe Meeting (ASEM) and the Organisation for Security and Cooperation in Europe (OSCE). The Department will support a further deepening of engagement with countries of

growing significance to Australia's economic, political, development and diplomatic interests in Africa, Latin America and the Caribbean both bilaterally (with individual countries) and through regional organisations such as the African Union and the Caribbean Community.

The budget measure *Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach* will provide for the continuation and expansion of our diplomatic presence in Kabul and southern Afghanistan as part of Australia's contribution to stabilising the country and preventing it from again becoming a haven for terrorists. This will complement and support our substantial military, policing and aid commitments.

The Department will lead selected whole-of-government efforts to combat terrorism, including in South-East Asia. Working with other areas of the Australian Government, the Department will intensify engagement with Pakistan particularly through multilateral efforts to address Pakistan's acute security and economic challenges.

In an environment of major security challenges, the Department will contribute to the protection of Australia's national security through efforts to promote non-proliferation and disarmament including through the work of the International Commission on Nuclear Non-proliferation and Disarmament (ICCND). Australia is committed to increasing its engagement with the United Nations (UN) and, as an expression of this commitment, the Department will continue to place a high priority on Australia's campaign for a non-permanent seat on the UN Security Council in 2013-14. The Department will engage bilaterally, regionally and multilaterally to pursue effective solutions to other global challenges such as climate change and people smuggling.

The Department will work to maximise Australia's trade and investment opportunities. It will continue, as a priority, to pursue trade liberalisation through multilateral, regional and bilateral initiatives, including the Doha round. The Department will engage in commercial diplomacy efforts working closely with business and other economic agencies. It will seek to strengthen Australia's international competitiveness and export performance and promote further regional integration in the Asia-Pacific region through a Trans-Pacific Partnership Agreement; other free trade agreements (FTAs) including the recently concluded ASEAN-Australia-New Zealand FTA and those under negotiation including with the Republic of Korea, Malaysia, Japan, China and Pacific island countries; and through work towards FTAs with Indonesia, India and the Gulf Cooperation Council. Enhancing Aid for Trade through technical assistance and capacity building will be a priority with ASEAN and Pacific island countries in particular.

As the consular case load continues to grow with more Australians travelling overseas each year, the Department will continue to provide effective consular services consistent with the Consular Services Charter. The budget measure *Smartertraveller information campaign - continuation* will continue what has been a successful campaign

to ensure that Australian travellers are aware of and able to access the safe travel tools and information resources provided by the Department.

Through the measure *National Security - Improved Passport Integrity and Strengthened Issuance Systems*, the Department will begin to upgrade Australia's passport information technology systems to provide a more secure, efficient and responsive passport service. The system will better position the Department to meet anticipated growth in passport demand, combat identity theft, further improve passport security and enable improved service delivery to other government agencies.

The measure *Australia's Contribution to the Antarctic Treaty Secretariat* allows Australia to meet its international treaty obligations through timely and complete payment of the annual mandatory contribution to the Antarctic Treaty Secretariat. This is consistent with delivering Australia's objectives in relation to the protection of the Antarctic environment.

The Department will continue to strengthen security arrangements at Australia's diplomatic missions overseas. The budget measure *Baghdad Embassy - transition towards civilian security arrangements* will provide for the continued security of the embassy in Baghdad and enable the transition of responsibility for key elements of this security from the Australian Defence Force (ADF) to the Department, in line with the improving security environment in Iraq.

Through the Australia Awards Secretariat, the Department will contribute to whole-of-government work to extend Australia's international education scholarships to build enduring links between Australia and the region.

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

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Department of Foreign Affairs and Trade Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010**

|  | Estimate<br>of prior +<br>year amounts<br>available in<br>2010-11<br>\$'000 | Proposed<br>at Budget =<br>2010-11<br>\$'000 | Total<br>estimate<br>2010-11<br>\$'000 | Actual<br>available<br>appropriation<br>2009-10<br>\$'000 |
|--|---|--|--|---|
| <b>Ordinary annual services<sup>1</sup></b>            |   |  |  |   |
| <b>Departmental appropriation</b>                      |   |  |  |   |
| Prior year departmental appropriation <sup>2</sup>     | 338,566   | -  | 338,566                                | 271,241   |
| Departmental appropriation <sup>3</sup>                | -   | 948,048                                      | 948,048                                | 924,513 <sup>4</sup>                                      |
| s31 Relevant agency receipts <sup>5</sup>              | -   | 41,404                                       | 41,404                                 | 48,859  |
| <b>Total</b>   | <b>338,566</b>  | <b>989,452</b>                               | <b>1,328,018</b>                       | <b>1,244,613</b>  |
| <b>Other Services<sup>6</sup></b>                      |   |  |  |   |
| <b>Administered expenses</b>                           |   |  |  |   |
| Outcome 1  | -   | 285,935                                      | 285,935                                | 393,896   |
| Outcome 2  | -   | 750  | 750                                    | 750   |
| Outcome 3  | -   | -  | -                                      | -   |
| Payments to CAC Act bodies                             | -   | 8,275  | 8,275                                  | 6,000   |
| <b>Total</b>   | <b>-</b>  | <b>294,960</b>                               | <b>294,960</b>                         | <b>400,646</b>  |
| <b>Total ordinary annual services</b>                  | <b>A 338,566</b>  | <b>1,284,412</b>                             | <b>1,622,978</b>                       | <b>1,645,259</b>  |
| <b>Departmental non-operating</b>                      |   |  |  |   |
| Equity injections                                      | 111,902   | 71,933                                       | 183,835                                | 65,285  |
| Previous years' programs                               | -   | -  | -                                      | 42,127  |
| <b>Total</b>   | <b>111,902</b>  | <b>71,933</b>                                | <b>183,835</b>                         | <b>107,412</b>  |
| <b>Administered non-operating</b>                      |   |  |  |   |
| Administered assets and liabilities                    | 75,000  | -  | 75,000                                 | 75,000  |
| <b>Total</b>   | <b>75,000</b>   | <b>-</b>                                     | <b>75,000</b>                          | <b>75,000</b>   |
| <b>Total other services</b>                            | <b>B 186,902</b>  | <b>71,933</b>                                | <b>258,835</b>                         | <b>182,412</b>  |
| <b>Total available annual appropriations</b>           | <b>525,468</b>  | <b>1,356,345</b>                             | <b>1,881,813</b>                       | <b>1,827,671</b>  |
| <b>Special appropriations</b>                          |   |  |  |   |
| <b>Special appropriations limited by amount</b>        |   |  |  |   |
| Special Appropriation FMA Act s28                      |   |  |  |   |
| Passport Refunds                                       | -   | 650  | 650                                    | 650   |
| <b>Total special appropriations</b>                    | <b>C -</b>  | <b>650</b>                                   | <b>650</b>                             | <b>650</b>  |
| <b>Total appropriations excluding Special Accounts</b> | <b>525,468</b>  | <b>1,356,995</b>                             | <b>1,882,463</b>                       | <b>1,828,321</b>  |



**Table 1.1: Department of Foreign Affairs and Trade Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010 (continued)**

|  | Estimate<br>of prior +<br>year amounts<br>available in<br>2010-11<br>\$'000 | Proposed<br>at Budget =<br>2010-11<br>\$'000 | Total<br>estimate<br>2010-11<br>\$'000 | Actual<br>available<br>appropriation<br>2009-10<br>\$'000 |
|--|---|--|--|---|
| <b>Special Accounts</b>  |   |  |  |   |
| Opening balance <sup>7</sup>   | 291,152   | -  | 291,152                                | 262,885   |
| Appropriation receipts <sup>8</sup>  | -   | 75,839                                       | 75,839                                 | 106,917   |
| Appropriation receipts<br>- other agencies <sup>9</sup>  | -   | 32,004                                       | 32,004                                 | 32,844  |
| Non-appropriation receipts to<br>Special Accounts  | -   | 14,979                                       | 14,979                                 | 28,968  |
| <b>Total Special Account</b>   | <b>D 291,152</b>  | <b>122,822</b>                               | <b>413,974</b>                         | <b>431,614</b>  |
| <b>Total resourcing</b>  |   |  |  |   |
| <b>A+B+C+D</b>   | <b>816,620</b>  | <b>1,479,817</b>                             | <b>2,296,437</b>                       | <b>2,259,935</b>  |
| Less appropriations drawn from<br>annual or special appropriations above<br>and credited to special accounts<br>and/or CAC Act bodies through<br>annual appropriations | -   | (75,839)                                     | (75,839)                               | (106,917)   |
|  | -   | (8,275)                                      | (8,275)                                | (81,000)  |
| <b>Total net resourcing for DFAT</b>   | <b>816,620</b>  | <b>1,395,703</b>                             | <b>2,212,323</b>                       | <b>2,072,018</b>  |

1. Appropriation Bill (No.1) 2010-11.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$57.681m in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. The actual available appropriation for 2009-10 for Departmental Appropriation is net of an amount of \$29.134m appropriated to DFAT but quarantined by the Department of Finance and Deregulation pending a review of the funding model for the overseas owned property estate. The outcome of the review will be considered by Government in the context of the 2011-12 Budget. All agencies have their actual available appropriations in the Appropriation Bills presented net of any quarantined amounts.
5. s31 Relevant Agency receipts – estimate.
6. Appropriation Bill (No.2) 2010-11.
7. Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies (OTM) and Services for other Government and Non-agency Bodies (SOG) accounts). For further information on special accounts see Table 3.1.2.
8. Appropriation receipts from DFAT annual appropriations for 2009-10 included above.
9. Appropriation receipts from other agencies credited to agency DFAT's special accounts.

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

### Third party payments from and on behalf of other agencies

#### Third Party Payments from and on behalf of other agencies

|   | 2010-11<br>\$'000 | 2009-10<br>\$'000 |
|---|-------------------|-------------------|
| Receipts received from other agencies for the provision of services<br>(disclosed above within Departmental section 31) | 41,404            | 48,859            |
| Payments made to CAC Act bodies within the Portfolio<br>Export Finance and Insurance Corporation Appropriation Acts 1&2 | 8,275             | 81,000            |

### 1.3 BUDGET MEASURES

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

**Table 1.2: Agency 2010-11 Budget measures**

|   | Program  | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|---|----------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures</b>   |          |                   |                   |                   |                   |                   |
| Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach | 1.1, 3.1 |                   |                   |                   |                   |                   |
| Departmental expenses   |          | -                 | 34,082            | 34,320            | -                 | -                 |
| <b>Total</b>  |          | -                 | <b>34,082</b>     | <b>34,320</b>     | -                 | -                 |
| Australia's Contribution to the Antarctic Treaty Secretariat                                | 1.1      |                   |                   |                   |                   |                   |
| Administered expenses   |          | -                 | 63                | 63                | 63                | 63                |
| Departmental expenses   |          | -                 | (63)              | (63)              | (63)              | (63)              |
| <b>Total</b>  |          | -                 | -                 | -                 | -                 | -                 |
| Baghdad Embassy – transition towards civilian security arrangements                         | 3.1      |                   |                   |                   |                   |                   |
| Departmental expenses   |          | -                 | 23,796            | 28,082            | -                 | -                 |
| <b>Total</b>  |          | -                 | <b>23,796</b>     | <b>28,082</b>     | -                 | -                 |
| National Security - Improved Passport Integrity and Strengthened Issuance Systems           | 2.2      |                   |                   |                   |                   |                   |
| Departmental expenses   |          | -                 | 2,458             | 5,162             | 11,019            | 10,367            |
| <b>Total</b>  |          | -                 | <b>2,458</b>      | <b>5,162</b>      | <b>11,019</b>     | <b>10,367</b>     |
| Smarttraveller information campaign - continuation <sup>1</sup>                             | 2.1      |                   |                   |                   |                   |                   |
| Departmental expenses   |          | -                 | -                 | -                 | -                 | -                 |
| <b>Total</b>  |          | -                 | -                 | -                 | -                 | -                 |
| <b>Total expense measures</b>   |          |                   |                   |                   |                   |                   |
| Administered  |          | -                 | 63                | 63                | 63                | 63                |
| Departmental  |          | -                 | 60,273            | 67,501            | 10,956            | 10,304            |
| <b>Total</b>  |          | -                 | <b>60,336</b>     | <b>67,564</b>     | <b>11,019</b>     | <b>10,367</b>     |

**Table 1.2: Agency 2010-11 Budget measures (continued)**

|  | Program  | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|--|----------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Capital measures</b>  |          |                   |                   |                   |                   |                   |
| Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach    | 1.1, 3.1 |                   |                   |                   |                   |                   |
| Departmental capital   |          | -                 | 16,870            | -                 | -                 | -                 |
| <b>Total</b>   |          | -                 | <b>16,870</b>     | -                 | -                 | -                 |
| Information and Communication Technology Business-as-Usual Reinvestment Fund                   | 1.1      |                   |                   |                   |                   |                   |
| Departmental capital   |          | 1,543             | 1,535             | 325               | -                 | -                 |
| <b>Total</b>   |          | <b>1,543</b>      | <b>1,535</b>      | <b>325</b>        | -                 | -                 |
| National Security - Improved Passport Integrity and Strengthened Issuance Systems <sup>2</sup> | 2.2      |                   |                   |                   |                   |                   |
| Departmental capital   |          | -                 | 3,957             | 26,953            | 11,004            | 1,832             |
| <b>Total</b>   |          | -                 | <b>3,957</b>      | <b>26,953</b>     | <b>11,004</b>     | <b>1,832</b>      |
| <b>Total capital measures</b>  |          |                   |                   |                   |                   |                   |
| Administered   |          | -                 | -                 | -                 | -                 | -                 |
| Departmental   |          | 1,543             | 22,362            | 27,278            | 11,004            | 1,832             |
| <b>Total</b>   |          | <b>1,543</b>      | <b>22,362</b>     | <b>27,278</b>     | <b>11,004</b>     | <b>1,832</b>      |

1. The Government is providing \$13.6 million over four years for the measure *Smartertraveller information campaign - continuation*. As this amount is already included in the Forward Estimates, the table shows zero funding.
2. The Government is funding \$40 million over three years for the measure *National Security - Improved Passport Integrity and Strengthened Issuance Systems* from the Information and Communication Technology Business-as-Usual Reinvestment Fund.

Prepared on a Government Finance Statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Foreign Affairs and Trade in achieving government outcomes.

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

#### Outcome 1 Strategy

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

To deliver Outcome 1, the Department will advance a number of key strategies in support of the Government's national security and economic agenda over 2010-11 and forward years. These strategies are highlighted in the 2010-11 Strategic Direction Statement and include: working multilaterally to address global problems and advance Australia's interests, including in the United Nations system and significant regional forums; promoting and strengthening regional and global stability in an environment of major security and economic challenges including in Afghanistan and Iraq; contributing to national prosperity by maximising Australia's trade opportunities through multilateral, regional and bilateral means; strengthening global cooperation in areas of common interest including counter-terrorism, non-proliferation, combating people smuggling, and good governance; further developing Australia's relations with key international partners and countries of growing significance to Australia's national interests; and delivering public awareness programs to enhance international awareness and understanding of Australia's policies and society to the benefit of our foreign and trade policy goals.

As the lead agency managing Australia's international affairs, the Department has a central role in the development and implementation of whole-of-government foreign and trade policy. It provides leadership at Australia's diplomatic missions overseas. It

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

**Outcome Expense and Resource Statement**

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

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

| <b>Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities</b> | 2009-10<br>Estimated<br>actual<br>expenses<br>\$'000 | 2010-11<br>Estimated<br>expenses<br>\$'000 |
|--|--|--|
| <b>Program 1.1: Foreign Affairs and Trade Operations</b>   |  |  |
| Administered expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 85,093   | 10,957                                     |
| Departmental expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>   | 513,849  | 448,384                                    |
| Revenues from independent sources (s31)  | 48,969   | 50,799                                     |
| Expenses not requiring appropriation in the Budget year  | 1,809  | 53,661                                     |
| <b>Total for Program 1.1</b>   | <b>649,720</b>                                       | <b>563,801</b>                             |
| <b>Program 1.2: Payments to International Organisations</b>  |  |  |
| Administered expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 251,510  | 254,423                                    |
| <b>Total for Program 1.2</b>   | <b>251,510</b>                                       | <b>254,423</b>                             |
| <b>Program 1.3: Public Information Services and Public Diplomacy</b>   |  |  |
| Administered expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 65,951   | 28,830                                     |
| <b>Total for Program 1.3</b>   | <b>65,951</b>  | <b>28,830</b>                              |
| <b>Outcome 1 Totals by appropriation type</b>  |  |  |
| Administered Expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 402,554  | 294,210                                    |
| Departmental expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 513,849  | 448,384                                    |
| Revenues from independent sources (s31)  | 48,969   | 50,799                                     |
| Expenses not requiring appropriation in the Budget year  | 1,809  | 53,661                                     |
| <b>Total expenses for Outcome 1</b>  | <b>967,181</b>                                       | <b>847,054</b>                             |
|  | 2009-10  | 2010-11                                    |
| <b>Average Staffing Level (number)<sup>2</sup></b>   | <b>2,001</b>   | <b>2,009</b>                               |

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

1. These expenses include a portion of an intra-entity amount of \$71.3 million (2009-10: \$100.1 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).
2. ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 - Program 2.1 (Consular Services). Figures do not include EFIC staff involved in the National Interest Account (9 in 2009-10 and 8 in 2010-11).

## Contributions to Outcome 1

### Program 1.1: Foreign Affairs and Trade Operations

#### Program objective

- To protect and advance the national interest through engaging in effective advocacy and overseas diplomatic activities which promote Australia's international political, security, economic and multilateral interests.
- To ensure the accurate and timely provision of policy advice to Ministers to meet the challenges of an evolving international environment.
- To protect and advance the national interest through a whole-of-government approach to foreign and trade policy, including leading the development and implementation of such policy, negotiating to reduce barriers to Australian trade and investment, providing leadership at overseas missions, and coordinating the overseas diplomatic network.
- To ensure the security and protect the dignity of the diplomatic and consular corps serving in Australia by delivering a quality service and upholding Australia's obligations under the Vienna Conventions.
- To project a positive and contemporary image of Australia, and to promote a clear understanding of the Government's foreign and trade policies, through the delivery of high-quality and innovative public and cultural diplomacy programs.

**Program expenses**

|  | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| Annual Administered Expenses:  |  |                             |  |  |  |
| Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses | 7,300                                  | 8,275                       | 8,012                                  | 7,048                                  | 6,123                                  |
| 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                            | 2,320                                  | 2,180                       | 2,180                                  | 2,180                                  | 2,180                                  |
| Other Administered Items   | 460                                    | 473                         | 482                                    | 491                                    | 500                                    |
| Annual Departmental Expenses:  |  |                             |  |  |  |
| Foreign Affairs and Trade Operations   | 562,818                                | 499,183                     | 491,363                                | 493,111                                | 492,986                                |
| Expenses not requiring Appropriation in the Budget year                              | 1,809                                  | 53,661                      | 57,282                                 | 58,277                                 | 57,835                                 |
| <b>Total program expenses</b>  | <b>649,720</b>                         | <b>563,801</b>              | <b>560,705</b>                         | <b>561,107</b>                         | <b>559,624</b>                         |

**Program 1.1 Deliverables**

- A heightened role for Australia in promoting non-proliferation and disarmament of weapons of mass destruction and other arms control efforts, including through ICNND.
- Effective coordination of whole-of-government approaches to counter-terrorism programs and activities outside Australia, encompassing South-East Asia, South Asia and elsewhere, and also in concert with broader multilateral efforts.
- Effective whole-of-government efforts to promote stability and development in Afghanistan.
- Continued strong engagement with the UN, and international support for Australia's election to the UN Security Council for the 2013-14 term.
- Effective whole-of-government efforts in bilateral and regional diplomacy to counter people smuggling, in particular through the Bali Process on People Smuggling and Trafficking.
- Effective advocacy to strengthen good governance and democracy, including advocacy of human rights.



- Support for Australia's engagement in the Commonwealth, including as host of the Commonwealth Heads of Government Meeting in Perth in 2011, and as a member of the Commonwealth Ministerial Action Group.
- Provision of advice relating to compliance with international legal obligations, and an effective contribution to the development of a strong international legal framework.
- Effective contributions that advance Australia's climate change and environment objectives, including in relation to:
  - promoting effective international climate change action consistent with the United Nations Framework Convention on Climate Change (UNFCCC) and the Copenhagen Accord, and developing international engagement strategies through bilateral links and multilateral forums;
  - hosting the 35th Antarctic Treaty Consultative Meeting in 2012;
  - stemming illegal, unregulated and unreported fishing; and
  - ending Japan's purportedly 'scientific' whaling in the Southern Ocean and modernising the International Whaling Commission.
- Strong leadership in advancing Australia's multilateral trade and economic interests, including:
  - effective participation in the WTO, including through the Doha Round;
  - strong leadership of the Cairns Group of agricultural exporting countries; and
  - effective contribution to resolving global financial and economic policy challenges through the G20 process.
- Effective leadership in advancing Australia's FTA agenda, including negotiating and implementing FTAs, and exploring opportunities for new FTAs.
- Further contributing to the development of Australia's strong alliance with the United States by building on economic, strategic, defence and intelligence cooperation, and enhancing high level political engagement, including through mechanisms such as Ministerial Consultations.

- A stronger partnership with Europe, including through:
  - effective cooperation on economic, development and security issues under the Australia-EU Partnership Framework Agreement;
  - membership of the ASEM process;
  - engagement with the North Atlantic Treaty Organisation and – as an Asian Partner – with the OSCE; and
  - closer cooperation on global economic and security challenges with our major European partners.
- Continued strong relations with Canada.
- Strong relations with North Asia, including:
  - Japan, China and the Republic of Korea.
- Strong relations with South Asia, particularly:
  - India through high level political and economic engagement;
  - Pakistan through counter-terrorism and law enforcement cooperation and development assistance; and
  - engagement with the South Asian Association for Regional Cooperation.
- An advanced role for Australia in the Asia-Pacific, including by:
  - contributing to the enhancement of regional architecture including through the Asia Pacific Economic Cooperation (APEC), East Asia Summit and the objectives of the Asia-Pacific community initiative; and
  - building on regional economic and trade reform efforts.
- Reinvigoration of Australia's engagement with Pacific island countries to meet common challenges and raise living standards in the region, including effective coordination of whole-of-government approaches to the Government's *Enhanced Pacific Engagement Strategy*, as well as through:
  - supporting Australia's role in the Pacific Islands Forum including on climate change, fisheries, regional institutional integration, renewable energy and other priorities agreed by Pacific Islands Forum Leaders at their August 2009 meeting in Cairns;

- implementing and building regional and international support for the Cairns Compact on Strengthening Development Coordination in the Pacific;
- negotiating Pacific Partnerships for Development and Security Partnerships;
- supporting implementation of the Pacific Seasonal Worker Pilot Scheme; and
- advancing regional trade and economic integration through Pacific Agreement on Closer Economic Relations Plus negotiations.
- Encouragement of an early return to democracy in Fiji, including through working with international partners.
- Continued promotion of stability, security and prosperity in Papua New Guinea (PNG), including by:
  - working with the PNG Government to ensure the LNG project lives up to its potential and benefits all regions and people of PNG; and
  - supporting PNG efforts to manage security and related challenges.
- Promotion of political stability, economic growth, and security in the region, including through program support and cooperation activities in:
  - East Timor;
  - Solomon Islands through effective leadership of the Regional Assistance Mission to Solomon Islands (RAMSI);
  - Tonga, through support for democratic and governance reforms including the elections in late 2010; and
  - Vanuatu, through support for strengthening governance.
- Further deepening of our important and wide-ranging relationship with New Zealand.
- Stronger relations with Latin America and the Caribbean through trade and investment, multilateral cooperation and high-level contact.
- Stronger relations with the countries of Africa and the African Union through trade and investment, multilateral cooperation and high-level contact.
- Enhanced engagement with the Arab League and its member states.

- Strong support for peace and stability in the Middle East, and advancing our trade and economic interests in the region.
- Closer engagement with the Gulf Cooperation Council (GCC) and its member states, including through establishment of an Australia-GCC Foreign Ministers Strategic Dialogue.
- High quality public diplomacy, international media and cultural visit programs, which promote an image of Australia and Australian Government policies that are accurate, positive and contemporary.
- Effective consultation and liaison with, and provision of advice to, external clients on portfolio and whole-of-government issues, particularly trade issues. External clients include members of parliament, state and territory governments, industry and business representatives, non-government organisations (NGOs) and members of the public.
- Effective leadership of, and provision of advice and support to, other government agencies at overseas missions, in line with the Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements.
- Quality service and support by overseas missions to high-level Australian visitors and their delegations, including members of Parliament, State Premiers and senior officials.
- High quality service and support to the diplomatic and consular corps serving in Australia, including with respect to the facilitation of accreditation and diplomatic visas, and the security and protection of the dignity of diplomatic missions and their personnel.
- Leadership in strengthening Australia's scholarship programs under the Australia Awards initiative aimed at maximising their benefit to Australia.
- Administration of the Export Finance and Insurance Corporation (EFIC) National Interest Account (under the *Commonwealth Authorities and Companies Act 1997*).
- Management of cases of compensation for detriment caused by defective administration.
- Maintenance of a clear and accurate record of the Department's business.

**Program 1.1 Key Performance Indicators**

- The Department's delivery of policy advice to Ministers and high-level clients is well-judged, timely, accurate, well-coordinated, and in support of Australia's national interests.
- The Department's advocacy, negotiation and liaison with stakeholders on Australia's political, security and economic interests is effective, collaborative and persuasive in encouraging an understanding of, and alignment towards, Australia's policy positions, and Australia's interests in these areas are advanced.
- The Department's leadership in counter-terrorism and non-proliferation and disarmament efforts is effective, collaborative and persuasive, promotes compliance with international non-proliferation obligations, and contributes positively to regional and international outcomes that help ensure the security and prosperity of Australians.
- The Department's work multilaterally to address global challenges and advance Australia's interests is effective, collaborative and persuasive, and contributes towards outcomes that promote peace and prosperity.
- The Department assists in maintaining a high level of Australian compliance with international legal obligations through provision of appropriate advice, and the Department's advocacy contributes positively toward the development of a strong international legal framework.
- The Department's advancement of bilateral, regional and multilateral trade interests is effective, consultative and persuasive, and contributes positively to advancing Australia's trade interests, by improving market access and Australia's trade competitiveness, thereby expanding trade and investment opportunities for Australia.
- The Department's efforts to maintain and strengthen bilateral and regional relationships are effective and timely, delivering support for Australia's foreign and trade policy objectives, and increased linkages and opportunities for substantive engagement through both formal and informal channels.
- The Department's delivery of public diplomacy, cultural and media programs is efficient, resourceful, well-targeted and accurate, and assists in the promotion of a contemporary and positive understanding of Australia and the Government's foreign and trade policies.
- Government agencies at overseas missions are satisfied with the level of DFAT service provided in accordance with the Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas

and the relevant service level agreement in place.

- High-level Australian visitors overseas are satisfied with the level of logistical and administrative support provided by overseas missions (including with the timeliness and efficiency of support), with the depth of local knowledge and contacts, and the relevance of on-the-ground policy advice to their visit objectives.
- The diplomatic and consular corps posted or accredited to Australia is satisfied with the level of service provided, including in terms of responsiveness and timeliness in resolving issues and meeting Australia's obligations under the Vienna Conventions.
- Consolidated, coordinated and coherent scholarship programs are delivered under the Australia Awards brand.
- The Department's management of its recordkeeping systems supports the organisation's operational requirements and is in accordance with relevant legislative requirements.

**Program 1.2: Payments to International Organisations**

**Program objective**

- To advance Australia’s foreign, trade and security interests by administering the payments of Australian Government contributions to international organisations.

**Program expenses**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Annual Administered Expenses:           |  |                             |  |  |  |
| Payments to International Organisations | 251,510                                | 254,423                     | 254,423                                | 254,423                                | 254,423                                |
| <b>Total program expenses</b>           | <b>251,510</b>                         | <b>254,423</b>              | <b>254,423</b>                         | <b>254,423</b>                         | <b>254,423</b>                         |

**Program 1.2 Deliverables**

- Payments of Australian Government contributions to international organisations.

**Program 1.2 Key Performance Indicators**

- The Department’s delivery of payments to international organisations is correct, appropriate, on time and within budget.

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

**Program objective**

- To advance the national interest through the Department's public diplomacy, cultural and media activities, which will project a positive and contemporary image of Australia and promote a clear understanding of government policy and programs.

**Program expenses**

|  | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| Annual Administered Expenses:          |  |                             |  |  |  |
| International Relations Grants Program | 4,794                                  | 4,594                       | 4,594                                  | 4,594                                  | 4,594                                  |
| Australia Network                      | 19,289                                 | 19,354                      | 19,354                                 | 19,354                                 | 19,354                                 |
| Special Appropriations:                |  |                             |  |  |  |
| Expositions Special Account            | 41,868                                 | 4,882                       | -                                      | -                                      | -                                      |
| <b>Total program expenses</b>          | <b>65,951</b>                          | <b>28,830</b>               | <b>23,948</b>                          | <b>23,948</b>                          | <b>23,948</b>                          |



**Program 1.3 Deliverables**

- Effective management of the contract with the Australian Broadcasting Corporation (ABC) to deliver an Asia-Pacific television service which provides a credible and reliable voice in the region, and presents images and perceptions of Australia in an independent and impartial manner.
- Grants in support of the Government's foreign and trade policy goals, including through bilateral foundations, councils and institutes, which help promote people-to-people links and a contemporary and positive image of Australia.
- Management of Australia's participation in Shanghai World Expo 2010, including delivery of an Australian pavilion and comprehensive business, culture and communications programs, all of which will highlight Australia's business expertise, innovation, creativity, culture and values to the Chinese market and a wider global audience.

**Program 1.3 Key Performance Indicators**

- The Department's delivery of public diplomacy, cultural and media programs is efficient and effective, including in:
  - promoting an image of Australia that is accurate and up-to-date;
  - fostering an understanding of Australian foreign and trade policies; and
  - strengthening people-to-people links and trade and economic ties.

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

**Outcome 2 Strategy**

Outcome 2 reflects the Department's commitment to supporting Australians overseas through a highly effective consular service, accurate and timely travel advice, practical contingency planning and rapid crisis response.

With more Australians travelling overseas each year, the Department will continue to give priority to managing the growing consular case load. Additional resourcing will provide for the continuation of the *Smarttraveller* consular information campaign to ensure that Australians are provided with access to accurate, up-to-date, country-specific information on potential risks overseas and assist DFAT to manage expectations of the consular services that the Department can provide.

Delivering a secure passport service remains a key focus for the Department. Additional resources through the measure *National Security - Improved Passport Integrity and Strengthened Issuance Systems* for Australia's passport information technology will provide a more secure, efficient and responsive passport service, positioning the Department to manage projected increases in passport demand.

## Outcome Expense and Resource Statement

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

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

| <b>Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas</b> | 2009-10<br>Estimated<br>actual<br>expenses<br>\$'000 | 2010-11<br>Estimated<br>expenses<br>\$'000 |
|---|--|--|
| <b>Program 2.1: Consular Services</b>   |  |  |
| Administered expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)   | 200  | 200  |
| Other Administered Appropriation Items  |  |  |
| Travellers' Emergency Loans   | 550  | 550  |
| Departmental expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>  | 83,220   | 75,393                                     |
| Expenses not requiring appropriation in the Budget year   | 37   | 4,566                                      |
| <b>Total for Program 2.1</b>  | <b>84,007</b>  | <b>80,709</b>                              |
| <b>Program 2.2: Passport Services</b>   |  |  |
| Administered expenses   |  |  |
| Special Appropriations  | 650  | 650  |
| Departmental expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>  | 203,821  | 189,868                                    |
| Expenses not requiring appropriation in the Budget year   | 88   | 11,105                                     |
| <b>Total for Program 2.2</b>  | <b>204,559</b>                                       | <b>201,623</b>                             |
| <b>Outcome 2 Totals by appropriation type</b>   |  |  |
| Administered Expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)   | 750  | 750  |
| Special appropriations  | 650  | 650  |
| Other Administered Appropriation Items  |  |  |
| Travellers' Emergency Loans   | 550  | 550  |
| Departmental expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)   | 287,041  | 265,261                                    |
| Expenses not requiring appropriation in the Budget year   | 125  | 15,671                                     |
| <b>Total expenses for Outcome 2</b>   | <b>289,116</b>                                       | <b>282,882</b>                             |
|   | 2009-10  | 2010-11                                    |
| <b>Average Staffing Level (number) <sup>2</sup></b>   | <b>977</b>   | <b>1,022</b>                               |

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

1. These expenses include a portion of an intra-entity amount of \$71.3 million (2009-10: \$100.1 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).
2. ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 – Program 2.1 (Consular Services).

**Program 2.1: Consular Services**

**Program objective**

- To protect the welfare of Australians abroad by supporting and assisting Australian travellers and Australians overseas through high quality consular services, including timely travel advice, practical contingency planning and rapid crisis response.

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

**Program expenses**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Annual Administered Expenses:                           |  |                             |  |  |  |
| Consular Services                                       | 200                                    | 200                         | 200                                    | 200                                    | 200                                    |
| Other Administered Appropriation Items:                 |  |                             |  |  |  |
| Travellers' Emergency Loans                             | 550                                    | 550                         | 550                                    | 550                                    | 550                                    |
| Annual Departmental Expenses:                           |  |                             |  |  |  |
| Consular Services                                       | 83,220                                 | 75,393                      | 72,932                                 | 75,844                                 | 76,351                                 |
| Expenses not requiring Appropriation in the Budget year | 37                                     | 4,566                       | 4,852                                  | 4,882                                  | 4,836                                  |
| <b>Total program expenses</b>                           | <b>84,007</b>                          | <b>80,709</b>               | <b>78,534</b>                          | <b>81,476</b>                          | <b>81,937</b>                          |

**Program 2.1 Deliverables**

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

**Program 2.1 Key Performance Indicators**

- The Department's delivery of consular services is effective, efficient, timely and responsive, and within the scope of Australian Government responsibility.
- The Department's travel advisory services are up-to-date, accurate, responsive and effective in reaching a broad audience and encouraging a greater awareness of potential risks and the extent of Australian Government assistance, and
  - public use of the online registration service and *Smartraveller* website continues to grow.
- Consular contingency planning accurately anticipates high-risk events and scenarios, the necessary resources for response are readily available, the procedures and networks remain valid and viable, and plans are tested and reviewed regularly to satisfaction.
- Coordination of whole-of-government responses to large-scale crises is targeted, timely, consultative, resourceful and effective in maintaining the welfare of the maximum possible number of Australians involved.

**Program 2.2: Passport Services**

**Program objective**

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

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

**Program expenses**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Special Appropriations:                                 |  |                             |  |  |  |
| Special Appropriation FMA Act s28 Passport Refunds      | 650                                    | 650                         | 650                                    | 650                                    | 650                                    |
| Annual Departmental Expenses:                           |  |                             |  |  |  |
| Passport Services                                       | 203,821                                | 189,868                     | 197,545                                | 209,968                                | 210,597                                |
| Expenses not requiring Appropriation in the Budget year | 88                                     | 11,105                      | 12,541                                 | 12,698                                 | 19,157                                 |
| <b>Total program expenses</b>                           | <b>204,559</b>                         | <b>201,623</b>              | <b>210,736</b>                         | <b>223,316</b>                         | <b>230,404</b>                         |

**Program 2.2 Deliverables**

- High-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.
- Effective management of an increasing workload, including maintenance of security standards, promotion of web-enabled services, and adherence to the client service commitment of passport issue within ten working days.

**Program 2.2 Key Performance Indicators**

- Public and travel industry clients are satisfied with the Department's efficiency and effectiveness in delivering passport services, with routine passports issued within ten working days and urgent passport issues dealt with in a timely and responsive manner.
- The demand for passport services is managed effectively, including in a way that maintains security, efficiency and responsiveness, and that builds on information technology capabilities and innovative solutions.

**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**

Outcome 3 reflects the Department's commitment to the safety of Australian Government personnel overseas, and to the enhancement of security arrangements for Australia's overseas network, in line with an environment of increasing security risk. New resources for DFAT through the measure *Baghdad Embassy - transition towards civilian security arrangements* will provide for the continuation of security of the embassy in Baghdad and the transition from ADF provision of embassy security towards civilian arrangements.

The Department will continue to manage the Government's overseas network in an efficient and effective manner. In managing the overseas network, the Department operates in an inherently high risk overseas environment and needs to maintain a capability to respond promptly when new or unforeseen security-related challenges arise.

The Department will maintain a strategic five year forward plan to ensure that the overseas property estate meets the Government's accommodation needs and that future requirements for capital works and other major expenditure are forecast. The plan will ensure that financial and operational performance objectives are achieved in the context of the Government's broader policy objectives. A joint DFAT/Department of Finance review of the Overseas Property Office will be undertaken for consideration in the 2011-12 Budget context.



## Outcome Expense and Resource Statement

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

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

| <b>Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate</b> | 2009-10<br>Estimated<br>actual<br>expenses<br>\$'000 | 2010-11<br>Estimated<br>expenses<br>\$'000 |
|--|--|--|
| <b>Program 3.1: Foreign Affairs and Trade Operations</b>   |  |  |
| Departmental expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>   | 152,757  | 176,722                                    |
| Expenses not requiring appropriation in the Budget year  | 59   | 12,722                                     |
| <b>Total for Program 3.1</b>   | <b>152,816</b>                                       | <b>189,444</b>                             |
| <b>Program 3.2: Overseas Property</b>  |  |  |
| Departmental expenses  |  |  |
| Special Accounts   | 70,007   | 66,212                                     |
| <b>Total for Program 3.2</b>   | <b>70,007</b>  | <b>66,212</b>                              |
| <b>Outcome 3 Totals by appropriation type</b>  |  |  |
| Departmental expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 152,757  | 176,722                                    |
| Special Accounts   | 70,007   | 66,212                                     |
| Expenses not requiring appropriation in the Budget year  | 59   | 12,722                                     |
| <b>Total expenses for Outcome 3</b>  | <b>222,823</b>                                       | <b>255,656</b>                             |
|  | 2009-10  | 2010-11                                    |
| <b>Average Staffing Level (number)<sup>2</sup></b>   | <b>584</b>   | <b>591</b>                                 |

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

1. These expenses include a portion of an intra-entity amount of \$71.3 million (2009-10: \$100.1 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).
2. ASL figures are estimates only.

### Contributions to Outcome 3

**Program 3.1: Foreign Affairs and Trade Operations**

**Program objective**

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

#### Program expenses

|                                      | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|--------------------------------------|--|-----------------------------|--|--|--|
| Annual Departmental Expenses:        |  |                             |  |  |  |
| Foreign Affairs and Trade Operations | 152,757                                | 176,722                     | 172,302                                | 134,451                                | 135,500                                |
| Budget year                          | 59                                     | 12,722                      | 15,235                                 | 14,380                                 | 12,992                                 |
| <b>Total program expenses</b>        | <b>152,816</b>                         | <b>189,444</b>              | <b>187,537</b>                         | <b>148,831</b>                         | <b>148,492</b>                         |

**Program 3.1 Deliverables**

- Enhanced security measures at a number of priority overseas posts in line with the evolving security environment.
- Classified information safeguarded through effective management of ICT systems and security vetting processes, as well as through security training to staff to ensure a high level of security awareness and vigilance.
- Continued implementation of the Department's ICT Standardisation Program, to move the Department's ICT systems infrastructure to a common platform that can be more efficiently integrated and supported.
- Implementation of key elements of the Government's ICT Reform Program, including strengthened ICT capability and governance, an enhanced Australian Public Service ICT skills base, and more sustainable and efficient use of ICT.
- High quality overseas ICT services to other government agencies.

**Program 3.1 Key Performance Indicators**

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

**Program 3.2: Overseas Property**

**Program objective**

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

**Program expenses**

|  | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| Special Account Expenses:  |  |                             |  |  |  |
| <i>Overseas Property Special Account -<br/>    Finance Determination 2002-01 (D)</i> | 70,007                                 | 66,212                      | 66,811                                 | 64,055                                 | 63,915                                 |
| <b>Total program expenses</b>  | <b>70,007</b>                          | <b>66,212</b>               | <b>66,811</b>                          | <b>64,055</b>                          | <b>63,915</b>                          |

**Program 3.2 Deliverables**

- Effective management of a substantial construction and refurbishment program in the overseas property estate, including new chancery construction projects in Jakarta and Bangkok.
- Effective management of outsourced property contract arrangements.
- Effective management of the Overseas Property Special Account, consistent with the provisions of the Australian Government Property Ownership Framework.

**Program 3.2 Key Performance Indicators**

- Management of the overseas property estate meets the Government's property needs, achieves an appropriate return on investment, and accords with the principles set out in the Australian Government Property Ownership Framework.
- Management of the property services contract and construction project contracts is effective and accountable, and ensures that contractors deliver on intended results within agreed performance and cost targets.
- Tenant satisfaction with the condition and utility of the estate.

## **Section 3: Explanatory tables and budgeted financial statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010-11 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

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

There has been no movement of administered funds between years for the Department since the 2009-10 Additional Estimates.

### **3.1.2 Special Accounts**

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by DFAT.

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

| Name of account (A)   | Outcome | Opening balance    | Receipts           | Payments               | Adjustments        | Closing balance    |
|---|---------|--------------------|--------------------|------------------------|--------------------|--------------------|
|   |         | 2010-11<br>2009-10 | 2010-11<br>2009-10 | 2010-11<br>2009-10     | 2010-11<br>2009-10 | 2010-11<br>2009-10 |
|   |         | \$'000             | \$'000             | \$'000                 | \$'000             | \$'000             |
| Administered Payments and Receipts for Other Entities Special Account - FMA Act 1997 s20 (A)                    | 1       | 5,000<br>4,967     | 230,000<br>230,000 | (230,000)<br>(229,967) | -<br>-             | 5,000<br>5,000     |
| Australia-Japan Foundation Special Account - FMA Act 1997 s20 (A)   | 1       | -<br>64            | -<br>-             | -<br>(64)              | -<br>-             | -<br>-             |
| Consular Services Special Account - FMA Act 1997 s20 (A)  | 2       | -<br>54            | 100<br>310         | (100)<br>(364)         | -<br>-             | -<br>-             |
| Expositions Special Accounts - FMA Act 1997 s20 (A)   | 1       | 525<br>337         | 7,880<br>47,119    | (8,405)<br>(46,931)    | -<br>-             | -<br>525           |
| Other Trust Monies Account - FMA Act 1997 s20 (A) <sup>1</sup>  | 1       | -<br>788           | -<br>180           | -<br>(968)             | -<br>-             | -<br>-             |
| Services for Other Entities and Trust Moneys - Foreign Affairs and Trade Special Account - FMA Act 1997 s20 (A) | 1       | -<br>-             | 5,000<br>3,333     | (5,000)<br>(3,333)     | -<br>-             | -<br>-             |
| Services for Other Governments & Non-Agency Bodies Account - FMA Act 1997 s20 (A) <sup>1</sup>                  | 1       | -<br>3,481         | -<br>3             | -<br>(3,484)           | -<br>-             | -<br>-             |
| Overseas Property Special Account - Finance Determination 2002-01 (D)   | 3       | 290,627<br>262,430 | 114,842<br>121,300 | (183,555)<br>(93,103)  | -<br>-             | 221,914<br>290,627 |
| <b>Total Special Accounts 2010-11 Budget estimate</b>   |         | <b>296,152</b>     | <b>357,822</b>     | <b>(427,060)</b>       | <b>-</b>           | <b>226,914</b>     |
| <i>Total Special Accounts 2009-10 estimate actual</i>   |         | <i>272,121</i>     | <i>402,245</i>     | <i>(378,214)</i>       | <i>-</i>           | <i>296,152</i>     |

(A) = Administered  
(D) = Departmental

1. The special accounts Other Trust Monies Account - FMA Act 1997 s20 and the Services for Other Governments & Non-Agency Bodies account - FMA Act 1997 s20 have been abolished and replaced by the Services for Other Entities and Trust Moneys - Foreign Affairs and Trade Special Account.



### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure**

| Outcome                           | Appropriations                                 |                         |                             |                           | Other<br>\$'000 | Total<br>\$'000 | Program    |
|-----------------------------------|--|-------------------------|-----------------------------|---------------------------|-----------------|-----------------|------------|
|                                   | Bill<br>No. 1<br>\$'000                        | Bill<br>No. 2<br>\$'000 | Special<br>approp<br>\$'000 | Total<br>approp<br>\$'000 |                 |                 |            |
|                                   | <b>Foreign Affairs and Trade<br/>Outcome 1</b> |                         |                             |                           |                 |                 |            |
| Departmental 2010-11              | 788  | -                       | -                           | 788                       | -               | 788             | 1.1        |
| <i>Departmental 2009-10</i>       | <i>507</i>                                     | <i>-</i>                | <i>-</i>                    | <i>507</i>                | <i>-</i>        | <i>507</i>      | <i>1.1</i> |
| Total outcome 2010-11             | 788  | -                       | -                           | 788                       | -               | 788             |            |
| <i>Total outcome 2009-10</i>      | <i>507</i>                                     | <i>-</i>                | <i>-</i>                    | <i>507</i>                | <i>-</i>        | <i>507</i>      |            |
| Total departmental 2010-11        | 788  | -                       | -                           | 788                       | -               | 788             |            |
| <i>Total departmental 2009-10</i> | <i>507</i>                                     | <i>-</i>                | <i>-</i>                    | <i>507</i>                | <i>-</i>        | <i>507</i>      |            |
| <b>Total AGIE 2010-11</b>         | <b>788</b>                                     | <b>-</b>                | <b>-</b>                    | <b>788</b>                | <b>-</b>        | <b>788</b>      |            |
| <i>Total AGIE 2009-10</i>         | <i>507</i>                                     | <i>-</i>                | <i>-</i>                    | <i>507</i>                | <i>-</i>        | <i>507</i>      |            |

## **3.2 BUDGETED FINANCIAL STATEMENTS**

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

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

Total budgeted appropriation in 2010-11 is estimated to be \$890.4 million, which represents a decrease of \$63.3 million in appropriations from the 2009-10 estimated actual shown at Table 3.2.1. The decrease is primarily a result of:

- the removal of funding for depreciation and amortisation under the new Net Cash funding arrangements;
- foreign exchange movements; and
- savings measures agreed in 2009-10 with a full year impact in 2010-11.

This is partially offset by:

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

The Income Statement shows a budgeted deficit in 2010-11 of \$35.5 million, due to the removal of funding for depreciation and amortisation under the Net Cash funding arrangements. Overall, the operating result attributable to the Department is a surplus of \$44.2 million in 2010-11, all of which relates to the Overseas Property Special Account.

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

The Department will receive equity injections of \$71.9 million in 2010-11 for the purchase or construction of new assets. The Department will also receive \$57.7 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2010-11, the Department's non financial asset position is budgeted to be \$2,283.2 million at year-end. The major asset component is \$1,996.5 million for Land and Buildings of which \$1,738.5 million is held in the Overseas Property Special Account.

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

Budgeted administered income is projected to increase by \$52.7 million in 2010-11 in comparison to the forecast income for 2010-11 in the 2009-10 Portfolio Budget Statements. This increase is due primarily to an increase in the projected volume of

passport issues, and consequent increase in passport revenue (\$56.7 million). This is offset by the receipt of sponsorship income for the Shanghai World Expo 2010 during 2009-10 rather than 2010-11.

Budgeted expenses administered on behalf of the Government are projected to decrease by \$81.6 million from the 2010-11 forecast in the 2009-10 Portfolio Budget Statements. Contributions to international organisations are forecast to decrease by \$76.3 million due to the strength of the Australian dollar.

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

Asset and liabilities administered on behalf of the Government are budgeted at \$481.7 million and \$169.1 million respectively for the year ending 30 June 2011. The assets are mainly represented by investment in EFIC (\$376.7 million) and receivables (\$94.8 million). The value of the investment in EFIC has increased by \$45.5 million from the 2010-11 forecast in the 2009-10 Portfolio Budget Statements. Liabilities are comprised primarily of amounts relating to the National Interest Account and Locally Engaged Staff Pension Schemes.

**Schedule of Budgeted Administered Cash Flows**

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

In 2010-11 administered cash used is forecast to decrease by \$81.3 million in 2010-11, in comparison to the 2010-11 forecast in the 2009-10 Portfolio Budget Statements. This is principally due to the decrease in contributions to international organisations and peace keeping operations as a result of expected changes in the foreign exchange rate.

The 2010-11 forecast of administered cash receipts of \$389.2 million is primarily comprised of cash receipts from passport and consular services, and a dividend from the administered investments in EFIC.

3.2.3 Budgeted financial statements tables

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

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>EXPENSES</b>  |  |   |  |  |  |
| Employee benefits  | 440,966                                  | <b>438,422</b>                          | 425,836                                  | 404,803                                  | 439,021                                  |
| Supplier expenses  | 441,695                                  | <b>474,037</b>                          | 479,413                                  | 478,307                                  | 450,454                                  |
| Grants   | 900                                      | <b>900</b>                              | 900                                      | 900                                      | 900                                      |
| Depreciation and amortisation                                      | 85,016                                   | <b>99,149</b>                           | 107,544                                  | 109,438                                  | 116,549                                  |
| Write-down and impairment of assets                                | 659                                      | <b>422</b>                              | -  | 188                                      | -  |
| Losses from asset sales  | 457                                      | <b>400</b>                              | 300                                      | 300                                      | 300                                      |
| Other  | 3,361                                    | <b>3,334</b>                            | 3,329                                    | 1,857                                    | -  |
| <b>Total expenses</b>  | <b>973,054</b>                           | <b>1,016,664</b>                        | <b>1,017,322</b>                         | <b>995,793</b>                           | <b>1,007,224</b>                         |
| <b>LESS:</b>   |  |   |  |  |  |
| <b>OWN-SOURCE INCOME</b>   |  |   |  |  |  |
| <b>Revenue</b>   |  |   |  |  |  |
| Sale of goods and rendering of services                            | 100,731                                  | <b>88,463</b>                           | 89,029                                   | 90,278                                   | 90,962                                   |
| Other  | 1,521                                    | <b>1,911</b>                            | 1,780                                    | 2,033                                    | 2,144                                    |
| <b>Total revenue</b>   | <b>102,252</b>                           | <b>90,374</b>                           | <b>90,809</b>                            | <b>92,311</b>                            | <b>93,106</b>                            |
| <b>Gains</b>   |  |   |  |  |  |
| Sale of assets   | 747                                      | -                                       | -  | -  | -  |
| Other  | 390                                      | <b>390</b>                              | 392                                      | 392                                      | 400                                      |
| <b>Total gains</b>   | <b>1,137</b>                             | <b>390</b>                              | <b>392</b>                               | <b>392</b>                               | <b>400</b>                               |
| <b>Total own-source income</b>                                     | <b>103,389</b>                           | <b>90,764</b>                           | <b>91,201</b>                            | <b>92,703</b>                            | <b>93,506</b>                            |
| <b>Net cost of (contribution by) services</b>                      | <b>869,665</b>                           | <b>925,900</b>                          | <b>926,121</b>                           | <b>903,090</b>                           | <b>913,718</b>                           |
| Revenue from Government  | <b>953,647</b>                           | <b>890,367</b>                          | <b>885,776</b>                           | <b>864,046</b>                           | <b>862,559</b>                           |
| <b>Surplus (Deficit)</b>   | <b>83,982</b>                            | <b>(35,533)</b>                         | <b>(40,345)</b>                          | <b>(39,044)</b>                          | <b>(51,159)</b>                          |
| <b>Surplus (Deficit) attributable to the Australian Government</b> | <b>83,982</b>                            | <b>(35,533)</b>                         | <b>(40,345)</b>                          | <b>(39,044)</b>                          | <b>(51,159)</b>                          |

**Note: Reconciliation of operating result attributable to the agency**

|  | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2012-13<br>\$'000 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Operating result attributable to the Australian Government</b>        | 83,982            | <b>(35,533)</b>   | (40,345)          | (39,044)          | (51,159)          |
| plus non-appropriated expenses<br>depreciation and amortisation expenses | -                 | <b>79,753</b>     | 86,452            | 86,526            | 92,276            |
| <b>Operating result attributable to the Agency</b>                       | 83,982            | <b>44,220</b>     | 46,107            | 47,482            | 41,117            |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS</b>                             |  |   |  |  |  |
| <b>Financial assets</b>                   |  |   |  |  |  |
| Cash and equivalents                      | 85,953                                   | 90,450                                  | 93,433                                   | 95,043                                   | 96,653                                   |
| Trade and other receivables               | 640,889                                  | 544,250                                 | 524,695                                  | 420,481                                  | 342,303                                  |
| Other                                     | 7,290                                    | 7,290                                   | 7,290                                    | 7,290                                    | 8,489                                    |
| <b>Total financial assets</b>             | <b>734,132</b>                           | <b>641,990</b>                          | <b>625,418</b>                           | <b>522,814</b>                           | <b>447,445</b>                           |
| <b>Non-financial assets</b>               |  |   |  |  |  |
| Land and buildings                        | 1,898,994                                | 1,996,482                               | 1,978,632                                | 2,020,061                                | 2,095,488                                |
| Property, plant and equipment             | 189,644                                  | 200,008                                 | 250,266                                  | 294,265                                  | 311,896                                  |
| Intangibles                               | 30,539                                   | 43,557                                  | 46,196                                   | 40,470                                   | 33,054                                   |
| Inventories                               | 31,489                                   | 31,489                                  | 31,489                                   | 31,489                                   | 31,489                                   |
| Other                                     | 5,927                                    | 11,658                                  | 80,378                                   | 184,107                                  | 310,673                                  |
| <b>Total non-financial assets</b>         | <b>2,156,593</b>                         | <b>2,283,194</b>                        | <b>2,386,961</b>                         | <b>2,570,392</b>                         | <b>2,782,600</b>                         |
| <b>Total assets</b>                       | <b>2,890,725</b>                         | <b>2,925,184</b>                        | <b>3,012,379</b>                         | <b>3,093,206</b>                         | <b>3,230,045</b>                         |
| <b>LIABILITIES</b>                        |  |   |  |  |  |
| <b>Payables</b>                           |  |   |  |  |  |
| Suppliers                                 | 76,167                                   | 76,157                                  | 76,157                                   | 76,157                                   | 76,157                                   |
| Other                                     | 12,106                                   | 12,106                                  | 12,106                                   | 12,106                                   | 12,106                                   |
| <b>Total payables</b>                     | <b>88,273</b>                            | <b>88,263</b>                           | <b>88,263</b>                            | <b>88,263</b>                            | <b>88,263</b>                            |
| <b>Provisions</b>                         |  |   |  |  |  |
| Employee provisions                       | 122,597                                  | 122,616                                 | 122,616                                  | 122,616                                  | 122,616                                  |
| Other                                     | 19,547                                   | 19,547                                  | 19,547                                   | 19,547                                   | 19,547                                   |
| <b>Total provisions</b>                   | <b>142,144</b>                           | <b>142,163</b>                          | <b>142,163</b>                           | <b>142,163</b>                           | <b>142,163</b>                           |
| <b>Total liabilities</b>                  | <b>230,417</b>                           | <b>230,426</b>                          | <b>230,426</b>                           | <b>230,426</b>                           | <b>230,426</b>                           |
| <b>Net assets</b>                         | <b>2,660,308</b>                         | <b>2,694,758</b>                        | <b>2,781,953</b>                         | <b>2,862,780</b>                         | <b>2,999,619</b>                         |
| <b>EQUITY*</b>                            |  |   |  |  |  |
| <b>Parent entity interest</b>             |  |   |  |  |  |
| Contributed equity                        | 1,596,617                                | 1,724,688                               | 1,866,583                                | 1,994,027                                | 2,157,704                                |
| Reserves                                  | 447,621                                  | 429,554                                 | 417,104                                  | 411,245                                  | 437,280                                  |
| Retained surplus<br>(accumulated deficit) | 616,070                                  | 540,516                                 | 498,266                                  | 457,508                                  | 404,635                                  |
| <b>Total parent entity interest</b>       | <b>2,660,308</b>                         | <b>2,694,758</b>                        | <b>2,781,953</b>                         | <b>2,862,780</b>                         | <b>2,999,619</b>                         |
| <b>Total equity</b>                       | <b>2,660,308</b>                         | <b>2,694,758</b>                        | <b>2,781,953</b>                         | <b>2,862,780</b>                         | <b>2,999,619</b>                         |

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

|   | Retained earnings<br>\$'000 | Asset revaluation reserve<br>\$'000 | Other reserves<br>\$'000 | Contributed equity/<br>capital<br>\$'000 | Total equity<br>\$'000 |
|---|-----------------------------|-------------------------------------|--------------------------|--|------------------------|
| <b>Opening balance as at 1 July 2010</b>                        |                             |                                     |                          |  |                        |
| Balance carried forward from previous period                    | 616,070                     | 447,621                             | -                        | 1,596,617                                | 2,660,308              |
| <b>Adjusted opening balance</b>                                 | 616,070                     | 447,621                             | -                        | 1,596,617                                | 2,660,308              |
| <b>Comprehensive income</b>                                     |                             |                                     |                          |  |                        |
| Comprehensive income recognised directly in equity:             |                             |                                     |                          |  |                        |
| Gain/loss on revaluation of property                            | -                           | (18,067)                            | -                        | -  | (18,067)               |
| <b>Sub-total comprehensive income</b>                           | -                           | (18,067)                            | -                        | -  | (18,067)               |
| Surplus (deficit) for the period                                | (35,533)                    | -                                   | -                        | -  | (35,533)               |
| <b>Total comprehensive income recognised directly in equity</b> | 580,537                     | 429,554                             | -                        | 1,596,617                                | 2,606,708              |
| <b>Transactions with owners</b>                                 |                             |                                     |                          |  |                        |
| <i>Distributions to owners</i>                                  |                             |                                     |                          |  |                        |
| Cash transfers to OPA   | (10,019)                    | -                                   | -                        | -  | (10,019)               |
| Returns on capital  |                             |                                     |                          |  |                        |
| Dividends   | (30,002)                    | -                                   | -                        | -  | (30,002)               |
| <i>Contributions by owners</i>                                  |                             |                                     |                          |  |                        |
| Appropriation (equity injection)                                | -                           | -                                   | -                        | 70,390                                   | 70,390                 |
| Appropriation (departmental capital budget)                     | -                           | -                                   | -                        | 57,681                                   | 57,681                 |
| Other   |                             |                                     |                          |  |                        |
| <b>Sub-total transactions with owners</b>                       | (40,021)                    | -                                   | -                        | 128,071                                  | 88,050                 |
| <b>Estimated closing balance as at 30 June 2011</b>             | 540,516                     | 429,554                             | -                        | 1,724,688                                | 2,694,758              |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>                             |  |   |  |  |  |
| <b>Cash received</b>                                    |  |   |  |  |  |
| Goods and services                                      | 86,815                                   | 88,463                                  | 89,029                                   | 90,278                                   | 90,962                                   |
| Appropriations  | 972,472                                  | 918,273                                 | 888,758                                  | 868,885                                  | 864,169                                  |
| Net GST received  | 19,362                                   | 19,362                                  | 19,363                                   | 19,363                                   | 19,363                                   |
| Other   | 1,931                                    | 1,931                                   | 1,780                                    | 2,033                                    | 2,144                                    |
| <b>Total cash received</b>                              | <b>1,080,580</b>                         | <b>1,028,029</b>                        | <b>998,930</b>                           | <b>980,559</b>                           | <b>976,638</b>                           |
| <b>Cash used</b>  |  |   |  |  |  |
| Employees   | 441,668                                  | 439,330                                 | 426,578                                  | 404,843                                  | 439,061                                  |
| Suppliers   | 425,307                                  | 472,890                                 | 478,279                                  | 477,876                                  | 450,014                                  |
| Borrowing costs   | 20                                       | 400                                     | 300                                      | 300                                      | 300                                      |
| Net GST paid  | 19,362                                   | 19,362                                  | 19,363                                   | 19,363                                   | 19,363                                   |
| Other   | 4,282                                    | 10,003                                  | 4,229                                    | 2,945                                    | 900                                      |
| <b>Total cash used</b>                                  | <b>890,639</b>                           | <b>941,985</b>                          | <b>928,749</b>                           | <b>905,327</b>                           | <b>909,638</b>                           |
| <b>Net cash from (used by)<br/>operating activities</b> | <b>189,941</b>                           | <b>86,044</b>                           | <b>70,181</b>                            | <b>75,232</b>                            | <b>67,000</b>                            |
| <b>INVESTING ACTIVITIES</b>                             |  |   |  |  |  |
| <b>Cash received</b>                                    |  |   |  |  |  |
| Proceeds from sales of property,<br>plant and equipment | 14,981                                   | 4,410                                   | -  | -  | -  |
| <b>Total cash received</b>                              | <b>14,981</b>                            | <b>4,410</b>                            | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Cash used</b>  |  |   |  |  |  |
| Purchase of property, plant<br>and equipment            | 161,620                                  | 207,618                                 | 141,995                                  | 160,272                                  | 163,777                                  |
| Purchase of financial instruments<br>Investments        |  |   |  |  |  |
| Other   | 25,769                                   | 40,871                                  | 81,866                                   | 138,456                                  | 140,144                                  |
| <b>Total cash used</b>                                  | <b>187,389</b>                           | <b>248,489</b>                          | <b>223,861</b>                           | <b>298,728</b>                           | <b>303,921</b>                           |
| <b>Net cash from (used by)<br/>investing activities</b> | <b>(172,408)</b>                         | <b>(244,079)</b>                        | <b>(223,861)</b>                         | <b>(298,728)</b>                         | <b>(303,921)</b>                         |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>FINANCING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Contributed equity  | 66,829                                   | 128,071                                 | 141,895                                  | 127,444                                  | 163,677                                  |
| Other   | (28,196)                                 | 68,713                                  | 16,673                                   | 99,376                                   | 76,568                                   |
| <b>Total cash received</b>  | <b>38,633</b>                            | <b>196,784</b>                          | <b>158,568</b>                           | <b>226,820</b>                           | <b>240,245</b>                           |
| <b>Cash used</b>  |  |   |  |  |  |
| Dividends paid  | 986                                      | 30,002                                  | 1,905                                    | 1,714                                    | 1,714                                    |
| Other   | 10,009                                   | 4,250                                   | -  | -  | -  |
| <b>Total cash used</b>  | <b>10,995</b>                            | <b>34,252</b>                           | <b>1,905</b>                             | <b>1,714</b>                             | <b>1,714</b>                             |
| <b>Net cash from (used by)<br/>financing activities</b>                 | <b>27,638</b>                            | <b>162,532</b>                          | <b>156,663</b>                           | <b>225,106</b>                           | <b>238,531</b>                           |
| <b>Net increase (decrease)<br/>in cash held</b>                         | <b>45,171</b>                            | <b>4,497</b>                            | <b>2,983</b>                             | <b>1,610</b>                             | <b>1,610</b>                             |
| Cash and cash equivalents at the<br>beginning of the reporting period   | 40,782                                   | 85,953                                  | 90,450                                   | 93,433                                   | 95,043                                   |
| <b>Cash and cash equivalents at the<br/>end of the reporting period</b> | <b>85,953</b>                            | <b>90,450</b>                           | <b>93,433</b>                            | <b>95,043</b>                            | <b>96,653</b>                            |

Prepared on Australian Accounting Standards basis.



**Table 3.2.5 Departmental Capital Budget Statement**

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>  |  |   |  |  |  |
| Capital budget - Bill 1 (DCB)  | -  | 57,681                                  | 72,959                                   | 77,873                                   | 115,259                                  |
| Equity injections - Bill 2   | 65,285                                   | 71,933                                  | 68,936                                   | 49,571                                   | 48,418                                   |
| Previous years' outputs - Bill 2   | 42,127                                   | -                                       | -  | -  | -  |
| <b>Total capital appropriations</b>  | <b>107,412</b>                           | <b>129,614</b>                          | <b>141,895</b>                           | <b>127,444</b>                           | <b>163,677</b>                           |
| <b>Total new capital appropriations</b>                                      |  |   |  |  |  |
| <b>Represented by:</b>   |  |   |  |  |  |
| Purchase of non-financial assets   | 65,285                                   | 128,071                                 | 141,895                                  | 127,444                                  | 163,677                                  |
| Other Items  | 42,127                                   | 1,543                                   | -  | -  | -  |
| <b>Total Items</b>   | <b>107,412</b>                           | <b>129,614</b>                          | <b>141,895</b>                           | <b>127,444</b>                           | <b>163,677</b>                           |
| <b>PURCHASE OF NON-FINANCIAL ASSETS</b>                                      |  |   |  |  |  |
| Funded by capital appropriations   | 65,285                                   | 70,390                                  | 68,936                                   | 49,571                                   | 48,418                                   |
| Funded by capital appropriation - DCB <sup>1</sup>                           | -  | 57,681                                  | 72,959                                   | 77,873                                   | 115,259                                  |
| Funded internally from departmental resources <sup>2</sup>                   | 117,806                                  | 114,687                                 | 13,146                                   | 67,555                                   | 12,479                                   |
| <b>TOTAL</b>   | <b>183,091</b>                           | <b>242,758</b>                          | <b>155,041</b>                           | <b>194,999</b>                           | <b>176,156</b>                           |
| <b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b> |  |   |  |  |  |
| Total purchases  | 183,091                                  | 242,758                                 | 155,041                                  | 194,999                                  | 176,156                                  |
| <b>Total cash used to acquire assets</b>                                     | <b>183,091</b>                           | <b>242,758</b>                          | <b>155,041</b>                           | <b>194,999</b>                           | <b>176,156</b>                           |

1. Does not include annual finance lease costs. Includes purchase from current and previous years Departmental Capital Budgets.
2. Includes the following sources of funding:
  - annual and prior year appropriations
  - donations and contributions
  - gifts
  - internally developed assets
  - s31 relevant agency receipts
  - proceeds from the sale of assets

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2010-11)**

|   | Land             | Buildings      | Other property,<br>plant and<br>equipment | Heritage<br>and cultural<br>assets | Investment<br>property | Intangibles   | Other    | Total            |
|---|------------------|----------------|---|------------------------------------|------------------------|---------------|----------|------------------|
|   | \$'000           | \$'000         | \$'000                                    | \$'000                             | \$'000                 | \$'000        | \$'000   | \$'000           |
| <b>As at 1 July 2010</b>                                      |                  |                |   |                                    |                        |               |          |                  |
| Gross book value  | 1,006,554        | 952,208        | 292,057                                   | -                                  | -                      | 65,364        | 2,867    | 2,319,050        |
| Accumulated depreciation/amortisation<br>and impairment       | -                | (59,768)       | (102,413)                                 | -                                  | -                      | (34,825)      | (2,867)  | (199,873)        |
| <b>Opening net book balance</b>                               | <b>1,006,554</b> | <b>892,440</b> | <b>189,644</b>                            | <b>-</b>                           | <b>-</b>               | <b>30,539</b> | <b>-</b> | <b>2,119,177</b> |
| <b>CAPITAL ASSET ADDITIONS</b>                                |                  |                |   |                                    |                        |               |          |                  |
| <b>Estimated expenditure on<br/>new or replacement assets</b> |                  |                |   |                                    |                        |               |          |                  |
| By purchase - appropriation equity                            | -                | 38,748         | 20,654                                    | -                                  | -                      | 10,988        | -        | 70,390           |
| By purchase - appropriation ordinary<br>annual services       | -                | 13,249         | 33,017                                    | -                                  | -                      | 11,415        | -        | 57,681           |
| By purchase - other   | 79,447           | 35,140         | 100                                       | -                                  | -                      | -             | -        | 114,687          |
| <b>Total additions</b>  | <b>79,447</b>    | <b>87,137</b>  | <b>53,771</b>                             | <b>-</b>                           | <b>-</b>               | <b>22,403</b> | <b>-</b> | <b>242,758</b>   |
| <b>Other movements</b>  |                  |                |   |                                    |                        |               |          |                  |
| Depreciation/amortisation expense                             | -                | (20,607)       | (43,332)                                  | -                                  | -                      | (9,385)       | -        | (73,324)         |
| Disposals <sup>#</sup>  | (4,153)          | (556)          | -   | -                                  | -                      | -             | -        | (4,709)          |
| Other   | (5,498)          | (38,282)       | (75)                                      | -                                  | -                      | -             | -        | (43,855)         |
| <b>As at 30 June 2011</b>                                     |                  |                |   |                                    |                        |               |          |                  |
| Gross book value  | 1,076,350        | 1,000,507      | 345,753                                   | -                                  | -                      | 87,767        | 2,867    | 2,513,244        |
| Accumulated depreciation/amortisation<br>and impairment       | -                | (80,375)       | (145,745)                                 | -                                  | -                      | (44,210)      | (2,867)  | (273,197)        |
| <b>Closing net book balance</b>                               | <b>1,076,350</b> | <b>920,132</b> | <b>200,008</b>                            | <b>-</b>                           | <b>-</b>               | <b>43,557</b> | <b>-</b> | <b>2,240,047</b> |

#Proceeds may be returned to the OPA

Prepared on Australian Accounting Standards basis.

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

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>         |  |   |  |  |  |
| <b>Revenue</b>   |  |   |  |  |  |
| <b>Non-taxation revenue</b>                                |  |   |  |  |  |
| Sale of goods and rendering of services                    | 344,020                                  | 368,367                                 | 391,383                                  | 412,519                                  | 435,583                                  |
| Interest   | 6,030                                    | 5,596                                   | 5,318                                    | 4,454                                    | 3,629                                    |
| Dividends  | 16,800                                   | 11,650                                  | 10,250                                   | 12,950                                   | 10,000                                   |
| Other  | 27,256                                   | 11,255                                  | 4,230                                    | 3,220                                    | 2,985                                    |
| <b>Total non-taxation revenue</b>                          | <b>394,106</b>                           | <b>396,868</b>                          | <b>411,181</b>                           | <b>433,143</b>                           | <b>452,197</b>                           |
| <b>Total revenues administered on behalf of Government</b> | <b>394,106</b>                           | <b>396,868</b>                          | <b>411,181</b>                           | <b>433,143</b>                           | <b>452,197</b>                           |
| <b>Total income administered on behalf of Government</b>   | <b>394,106</b>                           | <b>396,868</b>                          | <b>411,181</b>                           | <b>433,143</b>                           | <b>452,197</b>                           |
| <b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>       |  |   |  |  |  |
| Employee benefits  | 1,081                                    | 647                                     | -  | -  | -  |
| Supplier expenses  | 139,099                                  | 30,126                                  | 24,672                                   | 23,195                                   | 23,104                                   |
| Personal benefits  | 2,320                                    | 2,180                                   | 2,180                                    | 2,180                                    | 2,180                                    |
| Grants   | 256,504                                  | 259,217                                 | 259,217                                  | 259,217                                  | 259,217                                  |
| Finance costs  | 4,400                                    | 5,490                                   | 5,212                                    | 4,348                                    | 3,523                                    |
| <b>Total expenses administered on behalf of Government</b> | <b>403,404</b>                           | <b>297,660</b>                          | <b>291,281</b>                           | <b>288,940</b>                           | <b>288,024</b>                           |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>                |  |   |  |  |  |
| <b>Financial assets</b>   |  |   |  |  |  |
| Cash and cash equivalents   | 5,758                                    | 5,233                                   | 5,233                                    | 5,233                                    | 5,233                                    |
| Receivables   | 91,178                                   | 94,818                                  | 82,658                                   | 72,518                                   | 61,513                                   |
| Investments accounted for<br>using the equity method              | 376,700                                  | 376,700                                 | 376,700                                  | 376,700                                  | 376,700                                  |
| Other   | 1,338                                    | 1,338                                   | 1,338                                    | 1,338                                    | 1,338                                    |
| <b>Total financial assets</b>                                     | <b>474,974</b>                           | <b>478,089</b>                          | <b>465,929</b>                           | <b>455,789</b>                           | <b>444,784</b>                           |
| <b>Non-financial assets</b>                                       |  |   |  |  |  |
| Other   | 3,649                                    | 3,649                                   | 3,649                                    | 3,649                                    | 3,649                                    |
| <b>Total non-financial assets</b>                                 | <b>3,649</b>                             | <b>3,649</b>                            | <b>3,649</b>                             | <b>3,649</b>                             | <b>3,649</b>                             |
| <b>Total assets administered<br/>on behalf of Government</b>      | <b>478,623</b>                           | <b>481,738</b>                          | <b>469,578</b>                           | <b>459,438</b>                           | <b>448,433</b>                           |
| <b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>           |  |   |  |  |  |
| <b>Payables</b>   |  |   |  |  |  |
| Suppliers   | 3,961                                    | 3,961                                   | 3,961                                    | 3,961                                    | 3,961                                    |
| Other   | 102,578                                  | 100,678                                 | 86,578                                   | 74,078                                   | 61,578                                   |
| <b>Total payables</b>   | <b>106,539</b>                           | <b>104,639</b>                          | <b>90,539</b>                            | <b>78,039</b>                            | <b>65,539</b>                            |
| <b>Interest bearing liabilities</b>                               |  |   |  |  |  |
| Other   | 25,360                                   | 24,960                                  | 19,560                                   | 14,460                                   | 10,160                                   |
| <b>Total interest bearing liabilities</b>                         | <b>25,360</b>                            | <b>24,960</b>                           | <b>19,560</b>                            | <b>14,460</b>                            | <b>10,160</b>                            |
| <b>Provisions</b>   |  |   |  |  |  |
| Other   | 39,466                                   | 39,466                                  | 39,466                                   | 39,466                                   | 39,466                                   |
| <b>Total provisions</b>   | <b>39,466</b>                            | <b>39,466</b>                           | <b>39,466</b>                            | <b>39,466</b>                            | <b>39,466</b>                            |
| <b>Total liabilities administered<br/>on behalf of Government</b> | <b>171,365</b>                           | <b>169,065</b>                          | <b>149,565</b>                           | <b>131,965</b>                           | <b>115,165</b>                           |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>                                     |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Sales of goods and rendering<br>of services                     | 344,020                                  | 368,367                                 | 391,383                                  | 412,519                                  | 435,583                                  |
| Interest  | 120                                      | 106                                     | 106                                      | 106                                      | 106                                      |
| Dividends   | 16,800                                   | 11,650                                  | 10,250                                   | 12,950                                   | 10,000                                   |
| Net GST received  | 6,657                                    | 2,862                                   | 2,074                                    | 1,934                                    | 1,934                                    |
| Other   | 10,815                                   | 6,180                                   | 2,450                                    | 2,260                                    | 1,980                                    |
| <b>Total cash received</b>                                      | <b>378,412</b>                           | <b>389,165</b>                          | <b>406,263</b>                           | <b>429,769</b>                           | <b>449,603</b>                           |
| <b>Cash used</b>  |  |   |  |  |  |
| Grant payments  | 257,054                                  | 259,767                                 | 259,704                                  | 259,704                                  | 259,704                                  |
| Personal benefits   | 2,320                                    | 2,180                                   | 2,180                                    | 2,180                                    | 2,180                                    |
| Suppliers   | 61,199                                   | 27,341                                  | 21,872                                   | 20,495                                   | 20,504                                   |
| Net GST paid  | 6,657                                    | 2,862                                   | 2,074                                    | 1,934                                    | 1,934                                    |
| Borrowing costs   | 4,100                                    | 6,400                                   | 5,400                                    | 5,100                                    | 4,300                                    |
| Employees   | 1,081                                    | 647                                     | -  | -  | -  |
| Other   | 3,500                                    | 2,700                                   | 2,800                                    | 2,800                                    | 2,700                                    |
| <b>Total cash used</b>  | <b>335,911</b>                           | <b>301,897</b>                          | <b>294,030</b>                           | <b>292,213</b>                           | <b>291,322</b>                           |
| <b>Net cash from (used by)<br/>operating activities</b>         | <b>42,501</b>                            | <b>87,268</b>                           | <b>112,233</b>                           | <b>137,556</b>                           | <b>158,281</b>                           |
| <b>FINANCING ACTIVITIES</b>                                     |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Proceeds from borrowing   |  |   |  |  |  |
| Other   | -  | -                                       | 12,500                                   | 12,500                                   | 12,500                                   |
| <b>Total cash received</b>                                      | <b>-</b>                                 | <b>-</b>                                | <b>12,500</b>                            | <b>12,500</b>                            | <b>12,500</b>                            |
| <b>Cash used</b>  |  |   |  |  |  |
| Net repayment of borrowings                                     |  |   |  |  |  |
| Other   | -  | -                                       | 12,500                                   | 12,500                                   | 12,500                                   |
| <b>Total cash used</b>  | <b>-</b>                                 | <b>-</b>                                | <b>12,500</b>                            | <b>12,500</b>                            | <b>12,500</b>                            |
| <b>Net cash from (used by)<br/>financing activities</b>         | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net increase (decrease) in<br/>cash held</b>                 |  |   |  |  |  |
| Cash and cash equivalents at<br>beginning of reporting period   | 5,233                                    | 5,758                                   | 5,233                                    | 5,233                                    | 5,233                                    |
| Cash from Official Public Account                               | 323,304                                  | 296,047                                 | 291,956                                  | 290,279                                  | 289,388                                  |
|   | 323,304                                  | 296,047                                 | 291,956                                  | 290,279                                  | 289,388                                  |
| Cash to Official Public Account                                 | 365,280                                  | 382,763                                 | 404,189                                  | 427,835                                  | 447,669                                  |
|   | 365,280                                  | 382,763                                 | 404,189                                  | 427,835                                  | 447,669                                  |
| <b>Cash and cash equivalents at end of<br/>reporting period</b> | <b>5,758</b>                             | <b>5,233</b>                            | <b>5,233</b>                             | <b>5,233</b>                             | <b>5,233</b>                             |

Prepared on Australian Accounting Standards basis.

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

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

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

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

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

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

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

Special appropriations fund refunds from the Consolidated Revenue Fund.

**Administered investments in controlled entities**

The Department has one administered investment in EFIC with an estimated asset value of \$376.7 million as at 30 June 2009. This investment is revalued once at the end of each financial year based on the net asset position of EFIC as at 30 June.

**Asset Valuation**

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





# **Australian Trade Commission (Austrade)**

## **Agency resources and planned performance**



# AUSTRALIAN TRADE COMMISSION (AUSTRADE)

|  |           |
|--|-----------|
| <b>Section 1: Agency overview and resources</b> .....                        | <b>69</b> |
| 1.1 Strategic Direction Statement.....                                       | 69        |
| 1.2 Agency Resource Statement.....   | 71        |
| 1.3 Budget Measures.....   | 72        |
| <b>Section 2: Outcomes and planned performance</b> .....                     | <b>73</b> |
| 2.1 Outcomes and performance information .....                               | 73        |
| <b>Section 3: Explanatory tables and budgeted financial statements</b> ..... | <b>81</b> |
| 3.1 Explanatory tables .....   | 81        |
| 3.2 Budgeted Financial Statements.....                                       | 83        |



# AUSTRALIAN TRADE COMMISSION (AUSTRADE)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

Austrade's outcomes are:

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

To achieve its outcomes and meet its responsibilities, in 2010-11 Austrade will:

- Enhance Australia's national prosperity through assisting Australian enterprises to capture international business opportunities to sustain growth, employment and investment.
- Increase the capability and capacity of Australian industry to compete in international markets through:
  - attracting productive foreign direct investment; and
  - supporting the sustainable development of Australia's international education and training services.
- Contribute a commercial, international perspective to inform policy development, including through identifying barriers to trade and investment.

Austrade operates through a global network of offices, with representatives overseas in 104 locations in 55 countries. Within Australia, Austrade has 18 offices.

A core element of Austrade's strategy is to apply its resources to maximum effect by working in partnership across all levels of Government and with extended networks in the private sector for the delivery of services, the development of strategies and to contribute to policy.

- from 2010-11 the Government has allocated \$14.4 million over four years for Austrade to continue to deliver a TradeStart program. The future program will aim to increase collaboration with delivery partners.

## *Austrade Budget Statements*

Austrade's priorities for 2010-11 comprise:

- Deepening Australia's engagement in priority markets including China and India and free trade agreement markets such as the Association of South-East Asian Nations (ASEAN), as well as developing links in emerging markets.
- Working with industry to build and increase Australia's share of global markets in selected sectors in order to capitalise on global supply chains, with particular focus on government priorities in clean energy and the environment, automotive manufacturing and financial services.
- Promoting the sustainable development of Australia's international education and training engagement and international recognition of Australia's education system
  - from 1 July 2010, responsibility for the international marketing and promotion of education will be transferred from the Department of Education, Employment and Workplace Relations to Austrade.
- Promoting Australia's attractiveness as a destination for foreign direct investment and as a source of innovation, competitive products and services, with a skilled workforce.
- Working with state and territory governments to secure productive foreign direct investment in Australia that complements or capitalises on domestic capabilities.
- Promoting use of Brand Australia as an international brand to promote Australia as a global citizen and business partner, helping to advance Australia's image and reputation in areas such as trade, investment, innovation, diplomacy, international education and tourism.
- Administering the Export Market Development Grants (EMDG) scheme in accordance with the *Export Market Development Grants Act 1997*.
- Utilising Austrade's global, commercial perspective to provide advice to the Government to assist Australia's export performance.
- Delivering high quality export and investment services and advice and intelligence on overseas markets to Australian businesses to establish and successfully grow their export and international business outcomes.
- Enhancing Australian community and business awareness of the importance of trade and investment.
- Delivering consular, passport and other government services in designated overseas locations.

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Austrade Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010**

|  | Estimate<br>of prior +<br>year amounts<br>available in<br>2010-11<br>\$'000 | Proposed<br>at Budget =<br>2010-11<br>\$'000 | Total<br>estimate<br>2010-11<br>\$'000 | Actual<br>available<br>appropriation<br>2009-10<br>\$'000 |
|--|---|--|--|---|
| <b>Ordinary annual services<sup>1</sup></b>        |   |  |  |   |
| <b>Departmental appropriation</b>                  |   |  |  |   |
| Prior year departmental appropriation <sup>2</sup> | 27,075 <sup>5</sup>   | 290  | 27,365                                 | 19,039  |
| Departmental appropriation <sup>3</sup>            |   | 198,025                                      | 198,025                                | 189,994   |
| s31 Relevant agency receipts <sup>4</sup>          |   | 26,000                                       | 26,000                                 | 26,000  |
| <b>Total</b>                                       | <b>27,075</b>   | <b>224,315</b>                               | <b>251,390</b>                         | <b>235,033</b>  |
| <b>Administered expenses</b>                       |   |  |  |   |
| Outcome 1  | -   | 150,400                                      | 150,400                                | 200,400   |
| <b>Total</b>                                       | <b>-</b>  | <b>150,400</b>                               | <b>150,400</b>                         | <b>200,400</b>  |
| <b>Total ordinary annual services</b>              | <b>A 27,075</b>   | <b>374,715</b>                               | <b>401,790</b>                         | <b>435,433</b>  |
| <b>Other services</b>                              |   |  |  |   |
| <b>Departmental non-operating</b>                  |   |  |  |   |
| Equity injections                                  | 7,352   | -  | 7,352                                  | 10,672  |
| Previous years' programs                           | -   | -  | -                                      | 11,847  |
| <b>Total other services</b>                        | <b>B 7,352</b>  | <b>-</b>                                     | <b>7,352</b>                           | <b>22,519</b>   |
| <b>Total available annual appropriations</b>       | <b>34,427</b>   | <b>374,715</b>                               | <b>409,142</b>                         | <b>457,952</b>  |

1. Appropriation Bill (No.1) 2010-11
2. Estimated adjusted balance carried from previous year for annual appropriations
3. Includes an amount of \$14.16 million in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'
4. s31 Relevant Agency receipts – estimate. This includes \$0.25 million in s31 receipts for the proceeds from sales of property, plant and equipment.
5. Estimated adjusted balance carried from previous year for Annual Appropriations. Funds are required for Austrade to meet obligations to maintain the Agencies asset base and meet employee entitlement liabilities.

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

### 1.3 BUDGET MEASURES

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

**Table 1.2: Austrade 2010-11 Budget measures**

|  | Program | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures</b>  |         |                   |                   |                   |                   |                   |
| Australian Trade Commission<br>- extension of TradeStart <sup>1</sup>              | 1.1     | -                 | -                 | -                 | -                 | -                 |
| Information and Communication<br>Technology Business-as-Usual<br>Reinvestment Fund | 1.1     | 290               | -                 | -                 | -                 | -                 |
| <b>Total Departmental Expenses</b>   |         | <b>290</b>        | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |

1. The Government is providing \$14.2 million over four years for the measure *Australian Trade Commission – extension of TradeStart*. As this amount is already included in the Forward Estimates, the table shows zero funding.

Prepared on a Government Finance Statistics (fiscal) basis.



## **SECTION 2: OUTCOMES AND PLANNED PERFORMANCE**

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

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

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

|   |
|---|
| <b>Outcome 1: Advance Australia's trade and investment interests through information, advice and services to businesses, industry and governments</b> |
|---|

#### **Outcome 1 Strategy**

Austrade will work with enterprises, industry groups and government agencies to:

- (i) enhance Australia's national prosperity by:
  - (a) assisting Australian enterprises to capture international business opportunities to sustain growth, employment and investment; and
  - (b) facilitating productive foreign direct investment into Australia
- (ii) increase the capability/capacity of Australian industry to compete in international markets through:
  - (a) attracting productive foreign direct investment; and
  - (a) supporting the sustainable development of Australia's international education and training services
- (iii) build awareness of Australia's international competitiveness and contribute a global, commercial perspective to inform policy development.

Austrade will achieve these objectives through a range of trade and investment development initiatives at a national, sectoral and enterprise level, providing advice, market intelligence and ongoing assistance to Australian businesses, institutions and industry, and through the administration of the EMDG Scheme.

## Outcome Expense and Resource Statement

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

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

| <b>Outcome 1: Advance Australia's trade and investment interests through information, advice and services to businesses, industry and governments</b> | 2009-10<br>Estimated<br>actual<br>expenses<br>\$'000 | 2010-11<br>Estimated<br>expenses<br>\$'000 |
|---|--|--|
| <b>Program 1.1: Trade and investment development</b>  |  |  |
| Departmental expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)   | 159,826  | 174,448                                    |
| Depreciation Expense  | 16,000   | 16,429                                     |
| Revenues from independent sources (s31)   | 23,650   | 23,650                                     |
| <b>Total for Program 1.1</b>  | <b>199,476</b>                                       | <b>214,527</b>                             |
| <b>Program 1.2: Trade development schemes (EMDG)</b>  |  |  |
| Administered expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)   | 200,400  | 150,400                                    |
| <b>Total for Program 1.2</b>  | <b>200,400</b>                                       | <b>150,400</b>                             |
| <b>Outcome 1 Totals by appropriation type</b>   |  |  |
| Administered Expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)   | 200,400  | 150,400                                    |
| Departmental expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)   | 159,826  | 174,448                                    |
| Depreciation Expense  | 16,000   | 16,429                                     |
| Revenues from independent sources (s31)   | 23,650   | 23,650                                     |
| <b>Total expenses for Outcome 1</b>   | <b>399,876</b>                                       | <b>364,927</b>                             |
|   | 2009-10  | 2010-11                                    |
| <b>Average Staffing Level (number)</b>  | <b>977</b>   | <b>1,009</b>                               |

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

## Contributions to Outcome 1

### Program 1.1: Trade and investment development

#### Program 1.1 Objective

Through initiatives at a national, sectoral and enterprise level, Austrade will provide advice, market intelligence and ongoing assistance to Australian businesses, institutions and industry looking to develop and expand their international business, and promote and facilitate productive foreign direct investment into Australia.

#### Program 1.1 Expenses

|                               | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|-------------------------------|--|-----------------------------|--|--|--|
| Annual departmental expenses: |  |                             |  |  |  |
| Departmental item             | 199,476                                | 214,527                     | 214,904                                | 211,466                                | 209,488                                |
| <b>Total program expenses</b> | <b>199,476</b>                         | <b>214,527</b>              | <b>214,904</b>                         | <b>211,466</b>                         | <b>209,488</b>                         |

#### Program 1.1 Deliverables

- Deliver market development initiatives in priority and emerging markets and coordinate responses to opportunities in those markets. A particular focus will be placed on the expansion of Australia's presence in India.
- Deliver industry development initiatives through the Automotive Market Access Program, Clean Energy Trade and Investment Strategy, positioning of Australia as a financial services centre and other industry initiatives.
- Promote the sustainable development of Australia's international education and training services, and support the international standing of Australia's education system as world class and globally connected.
- Deliver Global Opportunities clusters in priority sectors, to position them to take advantage of opportunities in key international markets and attract complementary high value-added foreign direct investment.
- Attract productive foreign direct investment to Australia.
- Implement the Brand Australia program and promote its use by Austrade and other Australian Government agencies.

- Deliver the Australian Export Awards, Business Club Australia and other events to raise business and community understanding of trade and investment and to recognise Australia's international business achievements.
- Lead the promotion of Australia as a destination for investment and as a source of business capability and competitiveness in overseas markets.
- Contribute a trade and investment development perspective to the whole-of-government policy agenda.
- Deliver Austrade services to individual Australian businesses including advice and market intelligence through Austrade's onshore and offshore networks and delivery channels.
- Build effective international linkages and networks with buyers, investors, decision-makers and institutions in overseas markets.
- Deliver Austrade's services through relationships and partners including through TradeStart and Corporate Partnerships and industry associations.
- Assess applications for the income tax exemption available under Section 23AF of the *Income Tax Assessment Act 1936*, to assist the international competitiveness of Australian companies and government organisations competing to win international tenders.

**Program 1.1 Key Performance Indicators**

- Successful delivery of market development strategies to realise opportunities for Australian businesses in priority and emerging markets.
- Support for the internationalisation of industries through strategic development initiatives, such as the successful establishment of industry clusters and integration into global supply chains in priority sectors.
- International awareness of Australia's business capabilities, and of Australia as a destination for investment and as a source of competitive, high quality goods and services and world class international education system.
- Effective international marketing of education with the support of relevant institutions and stakeholders.
- Attraction of high value-add inward investment in targeted industry sectors through delivery of high quality foreign direct investment prospects, leads and project commitments.

- Effective contribution to whole-of-government policy development utilising Austrade's global, commercial perspective on export and investment.
- Austrade services are valued by Australian businesses.
- Increased collaboration and engagement with stakeholders, including business and industry associations, institutions and state and territory governments.
- Number of clients assisted through Austrade's onshore and offshore networks and delivery channels.
- Community and business awareness of the importance of trade and investment and participation in international business promotional activities and initiatives.

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

**Program 1.2 Objective**

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

**Program 1.2 Expenses**

|                               | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|-------------------------------|--|-----------------------------|--|--|--|
| Annual administered expenses: |  |                             |  |  |  |
| Administered item             | 200,400                                | 150,400                     | 150,400                                | 150,400                                | 150,400                                |
| <b>Total program expenses</b> | <b>200,400</b>                         | <b>150,400</b>              | <b>150,400</b>                         | <b>150,400</b>                         | <b>150,400</b>                         |

**Program 1.2 Deliverables**

Administration of the EMDG scheme, providing partial reimbursement for expenditure on eligible export promotion activities.

**Program 1.2 Key Performance Indicators**

| Key Performance Indicators   | 2009-10<br>Revised<br>budget | 2010-11<br>Budget<br>target |
|------------------------------|------------------------------|-----------------------------|
| Number of grant applications | 5,149                        | 5,100                       |
| Number of grant recipients   | 4,910                        | 4,860                       |

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

**Outcome 2 Strategy**

Austrade is committed to supporting Australians overseas through the delivery of highly effective, accurate and timely consular and passport services, travel advice, practical contingency planning and rapid crisis response in locations overseas where Austrade has consular management responsibilities.

**Outcome Expense and Resource Statement**

Table 2.2 provides an overview of the total expenses for Outcome 2.

**Table 2.2: Budgeted Expenses and Resources for Outcome 2**

| <b>Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas</b> | 2009-10<br>Estimated<br>actual<br>expenses<br>\$'000 | 2010-11<br>Estimated<br>expenses<br>\$'000 |
|--|--|--|
| <b>Program 2.1: Consular and passport services</b>   |  |  |
| Departmental expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 9,712  | 9,419                                      |
| Revenues from independent sources (s31)  | 2,350  | 2,350                                      |
| <b>Total for Program 2.1</b>   | <b>12,062</b>  | <b>11,769</b>                              |
| <b>Outcome 2 Totals by appropriation type</b>  |  |  |
| Departmental expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 9,712  | 9,419                                      |
| Revenues from independent sources (s31)  | 2,350  | 2,350                                      |
| <b>Total expenses for Outcome 2</b>  | <b>12,062</b>  | <b>11,769</b>                              |
|  | 2009-10  | 2010-11                                    |
| <b>Average Staffing Level (number)</b>   | <b>52</b>  | <b>52</b>                                  |

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

## Contributions to Outcome 2

### Program 2.1: Consular and passport services

#### Program 2.1 Objective

Support Australians overseas through a highly effectively consular service, accurate and timely travel advice, practical contingency planning and rapid crisis response.

#### Program 2.1 Expenses

|                               | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|-------------------------------|--|-----------------------------|--|--|--|
| Annual departmental expenses: |  |                             |  |  |  |
| Departmental item             | 12,062                                 | 11,769                      | 11,865                                 | 11,944                                 | 12,034                                 |
| <b>Total program expenses</b> | <b>12,062</b>                          | <b>11,769</b>               | <b>11,865</b>                          | <b>11,944</b>                          | <b>12,034</b>                          |

#### Program 2.1 Deliverables

- Deliver comprehensive, responsive, high quality consular services while managing increasing case numbers.
- Ensure highly developed crisis management procedures are in place and tested.
- Deliver high quality and responsive passport services and manage increasing passport workload effectively.

#### Program 2.1 Key Performance Indicators

- Delivery of consular services is effective, efficient, timely and responsive.
- Continuous improvement of contingency planning to respond to overseas crises and major events in an effective and timely manner.
- Passports issued in a timely and responsive manner in accordance with agreed standards.

|                                | 2009-10<br>Revised<br>budget | 2010-11<br>Budget<br>target |
|--------------------------------|------------------------------|-----------------------------|
| Key Performance Indicators     |                              |                             |
| Passport applications received | 13,500                       | 14,175                      |
| Number of notarial acts        | 11,000                       | 12,338                      |



## **Section 3: Explanatory tables and budgeted financial statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010-11 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the use of appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

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

There has been no movement of administered funds between years for Austrade since the 2009-10 Additional Estimates.

### 3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by Austrade.

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

|   | Outcome | Opening balance    | Receipts           | Payments           | Adjustments        | Closing balance    |
|---|---------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   |         | 2010-11<br>2009-10 | 2010-11<br>2009-10 | 2010-11<br>2009-10 | 2010-11<br>2009-10 | 2010-11<br>2009-10 |
|   |         | \$'000             | \$'000             | \$'000             | \$'000             | \$'000             |
| Admin Payments and Receipts for Other Entities Special Account <sup>1</sup> (A) | 2       | 100<br>100         | 9,400<br>9,200     | (9,400)<br>(9,200) | -<br>-             | 100<br>100         |
| Other Trust Moneys Special Account <sup>2</sup> (D)                             | 1       | 1,860<br>89        | 550<br>3,410       | (1,650)<br>(1,639) | -<br>-             | 760<br>1,860       |
| <b>Total Special Accounts</b>   |         |                    |                    |                    |                    |                    |
| <b>2010-11 Budget estimate</b>  |         | <b>1,960</b>       | <b>9,950</b>       | <b>(11,050)</b>    | <b>-</b>           | <b>860</b>         |
| <i>Total Special Accounts</i>   |         |                    |                    |                    |                    |                    |
| <i>2009-10 estimate actual</i>  |         | 189                | 12,610             | (10,839)           | -                  | 1,960              |

- s20 Financial Management and Accountability Act, 1997 Determination 2006/15.
- s20 Financial Management and Accountability Act, 1997 Determination 2006/16.

(A) = Administered  
(D) = Departmental

### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure**

| Outcome                           | Appropriations |            |                |              | Other    | Total      | Program    |
|-----------------------------------|----------------|------------|----------------|--------------|----------|------------|------------|
|                                   | Bill No. 1     | Bill No. 2 | Special approp | Total approp |          |            |            |
|                                   | \$'000         | \$'000     | \$'000         | \$'000       | \$'000   | \$'000     |            |
| <b>Austrade</b>                   |                |            |                |              |          |            |            |
| <b>Outcome 1</b>                  |                |            |                |              |          |            |            |
| Departmental 2010-11              | 126            | -          | -              | 126          | -        | 126        | 1.1        |
| <i>Departmental 2009-10</i>       | 85             | -          | -              | 85           | -        | 85         | 1.1        |
| Total outcome 2010-11             | 126            | -          | -              | 126          | -        | 126        | 1.1        |
| <i>Total outcome 2009-10</i>      | 85             | -          | -              | 85           | -        | 85         | 1.1        |
| Total departmental 2010-11        | 126            | -          | -              | 126          | -        | 126        | 1.1        |
| <i>Total departmental 2009-10</i> | 85             | -          | -              | 85           | -        | 85         | 1.1        |
| <b>Total AGIE 2010-11</b>         | <b>126</b>     | <b>-</b>   | <b>-</b>       | <b>126</b>   | <b>-</b> | <b>126</b> | <b>1.1</b> |
| <i>Total AGIE 2009-10</i>         | 85             | -          | -              | 85           | -        | 85         | 1.1        |

## **3.2 BUDGETED FINANCIAL STATEMENTS**

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

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

#### **Departmental financial statements**

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

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

This statement provides estimated actual financial results for 2009-10 and the estimated revenue and expenses for 2010-11 and forward years.

Total income in 2010-11 is estimated to be \$209.9 million, which represents a decrease of \$6.1 million in appropriations from the 2009-10 estimated actual, comprising decreases due to:

- the removal of funding for depreciation under the new Net Cash funding arrangements (\$18.0 million); and
- measures agreed in 2009-10 with a full year impact in 2010-11 (\$1.7 million).

Partially offset by:

- marketing and promotion of international education function (\$8.6 million);
- foreign exchange variations (\$4.3 million); and
- parameter adjustments (\$1.6 million).

Austrade is receiving funding of \$14.2 million to fund the Departmental Capital Budget which is treated as an equity injection.

Total estimated expenses for 2010-11 have increased by \$14.8 million to reflect the addition of the marketing and promotion of international education function (\$8.6 million), foreign exchange variations (\$4.3 million) and other variations.

**Budgeted departmental balance sheet**

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

Austrade's budgeted net asset position at the end of 2010-11 of \$57.3 million represents a decrease of \$2.2 million from the 2009-10 estimated actual in table 3.2.1 due to the variation between capital program funding (\$14.2 million) and estimated depreciation expense (\$16.4 million).

**Budgeted departmental statement of cash flows**

This statement shows the extent and nature of cash flows as a result of Austrade's operating, investing and financing activities.

Austrade's cash balance at the end of 2010-11 is estimated to be \$5.5 million.

**Departmental statement of changes in equity — summary of movement**

This statement shows changes in equity resulting from the net impact of movements in accumulated results, assets revaluation and other reserves, and contributed equity.

Total equity at the end of 2010-11 is estimated to be \$57.3 million, a decrease of \$2.2 million due to the variation between capital funding (\$14.2 million) and depreciation expense (\$16.4 million).

**Departmental capital budget statement**

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

**Departmental statement of asset movements**

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

**Schedule of administered activity**

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

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

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

Administered expenses of \$150.4 million for 2010-11 relate to the EMDG scheme. This is comprised of \$142.9 million in grant expenditure and \$7.5 million in expenditure for the costs of administering the EMDG scheme on behalf of the Government.

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

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

Total administered assets and liabilities for 2010-11 are estimated at \$0.1 million and \$4.3 million respectively.

**Schedule of budgeted administered cash flows**

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

### 3.2.2 Budgeted financial statements tables

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>EXPENSES</b>   |  |   |  |  |  |
| Employee benefits   | 111,463                                  | 117,374                                 | 117,408                                  | 115,846                                  | 114,423                                  |
| Supplier expenses   | 83,675                                   | 92,493                                  | 93,946                                   | 91,466                                   | 89,873                                   |
| Depreciation and amortisation   | 16,000                                   | 16,429                                  | 15,415                                   | 16,098                                   | 17,226                                   |
| Write-down and impairment of assets   | 200                                      | -                                       | -  | -  | -  |
| Losses from asset sales   | 200                                      | -                                       | -  | -  | -  |
| <b>Total expenses</b>   | <b>211,538</b>                           | <b>226,296</b>                          | <b>226,769</b>                           | <b>223,410</b>                           | <b>221,522</b>                           |
| <b>LESS:</b>  |  |   |  |  |  |
| <b>OWN-SOURCE INCOME</b>  |  |   |  |  |  |
| <b>Revenue</b>  |  |   |  |  |  |
| Sale of goods and rendering of services   | 23,750                                   | 23,750                                  | 23,750                                   | 23,750                                   | 23,750                                   |
| Rental income   | 500                                      | 500                                     | 500                                      | 500                                      | 500                                      |
| Other   | 1,500                                    | 1,500                                   | 1,500                                    | 1,500                                    | 1,500                                    |
| <b>Total revenue</b>  | <b>25,750</b>                            | <b>25,750</b>                           | <b>25,750</b>                            | <b>25,750</b>                            | <b>25,750</b>                            |
| <b>Gains</b>  |  |   |  |  |  |
| Sale of assets  | 250                                      | 250                                     | 250                                      | 250                                      | 250                                      |
| <b>Total gains</b>  | <b>250</b>                               | <b>250</b>                              | <b>250</b>                               | <b>250</b>                               | <b>250</b>                               |
| <b>Total own-source income</b>  | <b>26,000</b>                            | <b>26,000</b>                           | <b>26,000</b>                            | <b>26,000</b>                            | <b>26,000</b>                            |
| <b>Net cost of (contribution by)<br/>services</b>                                   | <b>185,538</b>                           | <b>200,296</b>                          | <b>200,769</b>                           | <b>197,410</b>                           | <b>195,522</b>                           |
| Revenue from Government   | 189,994                                  | 183,867                                 | 185,354                                  | 181,312                                  | 178,296                                  |
| <b>Surplus (Deficit)</b>  | <b>4,456</b>                             | <b>(16,429)</b>                         | <b>(15,415)</b>                          | <b>(16,098)</b>                          | <b>(17,226)</b>                          |
| <b>Surplus (Deficit) attributable to<br/>the Australian Government</b>              | <b>4,456</b>                             | <b>(16,429)</b>                         | <b>(15,415)</b>                          | <b>(16,098)</b>                          | <b>(17,226)</b>                          |
| <b>Total comprehensive income<br/>attributable to the Australian<br/>Government</b> | <b>4,456</b>                             | <b>(16,429)</b>                         | <b>(15,415)</b>                          | <b>(16,098)</b>                          | <b>(17,226)</b>                          |

**Note: Reconciliation of operating result attributable to the agency**

|  | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2012-13<br>\$'000 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Operating result attributable to the<br/>Australian Government</b>    | 4,456             | (16,429)          | (15,415)          | (16,098)          | (17,226)          |
| plus non-appropriated expenses<br>depreciation and amortisation expenses | -                 | 16,429            | 15,415            | 16,098            | 17,226            |
| <b>Operating result attributable to the<br/>Agency</b>                   | <b>4,456</b>      | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS</b>                             |  |   |  |  |  |
| <b>Financial assets</b>                   |  |   |  |  |  |
| Cash and equivalents                      | 5,500                                    | 5,500                                   | 5,500                                    | 5,500                                    | 5,500                                    |
| Trade and other receivables               | 36,471                                   | 37,971                                  | 39,471                                   | 40,971                                   | 42,471                                   |
| <b>Total financial assets</b>             | <b>41,971</b>                            | <b>43,471</b>                           | <b>44,971</b>                            | <b>46,471</b>                            | <b>47,971</b>                            |
| <b>Non-financial assets</b>               |  |   |  |  |  |
| Land and buildings                        | 15,572                                   | 15,293                                  | 15,596                                   | 15,822                                   | 15,991                                   |
| Property, plant and equipment             | 23,576                                   | 22,308                                  | 22,481                                   | 27,185                                   | 25,124                                   |
| Intangibles                               | 15,916                                   | 15,192                                  | 14,685                                   | 17,029                                   | 15,970                                   |
| Other                                     | 7,628                                    | 7,628                                   | 7,628                                    | 7,628                                    | 7,628                                    |
| <b>Total non-financial assets</b>         | <b>62,692</b>                            | <b>60,421</b>                           | <b>60,390</b>                            | <b>67,664</b>                            | <b>64,713</b>                            |
| <b>Total assets</b>                       | <b>104,663</b>                           | <b>103,892</b>                          | <b>105,361</b>                           | <b>114,135</b>                           | <b>112,684</b>                           |
| <b>LIABILITIES</b>                        |  |   |  |  |  |
| <b>Payables</b>                           |  |   |  |  |  |
| Suppliers                                 | 8,800                                    | 8,800                                   | 8,800                                    | 8,800                                    | 8,800                                    |
| Other                                     | 6,288                                    | 6,288                                   | 6,288                                    | 6,288                                    | 6,288                                    |
| <b>Total payables</b>                     | <b>15,088</b>                            | <b>15,088</b>                           | <b>15,088</b>                            | <b>15,088</b>                            | <b>15,088</b>                            |
| <b>Provisions</b>                         |  |   |  |  |  |
| Employee provisions                       | 30,034                                   | 31,534                                  | 33,034                                   | 34,534                                   | 36,034                                   |
| <b>Total provisions</b>                   | <b>30,034</b>                            | <b>31,534</b>                           | <b>33,034</b>                            | <b>34,534</b>                            | <b>36,034</b>                            |
| <b>Total liabilities</b>                  | <b>45,122</b>                            | <b>46,622</b>                           | <b>48,122</b>                            | <b>49,622</b>                            | <b>51,122</b>                            |
| <b>Net assets</b>                         | <b>59,541</b>                            | <b>57,270</b>                           | <b>57,239</b>                            | <b>64,513</b>                            | <b>61,562</b>                            |
| <b>EQUITY*</b>                            |  |   |  |  |  |
| <b>Parent entity interest</b>             |  |   |  |  |  |
| Contributed equity                        | 14,612                                   | 28,770                                  | 44,154                                   | 67,526                                   | 81,801                                   |
| Reserves                                  | 58,441                                   | 58,441                                  | 58,441                                   | 58,441                                   | 58,441                                   |
| Retained surplus<br>(accumulated deficit) | (13,512)                                 | (29,941)                                | (45,356)                                 | (61,454)                                 | (78,680)                                 |
| <b>Total equity</b>                       | <b>59,541</b>                            | <b>57,270</b>                           | <b>57,239</b>                            | <b>64,513</b>                            | <b>61,562</b>                            |

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

|   | Retained earnings<br>\$'000 | Asset revaluation reserve<br>\$'000 | Other reserves<br>\$'000 | Contributed equity/<br>capital<br>\$'000 | Total equity<br>\$'000 |
|---|-----------------------------|-------------------------------------|--------------------------|--|------------------------|
| <b>Opening balance as at 1 July 2010</b>                        |                             |                                     |                          |  |                        |
| Balance carried forward from previous period                    | (13,512)                    | 19,716                              | 38,725                   | 14,612                                   | 59,541                 |
| <b>Adjusted opening balance</b>                                 | <b>(13,512)</b>             | <b>19,716</b>                       | <b>38,725</b>            | <b>14,612</b>                            | <b>59,541</b>          |
| Surplus (deficit) for the period                                | (16,429)                    | -                                   | -                        | -  | (16,429)               |
| <b>Total comprehensive income recognised directly in equity</b> | <b>(29,941)</b>             | <b>19,716</b>                       | <b>38,725</b>            | <b>14,612</b>                            | <b>43,112</b>          |
| <b>Transactions with owners</b>                                 |                             |                                     |                          |  |                        |
| Appropriation (departmental capital budget)                     | -                           | -                                   | -                        | 14,158                                   | 14,158                 |
| <b>Sub-total transactions with owners</b>                       | <b>-</b>                    | <b>-</b>                            | <b>-</b>                 | <b>14,158</b>                            | <b>14,158</b>          |
| <b>Estimated closing balance as at 30 June 2011</b>             | <b>(29,941)</b>             | <b>19,716</b>                       | <b>38,725</b>            | <b>28,770</b>                            | <b>57,270</b>          |

Prepared on Australian Accounting Standards basis.



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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Goods and services  | 24,250                                   | 24,250                                  | 24,250                                   | 24,250                                   | 24,250                                   |
| Appropriations  | 195,086                                  | 182,367                                 | 183,854                                  | 179,812                                  | 176,796                                  |
| Net GST received  | 5,629                                    | 5,705                                   | 5,714                                    | 5,714                                    | 5,714                                    |
| Other   | 1,500                                    | 1,500                                   | 1,500                                    | 1,500                                    | 1,500                                    |
| <b>Total cash received</b>  | <b>226,465</b>                           | <b>213,822</b>                          | <b>215,318</b>                           | <b>211,276</b>                           | <b>208,260</b>                           |
| <b>Cash used</b>  |  |   |  |  |  |
| Employees   | 111,263                                  | 115,874                                 | 115,908                                  | 114,346                                  | 112,923                                  |
| Suppliers   | 84,801                                   | 92,493                                  | 93,946                                   | 91,466                                   | 89,873                                   |
| Net GST paid  | 5,629                                    | 5,705                                   | 5,714                                    | 5,714                                    | 5,714                                    |
| <b>Total cash used</b>  | <b>201,693</b>                           | <b>214,072</b>                          | <b>215,568</b>                           | <b>211,526</b>                           | <b>208,510</b>                           |
| <b>Net cash from (used by)<br/>operating activities</b>                 | <b>24,772</b>                            | <b>(250)</b>                            | <b>(250)</b>                             | <b>(250)</b>                             | <b>(250)</b>                             |
| <b>INVESTING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Proceeds from sales of property,<br>plant and equipment                 | 250                                      | 250                                     | 250                                      | 250                                      | 250                                      |
| <b>Total cash received</b>  | <b>250</b>                               | <b>250</b>                              | <b>250</b>                               | <b>250</b>                               | <b>250</b>                               |
| <b>Cash used</b>  |  |   |  |  |  |
| Purchase of property, plant<br>and equipment                            | 25,000                                   | 14,158                                  | 15,384                                   | 23,372                                   | 14,275                                   |
| <b>Total cash used</b>  | <b>25,000</b>                            | <b>14,158</b>                           | <b>15,384</b>                            | <b>23,372</b>                            | <b>14,275</b>                            |
| <b>Net cash from (used by)<br/>investing activities</b>                 | <b>(24,750)</b>                          | <b>(13,908)</b>                         | <b>(15,134)</b>                          | <b>(23,122)</b>                          | <b>(14,025)</b>                          |
| <b>FINANCING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Contributed equity  | 1,345                                    | 14,158                                  | 15,384                                   | 23,372                                   | 14,275                                   |
| <b>Total cash received</b>  | <b>1,345</b>                             | <b>14,158</b>                           | <b>15,384</b>                            | <b>23,372</b>                            | <b>14,275</b>                            |
| <b>Net cash from (used by)<br/>financing activities</b>                 | <b>1,345</b>                             | <b>14,158</b>                           | <b>15,384</b>                            | <b>23,372</b>                            | <b>14,275</b>                            |
| <b>Net increase (decrease)<br/>in cash held</b>                         | <b>1,367</b>                             | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| Cash and cash equivalents at the<br>beginning of the reporting period   | 4,133                                    | 5,500                                   | 5,500                                    | 5,500                                    | 5,500                                    |
| <b>Cash and cash equivalents at the<br/>end of the reporting period</b> | <b>5,500</b>                             | <b>5,500</b>                            | <b>5,500</b>                             | <b>5,500</b>                             | <b>5,500</b>                             |

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>                              |  |   |  |  |  |
| Capital budget - Bill 1 (DCB)                              | -  | 14,158                                  | 15,384                                   | 23,372                                   | 14,275                                   |
| Equity injections - Bill 2                                 | 1,345                                    | -                                       | -  | -  | -  |
| <b>Total capital appropriations</b>                        | <b>1,345</b>                             | <b>14,158</b>                           | <b>15,384</b>                            | <b>23,372</b>                            | <b>14,275</b>                            |
| <b>Applied to:</b>   |  |   |  |  |  |
| Purchase of non-financial assets                           | 1,345                                    | 14,158                                  | 15,384                                   | 23,372                                   | 14,275                                   |
| <b>Total Items</b>   | <b>1,345</b>                             | <b>14,158</b>                           | <b>15,384</b>                            | <b>23,372</b>                            | <b>14,275</b>                            |
| <b>PURCHASE OF NON-FINANCIAL ASSETS</b>                    |  |   |  |  |  |
| Funded by capital appropriation <sup>1</sup>               | 1,345                                    | 14,158                                  | 15,384                                   | 23,372                                   | 14,275                                   |
| Funded internally from departmental resources <sup>2</sup> | 23,655                                   | -                                       | -  | -  | -  |
| <b>TOTAL</b>   | <b>25,000</b>                            | <b>14,158</b>                           | <b>15,384</b>                            | <b>23,372</b>                            | <b>14,275</b>                            |

1. Does not include annual finance lease costs. From current and previous years Departmental Capital Budgets.
2. Includes the following sources of funding:
  - annual and prior year appropriations
  - donations and contributions
  - gifts
  - internally developed assets
  - s31 relevant agency receipts
  - proceeds from the sale of assets

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2010-11)**

|   | Buildings     | Other property,<br>plant and<br>equipment | Intangibles   | Total         |
|---|---------------|---|---------------|---------------|
|   | \$'000        | \$'000                                    | \$'000        | \$'000        |
| <b>As at 1 July 2010</b>                                      |               |   |               |               |
| Gross book value  | 21,764        | 38,928                                    | 40,393        | 101,085       |
| Accumulated depreciation/amortisation<br>and impairment       | 6,192         | 15,352                                    | 24,477        | 46,021        |
| <b>Opening net book balance</b>                               | <b>15,572</b> | <b>23,576</b>                             | <b>15,916</b> | <b>55,064</b> |
| <b>CAPITAL ASSET ADDITIONS</b>                                |               |   |               |               |
| <b>Estimated expenditure on<br/>new or replacement assets</b> |               |   |               |               |
| By purchase   | 4,501         | 5,156                                     | 4,501         | 14,158        |
| <b>Total additions</b>  | <b>4,501</b>  | <b>5,156</b>                              | <b>4,501</b>  | <b>14,158</b> |
| <b>Other movements</b>  |               |   |               |               |
| Depreciation/amortisation expense                             | 4,780         | 6,424                                     | 5,225         | 16,429        |
| <b>As at 30 June 2011</b>                                     |               |   |               |               |
| Gross book value  | 26,265        | 44,084                                    | 44,894        | 115,243       |
| Accumulated depreciation/amortisation<br>and impairment       | 10,972        | 21,776                                    | 29,702        | 62,450        |
| <b>Closing net book balance</b>                               | <b>15,293</b> | <b>22,308</b>                             | <b>15,192</b> | <b>52,793</b> |

Prepared on Australian Accounting Standards basis.

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

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>INCOME ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>         |  |   |  |  |  |
| <b>Revenue</b>   |  |   |  |  |  |
| <b>Total income administered<br/>on behalf of Government</b>   | -  | -                                       | -  | -  | -  |
| <b>EXPENSES ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>       |  |   |  |  |  |
| Employee benefits  | 6,526                                    | 5,350                                   | 5,350                                    | 5,350                                    | 5,350                                    |
| Supplier expenses  | 3,494                                    | 2,170                                   | 2,170                                    | 2,170                                    | 2,170                                    |
| Grants   | 190,380                                  | 142,880                                 | 142,880                                  | 142,880                                  | 142,880                                  |
| <b>Total expenses administered<br/>on behalf of Government</b> | <b>200,400</b>                           | <b>150,400</b>                          | <b>150,400</b>                           | <b>150,400</b>                           | <b>150,400</b>                           |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>            |  |   |  |  |  |
| <b>Financial assets</b>   |  |   |  |  |  |
| Receivables   | 127                                      | 127                                     | 127                                      | 127                                      | 127                                      |
| <b>Total financial assets</b>                                     | <b>127</b>                               | <b>127</b>                              | <b>127</b>                               | <b>127</b>                               | <b>127</b>                               |
| <b>Total assets administered<br/>on behalf of Government</b>      | <b>127</b>                               | <b>127</b>                              | <b>127</b>                               | <b>127</b>                               | <b>127</b>                               |
| <b>LIABILITIES ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>       |  |   |  |  |  |
| <b>Payables</b>   |  |   |  |  |  |
| Suppliers   | 214                                      | 214                                     | 214                                      | 214                                      | 214                                      |
| Grants  | 2,000                                    | 2,000                                   | 2,000                                    | 2,000                                    | 2,000                                    |
| Other   | 92                                       | 92                                      | 92                                       | 92                                       | 92                                       |
| <b>Total payables</b>   | <b>2,306</b>                             | <b>2,306</b>                            | <b>2,306</b>                             | <b>2,306</b>                             | <b>2,306</b>                             |
| <b>Provisions</b>   |  |   |  |  |  |
| Employee provisions   | 2,043                                    | 2,043                                   | 2,043                                    | 2,043                                    | 2,043                                    |
| <b>Total provisions</b>   | <b>2,043</b>                             | <b>2,043</b>                            | <b>2,043</b>                             | <b>2,043</b>                             | <b>2,043</b>                             |
| <b>Total liabilities administered<br/>on behalf of Government</b> | <b>4,349</b>                             | <b>4,349</b>                            | <b>4,349</b>                             | <b>4,349</b>                             | <b>4,349</b>                             |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>                                     |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Net GST received  | 195                                      | 195                                     | 195                                      | 195                                      | 195                                      |
| <b>Total cash received</b>                                      | <b>195</b>                               | <b>195</b>                              | <b>195</b>                               | <b>195</b>                               | <b>195</b>                               |
| <b>Cash used</b>  |  |   |  |  |  |
| Grant payments  | 190,380                                  | 142,880                                 | 142,880                                  | 142,880                                  | 142,880                                  |
| Suppliers   | 3,494                                    | 2,170                                   | 2,170                                    | 2,170                                    | 2,170                                    |
| Net GST paid  | 195                                      | 195                                     | 195                                      | 195                                      | 195                                      |
| Employees   | 6,526                                    | 5,350                                   | 5,350                                    | 5,350                                    | 5,350                                    |
| <b>Total cash used</b>  | <b>200,595</b>                           | <b>150,595</b>                          | <b>150,595</b>                           | <b>150,595</b>                           | <b>150,595</b>                           |
| <b>Net cash from (used by)<br/>operating activities</b>         | <b>200,400</b>                           | <b>150,400</b>                          | <b>150,400</b>                           | <b>150,400</b>                           | <b>150,400</b>                           |
| <b>Net increase (decrease) in<br/>cash held</b>                 |  |   |  |  |  |
| Cash and cash equivalents at<br>beginning of reporting period   | -  | -                                       | -  | -  | -  |
| Cash from Official Public Account for:                          |  |   |  |  |  |
| - Appropriations  | 200,400                                  | 150,400                                 | 150,400                                  | 150,400                                  | 150,400                                  |
| <b>Cash and cash equivalents at end of<br/>reporting period</b> | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |

Prepared on Australian Accounting Standards basis.

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

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

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

#### **Departmental**

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

#### **Administered**

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

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

## **Agency resources and planned performance**





# AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AUSAID)

|  |            |
|--|------------|
| <b>Section 1: Agency overview and resources</b> .....                        | <b>99</b>  |
| 1.1 Strategic Direction Statement.....                                       | 99         |
| 1.2 Agency Resource Statement.....   | 101        |
| 1.3 Budget Measures.....   | 103        |
| <b>Section 2: Outcomes and planned performance</b> .....                     | <b>106</b> |
| 2.1 Outcomes and performance information .....                               | 106        |
| <b>Section 3: Explanatory tables and budgeted financial statements</b> ..... | <b>119</b> |
| 3.1 Explanatory tables .....   | 119        |
| 3.2 Budgeted Financial Statements.....                                       | 122        |



# AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AUSAID)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The 2010-11 Budget reaffirms the Government's ongoing commitment to scale up Australia's development assistance program to 0.5 per cent of Gross National Income (GNI) by 2015-16.

It is in Australia's national interest to increase the level of Australian aid to help people and governments of developing countries achieve economic stability and development.

Australia's ability and commitment to an increased aid program is in line with Australia's world economic position. It will assist developing countries recover from the global economic and food crises. It will help them adapt to the challenges of climate change. It will help developing countries work towards sustainable economic growth. It will help them reduce poverty and progress towards the United Nations (UN) Millennium Development Goals (MDGs). This commitment will be taken forward through a series of new policy measures in the areas of education, health disability, climate change and an expanded program in African countries, Indonesia and Afghanistan.

Increased assistance to Indonesia will improve access to and quality of basic education, fund primary health services and further improve economic and public sector management.

The Australian Government is committed to broadening our engagement with Africa with a particular focus on capacity building and poverty reduction. Funding to Africa will support Africa's progress towards achieving the MDGs in areas where Australia has a comparative advantage and has already invested, such as food security, maternal and child health, and water and sanitation. Australia will also help build Africa's human resource capacity through an expanded scholarships program.

AusAID will continue to provide support for health and education with an emphasis on primary health care and basic education needs. Addressing the spread of infectious diseases including HIV and malaria and strengthening the development of health systems will be priorities, as will work to improve basic education systems, improve school infrastructure and enhance vocational and technical training.

### *AusAID Budget Statements*

AusAID will work with developing countries and other donors to promote economic growth and access to services. Improved infrastructure initiatives will include transport, communications, energy and water and sanitation. Australian support will fund high priority basic infrastructure and strengthen developing partners' capacity to maintain and enhance investments of Government infrastructure.

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

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

In 2010-11, AusAID will undertake a review, jointly with partner governments, of advisers working in the aid program to ensure maximum effectiveness of our programs and value for money. The Government is committed to ensuring that Australian aid has the maximum possible impact on poverty and economic development overseas.

As aid expenditure increases towards the 0.5 per cent of GNI target, AusAID will continue to develop its planning systems, operational approaches and reporting systems to ensure increased Australian aid spending is effective.

For detail in regards to official development assistance (ODA) flows and further detail on the implementation of the 2010-11 budget measures designed to take forward the Government's development assistance priorities, please refer to the associated budget paper "Australia's International Development Assistance Program 2010-11 - Statement by Minister for Foreign Affairs and Parliamentary Secretary for International Development Assistance."

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: AusAID Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010**

|  | Estimate<br>of prior +<br>year amounts<br>available in<br>2010-11<br>\$'000 | Proposed<br>at Budget =<br>2010-11<br>\$'000 | Total<br>estimate<br>2010-11<br>\$'000 | Actual<br>available<br>appropriation<br>2009-10<br>\$'000 |
|--|---|--|--|---|
| <b>Ordinary annual services<sup>1</sup></b>            |   |  |  |   |
| <b>Departmental appropriation</b>                      |   |  |  |   |
| Prior year departmental appropriation <sup>2</sup>     | 20,498  | -  | 20,498                                 | -   |
| Departmental appropriation <sup>3</sup>                | -   | 219,165                                      | 219,165                                | 139,013   |
| s31 Relevant agency receipts <sup>5</sup>              | -   | 231  | 231                                    | 231   |
| <b>Total</b>   | <b>20,498</b>   | <b>219,396</b>                               | <b>239,894</b>                         | <b>139,244</b>  |
| <b>Administered expenses</b>                           |   |  |  |   |
| Outcome 1  | 1,790,357   | 3,420,858                                    | 5,211,215                              | 2,833,400   |
| Outcome 2  | -   | 3,668  | 3,668                                  | 3,868   |
| <b>Total</b>   | <b>1,790,357</b>  | <b>3,424,526</b>                             | <b>5,214,883</b>                       | <b>2,837,268</b>  |
| <b>Total ordinary annual services</b>                  | <b>A 1,810,855</b>  | <b>3,643,922</b>                             | <b>5,454,777</b>                       | <b>2,976,512</b>  |
| <b>Other services<sup>6</sup></b>                      |   |  |  |   |
| <b>Administered Revenue</b>                            |   |  |  |   |
| Outcome 1  | -   | 4,538  | 4,538                                  | 4,538   |
| <b>Total</b>   | <b>-</b>  | <b>4,538</b>                                 | <b>4,538</b>                           | <b>4,538</b>  |
| <b>Departmental non-operating</b>                      |   |  |  |   |
| Equity injections                                      | -   | 12,326                                       | 12,326                                 | 2,828   |
| Previous years' programs                               | -   | -  | -                                      | -   |
| <b>Total</b>   | <b>-</b>  | <b>12,326</b>                                | <b>12,326</b>                          | <b>2,828</b>  |
| <b>Administered non-operating</b>                      |   |  |  |   |
| Administered assets and liabilities                    | -   | 318,815                                      | 318,815                                | 6,252   |
| <b>Total</b>   | <b>-</b>  | <b>318,815</b>                               | <b>318,815</b>                         | <b>6,252</b>  |
| <b>Total other services</b>                            | <b>B -</b>  | <b>335,679</b>                               | <b>335,679</b>                         | <b>13,618</b>   |
| <b>Total available annual appropriations</b>           | <b>1,810,855</b>  | <b>3,979,601</b>                             | <b>5,790,456</b>                       | <b>2,990,130</b>  |
| <b>Total special appropriations</b>                    | <b>C -</b>  | <b>-</b>                                     | <b>-</b>                               | <b>-</b>  |
| <b>Total appropriations excluding Special Accounts</b> | <b>1,810,855</b>  | <b>3,979,601</b>                             | <b>5,790,456</b>                       | <b>2,990,130</b>  |

**Table 1.1: AusAID Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010 (continued)**

|  | Estimate<br>of prior +<br>year amounts<br>available in<br>2010-11<br>\$'000 | Proposed<br>at Budget =<br>2010-11<br>\$'000 | Total<br>estimate<br>2010-11<br>\$'000 | Actual<br>available<br>appropriation<br>2009-10<br>\$'000 |
|--|---|--|--|---|
| <b>Special Accounts</b>  |   |  |  |   |
| Opening balance <sup>7</sup>   | 208,345   | -  | 208,345                                | 335,439   |
| Appropriation receipts <sup>8</sup>  | -   | -  | -                                      | -   |
| Non-appropriation receipts to<br>Special Accounts  | -   | 5,000  | 5,000                                  | -   |
| <b>Total Special Account</b>   | <b>D 208,345</b>  | <b>5,000</b>                                 | <b>213,345</b>                         | <b>335,439</b>  |
| <b>Total resourcing</b>  |   |  |  |   |
| A+B+C+D  | <b>2,019,200</b>  | <b>3,984,601</b>                             | <b>6,003,801</b>                       | <b>3,325,569</b>  |
| Less appropriations drawn from<br>annual or special appropriations above<br>and credited to special accounts<br>and/or CAC Act bodies through<br>annual appropriations | -   | -  | -                                      | -   |
| <b>Total net resourcing for AusAID</b>   | <b>2,019,200</b>  | <b>3,984,601</b>                             | <b>6,003,801</b>                       | <b>3,325,569</b>  |

1. Appropriation Bill (No.1) 2010-11
2. Estimated adjusted balance carried from previous year for annual appropriations
3. Includes an amount of \$7.427m in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'
4. The actual available appropriation for 2009-10 for Departmental Appropriation is net of an amount of \$1.9 million appropriated to AusAID but quarantined by the Department of Finance and Deregulation pending a review of the funding model for the overseas owned property estate. The outcome of the review will be considered by Government in the context of the 2011-12 Budget. All agencies have their actual available appropriations in the Appropriation Bills presented net of any quarantined amounts.
5. s31 Relevant Agency receipts - estimate
6. Appropriation Bill (No.2) 2010-11
7. Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies (OTM) and Services for other Government and Non-agency Bodies (SOG) accounts). For further information on special accounts see Table 3.1.2.
8. Appropriation receipts from AusAID annual appropriations for 2009-10 included above.

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

### 1.3 BUDGET MEASURES

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

**Table 1.2: AusAID 2010-11 Budget measures**

|   | Program | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures</b>   |         |                   |                   |                   |                   |                   |
| Overseas development assistance -<br>development partnership with Indonesia                                 | 1.2     |                   |                   |                   |                   |                   |
| Administered expenses   |         | -                 | 19,000            | 41,300            | 70,450            | 117,800           |
| Departmental expenses   |         | -                 | 4,589             | 16,993            | 16,209            | 16,502            |
| <b>Total</b>  |         | -                 | <b>23,589</b>     | <b>58,293</b>     | <b>86,659</b>     | <b>134,302</b>    |
| Overseas development assistance -<br>enhancing education  | 1.3     |                   |                   |                   |                   |                   |
| Administered expenses   |         | -                 | 29,387            | 53,559            | 95,747            | 116,959           |
| Departmental expenses   |         | -                 | 568               | 2,170             | 2,123             | 2,156             |
| <b>Total</b>  |         | -                 | <b>29,955</b>     | <b>55,729</b>     | <b>97,870</b>     | <b>119,115</b>    |
| Overseas development assistance -<br>investing in health  |         |                   |                   |                   |                   |                   |
| Administered expenses   | 1.3     | -                 | 14,300            | 41,000            | 50,000            | 60,000            |
| Departmental expenses   | DS      | -                 | 568               | 2,171             | 2,123             | 2,156             |
| <b>Total</b>  |         | -                 | <b>14,868</b>     | <b>43,171</b>     | <b>52,123</b>     | <b>62,156</b>     |
| Overseas development assistance -<br>increased assistance to Africa   |         |                   |                   |                   |                   |                   |
| Administered expenses   | 1.3     | -                 | 32,000            | 65,000            | 86,000            | 109,000           |
| Departmental expenses   | DS      | -                 | 4,935             | 12,269            | 12,252            | 12,452            |
| <b>Total</b>  |         | -                 | <b>36,935</b>     | <b>77,269</b>     | <b>98,252</b>     | <b>121,452</b>    |
| Overseas development assistance -<br>development accessible to all  |         |                   |                   |                   |                   |                   |
| Administered expenses   | 1.3     | -                 | 2,000             | 6,000             | 8,400             | 12,000            |
| Departmental expenses   | DS      | -                 | 452               | 455               | 458               | 461               |
| <b>Total</b>  |         | -                 | <b>2,452</b>      | <b>6,455</b>      | <b>8,858</b>      | <b>12,461</b>     |
| Australia's civilian engagement in<br>Afghanistan - an integrated whole-of-<br>government approach          |         |                   |                   |                   |                   |                   |
| Administered expenses   | 1.3     | -                 | 47,600            | 31,700            | -                 | -                 |
| Departmental expenses   | DS      | -                 | 12,747            | 12,821            | -                 | -                 |
| <b>Total</b>  |         | -                 | <b>60,347</b>     | <b>44,521</b>     | -                 | -                 |
| Overseas development assistance -<br>climate change - International Climate<br>Change Adaptation Initiative |         |                   |                   |                   |                   |                   |
| Administered expenses   | 1.3     | -                 | -                 | 78,000            | 99,000            | -                 |
| Departmental expenses   | DS      | -                 | -                 | 599               | 604               | -                 |
| <b>Total</b>  |         | -                 | -                 | <b>78,599</b>     | <b>99,604</b>     | -                 |

DS = Departmental Support

Prepared on a Government Finance Statistics (fiscal) basis.

**Table 1.2: AusAID 2010-11 Budget measures (cont.)**

|   | Program | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures cont</b>  |         |                   |                   |                   |                   |                   |
| Overseas development assistance - climate change - multilateral climate change financing    |         |                   |                   |                   |                   |                   |
| Administered expenses   | 1.3     | 5,000             | -                 | 40,000            | 60,000            | -                 |
| Departmental expenses   | DS      | -                 | -                 | 600               | 604               | -                 |
| <b>Total</b>  |         | <b>5,000</b>      | <b>-</b>          | <b>40,600</b>     | <b>60,604</b>     | <b>-</b>          |
| Overseas development assistance - climate change - bilateral partnerships                   |         |                   |                   |                   |                   |                   |
| Administered expenses   | 1.3     | -                 | -                 | 5,000             | 10,000            | -                 |
| Departmental expenses   |         | -                 | -                 | -                 | -                 | -                 |
| <b>Total</b>  |         | <b>-</b>          | <b>-</b>          | <b>5,000</b>      | <b>10,000</b>     | <b>-</b>          |
| <b>Total expense measures</b>   |         |                   |                   |                   |                   |                   |
| Administered  |         | 5,000             | 144,287           | 361,559           | 479,597           | 415,759           |
| Departmental  |         | -                 | 23,859            | 48,078            | 34,373            | 33,727            |
| <b>Total</b>  |         | <b>5,000</b>      | <b>168,146</b>    | <b>409,637</b>    | <b>513,970</b>    | <b>449,486</b>    |
| <b>Capital measures</b>   |         |                   |                   |                   |                   |                   |
| Overseas development assistance - development partnership with Indonesia                    |         |                   |                   |                   |                   |                   |
| Departmental capital  | DS      | -                 | 1,400             | 4,200             | -                 | -                 |
| <b>Total</b>  |         | <b>-</b>          | <b>1,400</b>      | <b>4,200</b>      | <b>-</b>          | <b>-</b>          |
| Overseas development assistance - enhancing education                                       |         |                   |                   |                   |                   |                   |
| Departmental capital  | DS      | -                 | -                 | 1,050             | -                 | -                 |
| <b>Total</b>  |         | <b>-</b>          | <b>-</b>          | <b>1,050</b>      | <b>-</b>          | <b>-</b>          |
| Overseas development assistance - investing in health                                       |         |                   |                   |                   |                   |                   |
| Departmental capital  | DS      | -                 | -                 | 1,050             | -                 | -                 |
| <b>Total</b>  |         | <b>-</b>          | <b>-</b>          | <b>1,050</b>      | <b>-</b>          | <b>-</b>          |
| Overseas development assistance - increased assistance to Africa                            |         |                   |                   |                   |                   |                   |
| Departmental capital  | DS      | -                 | 5,910             | 7,070             | -                 | -                 |
| <b>Total</b>  |         | <b>-</b>          | <b>5,910</b>      | <b>7,070</b>      | <b>-</b>          | <b>-</b>          |
| Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach |         |                   |                   |                   |                   |                   |
| Departmental capital  | DS      | -                 | 3,970             | -                 | -                 | -                 |
| <b>Total</b>  |         | <b>-</b>          | <b>3,970</b>      | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Total capital measures</b>   |         |                   |                   |                   |                   |                   |
| Departmental  |         | -                 | 11,280            | 13,370            | -                 | -                 |
| <b>Total</b>  |         | <b>-</b>          | <b>11,280</b>     | <b>13,370</b>     | <b>-</b>          | <b>-</b>          |

DS = Departmental Support

Prepared on a Government Finance Statistics (fiscal) basis.



**Measures announced between 2009-10 Budget and 2010-11 Budget but not yet reported in a subsequent portfolio statement**

|   | Program | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Measures</b>   |         |                   |                   |                   |                   |                   |
| Overseas development assistance - contribution to stabilisation in northern Sri Lanka     |         |                   |                   |                   |                   |                   |
| Administered expenses   | 1.2     | 24,631            | -                 | -                 | -                 | -                 |
| Departmental expenses   | DS      | 369               | -                 | -                 | -                 | -                 |
| <b>Total</b>  |         | <b>25,000</b>     | -                 | -                 | -                 | -                 |
| Overseas development assistance - climate change - International Forest Carbon Initiative |         |                   |                   |                   |                   |                   |
| Administered expenses   | 1.3     | -                 | -                 | 28,000            | 28,000            | -                 |
| <b>Total</b>  |         | -                 | -                 | <b>28,000</b>     | <b>28,000</b>     | -                 |
| <b>Total measures</b>   |         |                   |                   |                   |                   |                   |
| Administered  |         | 24,631            | -                 | 28,000            | 28,000            | -                 |
| Departmental  |         | 369               | -                 | -                 | -                 | -                 |
| <b>Total</b>  |         | <b>25,000</b>     | -                 | <b>28,000</b>     | <b>28,000</b>     | -                 |

Prepared on a Government Finance Statistics (fiscal) basis

## **SECTION 2: OUTCOMES AND PLANNED PERFORMANCE**

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

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

AusAID contributes to two outcomes. The performance of AusAID in achieving these two outcomes is assessed and monitored by using those performance indicators and targets detailed under each outcome description.

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

#### **Outcome 1 Strategy**

As highlighted in the Strategic Direction Statement for the Agency, AusAID will, in 2010-11, advance the Government's objective of assisting developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest.

In 2010-11 AusAID will manage increased funding as the development program grows to meet the Government's long-term commitment to increase Australia's ODA to 0.5 per cent of GNI by 2015-16.

#### **Outcome Expense and Resource Statement**

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

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

| <b>Outcome 1: To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest</b> | 2009-10<br>Estimated<br>actual<br>expenses<br>\$'000 | 2010-11<br>Estimated<br>expenses<br>\$'000 |
|--|--|--|
| <b>Program 1.1: Official Development Assistance - PNG &amp; Pacific</b>  |  |  |
| Administered expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 865,838  | 903,399                                    |
| Other services (Appropriation Bill No. 2)  | 3,655  | 3,813                                      |
| <b>Total for Program 1.1</b>   | <b>869,493</b>                                       | <b>907,212</b>                             |
| <b>Program 1.2: Official Development Assistance - East Asia</b>  |  |  |
| Administered expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 772,518  | 803,400                                    |
| <b>Total for Program 1.2</b>   | <b>772,518</b>                                       | <b>803,400</b>                             |
| <b>Program 1.3: Official Development Assistance - Africa, South and Central Asia, Middle East and Other</b>  |  |  |
| Administered expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 665,054  | 878,974                                    |
| Special Accounts   | 5,000  | 5,000                                      |
| <b>Total for Program 1.3</b>   | <b>670,054</b>                                       | <b>883,974</b>                             |
| <b>Program 1.4: Official Development Assistance - Emergency, Humanitarian and Refugee Program</b>  |  |  |
| Administered expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 221,621  | 299,745                                    |
| <b>Total for Program 1.4</b>   | <b>221,621</b>                                       | <b>299,745</b>                             |
| <b>Program 1.5: Official Development Assistance - Multilateral Replenishments</b>  |  |  |
| Administered expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | -  | 448,145                                    |
| Other services (Appropriation Bill No. 2)  | 2,439  | 315,002                                    |
| <b>Total for Program 1.5</b>   | <b>2,439</b>   | <b>763,147</b>                             |
| <b>Program 1.6: Official Development Assistance - UN Commonwealth and Other International Organisations</b>  |  |  |
| Administered expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 227,505  | 225,310                                    |
| <b>Total for Program 1.6</b>   | <b>227,505</b>                                       | <b>225,310</b>                             |
| <b>Program 1.7: Official Development Assistance - NGO, Volunteer and Community Programs</b>  |  |  |
| Administered expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 110,278  | 135,113                                    |
| <b>Total for Program 1.7</b>   | <b>110,278</b>                                       | <b>135,113</b>                             |
| <b>Departmental Support</b>  |  |  |
| Departmental expenses  |  |  |
| Ordinary annual services (Appropriation Bill No. 1)  | 134,915  | 206,513                                    |
| Revenues from independent sources (s31)  | 231  | 462  |
| Expenses not requiring appropriation in the Budget year  | -  | 7,276                                      |
| <b>Total for Departmental Support</b>  | <b>135,146</b>                                       | <b>214,251</b>                             |

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

|   | 2009-10<br>Estimated<br>actual<br>expenses<br>\$'000 | 2010-11<br>Estimated<br>expenses<br>\$'000 |
|---|--|--|
| <b>Outcome 1 Totals by appropriation type</b>           |  |  |
| Administered Expenses                                   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)     | 2,833,400  | 3,420,858                                  |
| Other services (Appropriation Bill No. 2)               | 6,252  | 318,815                                    |
| Special Accounts  | 5,000  | 5,000                                      |
| Departmental expenses                                   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)     | 134,915  | 206,513                                    |
| Revenues from independent sources (s31)                 | 231  | 462  |
| Expenses not requiring appropriation in the Budget year | -  | 7,276                                      |
| <b>Total expenses for Outcome 1</b>                     | <b>2,979,798</b>                                     | <b>3,958,924</b>                           |
|   | 2009-10  | 2010-11                                    |
| <b>Average Staffing Level (number)</b>                  | 885  | 945  |

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

### Contributions to Outcome 1

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

AusAID tracks and reports on performance at two main levels:

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

In 2009, the Australian National Audit Office audited AusAID's management of the expanding aid program and recommended additional performance indicators. New indicators in response to the audit are detailed against each program below.

AusAID will be introducing an Operational Policy and Management Framework to guide future management of the aid program. It will change the approach to Australian aid program management and may impact on the performance indicators and targets used to assess and monitor the performance of the AusAID in achieving government outcomes.

### **Activity level**

The Australian development assistance program is made up of over 1,000 individual aid activities. These include aid projects, training and scholarships, funding to multilateral organisations and non-government organisations (NGOs), technical advice and funding for partner country programs through their own budget. The performance of activities is assessed through a quality reporting system. Ratings are based on self assessments by activity managers and subjected to peer review. Ratings are also spot audited by the Office of Development Effectiveness.

Activity-level reporting occurs at three stages of the activity cycle: at entry, during implementation and at completion. Ratings are made against several quality principles, notably the extent to which objectives are likely to be, are being, or have been met; whether outcomes will last beyond the life of the activity; and the adequacy of monitoring and evaluation systems.

Activities are rated on a six-point scale from very poor to very high quality. Activities rated four or higher are considered satisfactory. This includes activities that are of adequate quality but need improvement. Activities rated below adequate (three or less) are considered unsatisfactory. Where Australian support is provided through another development organisation, AusAID assesses the performance of the organisation.

AusAID seeks to exceed a target of 75 per cent of activities (or organisations) achieving a satisfactory quality rating against the effectiveness criterion during implementation. A new indicator will be introduced this year to report on compliance with the quality system. AusAID seeks to achieve a target of 90 per cent of activities complying with the Quality at Implementation process.

### **Strategy level**

AusAID also assesses the extent to which higher level program strategy objectives are being achieved. This goes beyond individual activity performance to consider the extent to which Australia's broader aid engagement, i.e. the sum of its activities, partnerships with stakeholders, analysis and policy dialogues, is contributing to achieving higher level development outcomes at the sector or country level.

Strategy level objectives are specified in country, regional or global strategies. Progress is assessed by program managers annually and reported in annual program performance reports which are subject to external peer review. Strategy objectives are rated in terms of their likelihood to be achieved within the timeframe. This level of reporting is new to AusAID and is considered a benchmark for international aid transparency. AusAID seeks to surpass a target of 75 per cent of country and regional program strategy objectives to be fully or partially achieved. A new indicator with a target of completing 100 per cent of strategies for country, regional or thematic programs will be introduced this year.

*AusAID Budget Statements*

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

Further detail on AusAID's approach to performance reporting is contained in the aid program's Performance Management and Evaluation Policy, available at [www.usaid.gov.au](http://www.usaid.gov.au).

**Program 1.1 Official Development Assistance – PNG & Pacific**

**Program 1.1 objective and deliverables**

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

**Program expenses**

|                               | 2009-10<br>Revised<br>budget<br>\$'000s | 2010-11<br>Budget<br>\$'000s | 2011-12<br>Forward<br>year 1<br>\$'000s | 2012-13<br>Forward<br>year 2<br>\$'000s | 2013-14<br>Forward<br>year 3<br>\$'000s |
|-------------------------------|---|------------------------------|---|---|---|
| Annual administered expenses: |   |                              |   |   |   |
| Administered item (Bill 1)    | 865,838                                 | 903,399                      | 1,034,599                               | 1,083,764                               | 1,023,189                               |
| Administered item (Bill 2)    | 3,655                                   | 3,813                        | 3,908                                   | 4,025                                   | 4,130                                   |
| <b>Total program expenses</b> | <b>869,493</b>                          | <b>907,212</b>               | <b>1,038,507</b>                        | <b>1,087,789</b>                        | <b>1,027,319</b>                        |

**Key Performance Indicators**

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

**Program 1.2 Official Development Assistance – East Asia**

**Program 1.2 objective and deliverables**

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

**Program expenses**

|                               | 2009-10<br>Revised<br>budget<br>\$'000s | 2010-11<br>Budget<br>\$'000s | 2011-12<br>Forward<br>year 1<br>\$'000s | 2012-13<br>Forward<br>year 2<br>\$'000s | 2013-14<br>Forward<br>year 3<br>\$'000s |
|-------------------------------|---|------------------------------|---|---|---|
| Annual administered expenses: |   |                              |   |   |   |
| Administered item (Bill 1)    | 772,518                                 | 803,400                      | 974,999                                 | 1,109,727                               | 1,145,755                               |
| <b>Total program expenses</b> | <b>772,518</b>                          | <b>803,400</b>               | <b>974,999</b>                          | <b>1,109,727</b>                        | <b>1,145,755</b>                        |

**Program 1.2 Key Performance Indicators**

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

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

**Program 1.3 objective and deliverables**

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

**Program expenses**

|   | 2009-10<br>Revised<br>budget<br>\$'000s | 2010-11<br>Budget<br>\$'000s | 2011-12<br>Forward<br>year 1<br>\$'000s | 2012-13<br>Forward<br>year 2<br>\$'000s | 2013-14<br>Forward<br>year 3<br>\$'000s |
|---|---|------------------------------|---|---|---|
| Annual administered expenses:                           |   |                              |   |   |   |
| Administered item (Bill 1)                              | 665,054                                 | 878,974                      | 855,715                                 | 969,161                                 | 974,587                                 |
| Special Account Expenses:                               |   |                              |   |   |   |
| Services for other Governments<br>and non agency bodies | 5,000                                   | 5,000                        | 5,000                                   | 5,000                                   | 5,000                                   |
| <b>Total program expenses</b>                           | <b>670,054</b>                          | <b>883,974</b>               | <b>860,715</b>                          | <b>974,161</b>                          | <b>979,587</b>                          |

**Program 1.3 Key Performance Indicators**

- Significant development results.
- Significant activity outputs.
- At least 75 per cent of activities receive a satisfactory quality rating.
- At least 75 per cent of program strategy objectives fully or partially achieved.
- Strategies in place for 100 per cent of country, regional or thematic programs.
- 90 per cent of activities report in accordance with AusAID quality systems during implementation.



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

**Program 1.4 objective and deliverables**

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

**Program expenses**

|                               | 2009-10<br>Revised<br>budget<br>\$'000s | 2010-11<br>Budget<br>\$'000s | 2011-12<br>Forward<br>year 1<br>\$'000s | 2012-13<br>Forward<br>year 2<br>\$'000s | 2013-14<br>Forward<br>year 3<br>\$'000s |
|-------------------------------|---|------------------------------|---|---|---|
| Annual administered expenses: |   |                              |   |   |   |
| Administered item (Bill 1)    | 221,621                                 | 299,745                      | 328,614                                 | 348,863                                 | 351,777                                 |
| <b>Total program expenses</b> | <b>221,621</b>                          | <b>299,745</b>               | <b>328,614</b>                          | <b>348,863</b>                          | <b>351,777</b>                          |

**Program 1.4 Key Performance Indicators**

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

**Program 1.5 Official Development Assistance – Multilateral Replenishments**

**Program 1.5 objective and deliverables**

- To assist developing countries through contributions to multilateral organisations.

**Program expenses**

|                               | 2009-10<br>Revised<br>budget<br>\$'000s | 2010-11<br>Budget<br>\$'000s | 2011-12<br>Forward<br>year 1<br>\$'000s | 2012-13<br>Forward<br>year 2<br>\$'000s | 2013-14<br>Forward<br>year 3<br>\$'000s |
|-------------------------------|---|------------------------------|---|---|---|
| Annual administered expenses: |   |                              |   |   |   |
| Administered item (Bill 1)    | -                                       | 448,145                      | 74,967                                  | 303,406                                 | 388,567                                 |
| Administered item (Bill 2)    | 2,439                                   | 315,002                      | -                                       | 238,145                                 | 315,002                                 |
| <b>Total program expenses</b> | <b>2,439</b>                            | <b>763,147</b>               | <b>74,967</b>                           | <b>541,551</b>                          | <b>703,569</b>                          |

**Program 1.5 Key Performance Indicators**

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

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

**Program 1.6 objective and deliverables**

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

**Program expenses**

|                               | 2009-10<br>Revised<br>budget<br>\$'000s | 2010-11<br>Budget<br>\$'000s | 2011-12<br>Forward<br>year 1<br>\$'000s | 2012-13<br>Forward<br>year 2<br>\$'000s | 2013-14<br>Forward<br>year 3<br>\$'000s |
|-------------------------------|---|------------------------------|---|---|---|
| Annual administered expenses: |   |                              |   |   |   |
| Administered item (Bill 1)    | 227,505                                 | 225,310                      | 429,652                                 | 503,060                                 | 511,037                                 |
| <b>Total program expenses</b> | <b>227,505</b>                          | <b>225,310</b>               | <b>429,652</b>                          | <b>503,060</b>                          | <b>511,037</b>                          |

**Program 1.6 Key Performance Indicators**

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

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

**Program 1.7 objective and deliverables**

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

**Program expenses**

|                               | 2009-10<br>Revised<br>budget<br>\$'000s | 2010-11<br>Budget<br>\$'000s | 2011-12<br>Forward<br>year 1<br>\$'000s | 2012-13<br>Forward<br>year 2<br>\$'000s | 2013-14<br>Forward<br>year 3<br>\$'000s |
|-------------------------------|---|------------------------------|---|---|---|
| Annual administered expenses: |   |                              |   |   |   |
| Administered item (Bill 1)    | 110,278                                 | 135,113                      | 140,912                                 | 146,416                                 | 150,186                                 |
| <b>Total program expenses</b> | <b>110,278</b>                          | <b>135,113</b>               | <b>140,912</b>                          | <b>146,416</b>                          | <b>150,186</b>                          |

**Program 1.7 Key Performance Indicators**

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

**Departmental Support: Outcome 1**

**Program objective**

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

**Program expenses**

|   | 2009-10<br>Revised<br>budget<br>\$'000s | 2010-11<br>Budget<br>\$'000s | 2011-12<br>Forward<br>year 1<br>\$'000s | 2012-13<br>Forward<br>year 2<br>\$'000s | 2013-14<br>Forward<br>year 3<br>\$'000s |
|---|---|------------------------------|---|---|---|
| Annual departmental expenses:                           |   |                              |   |   |   |
| Departmental item (Bill 1)                              | 134,915                                 | 206,513                      | 187,221                                 | 176,180                                 | 173,158                                 |
| Revenues from independent sources (s31)                 | 231                                     | 462                          | 462                                     | 462                                     | 462                                     |
| Expenses not requiring appropriation in the Budget year | -                                       | 7,276                        | 9,657                                   | 13,404                                  | 14,520                                  |
| <b>Total program expenses</b>                           | <b>135,146</b>                          | <b>214,251</b>               | <b>197,340</b>                          | <b>190,046</b>                          | <b>188,140</b>                          |

**Departmental Support Key Performance Indicators**

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

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

**Outcome 2 Strategy**

AusAID's second outcome reflects the Government's commitment to the Australia-Indonesia Partnership for Reconstruction and Development (AIPRD) which was established after the 2004 tsunami. The AIPRD is part of the overall Australian official development assistance program managed by AusAID.

The AIPRD is funded through \$500 million in grants and \$500 million in highly concessional loan funds held in two special accounts. All AIPRD funds have been committed to high priority reconstruction and development activities currently being implemented in Indonesia, all grants will be fully expended in 2009-10. The Indonesia bilateral program is funded under Outcome 1.

**Outcome Expense and Resource Statement**

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

**Table 2.1: Budgeted Expenses and Resources for Outcome 2**

| <b>Outcome 2: Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development</b> | 2009-10<br>Estimated<br>actual<br>expenses<br>\$'000 | 2010-11<br>Estimated<br>expenses<br>\$'000 |
|---|--|--|
| <b>Program 2.1: East Asia</b>   |  |  |
| Administered expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)   | 3,868  | 3,668                                      |
| AIPRD grant special account <sup>1</sup>  | 57,094   | -  |
| AIPRD loans special account <sup>1</sup>  | 70,000   | 70,000                                     |
| <b>Total for Program 2.1</b>  | <b>130,962</b>                                       | <b>73,668</b>                              |
| <b>Departmental Support</b>   |  |  |
| Departmental expenses   |  |  |
| Departmental item (Bill 1)  | 6,009  | 5,225                                      |
| <b>Total for Departmental Support</b>   | <b>6,009</b>   | <b>5,225</b>                               |
| <b>Outcome 2 Totals by appropriation type</b>   |  |  |
| Administered Expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)   | 3,868  | 3,668                                      |
| AIPRD grant special account <sup>1</sup>  | 57,094   | -  |
| AIPRD loans special account <sup>1</sup>  | 70,000   | 70,000                                     |
| Departmental expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1)   | 6,009  | 5,225                                      |
| <b>Total expenses for Outcome 2</b>   | <b>136,971</b>                                       | <b>78,893</b>                              |
|   | 2009-10  | 2010-11                                    |
| <b>Average Staffing Level (number)</b>  | 22   | 18   |

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

## Contributions to Outcome 2

|  |
|--|
| <b>Program 2.1 Official Development Assistance – East Asia</b>   |
| <b>Program 2.1 objective and deliverables</b>  |
| <ul style="list-style-type: none"> <li>To continue to assist Indonesia in reconstruction and development post the 2004 Tsunami.</li> </ul> |

### Program expenses

|   | 2009-10<br>Revised<br>budget<br>\$'000s | 2010-11<br>Budget<br>\$'000s | 2011-12<br>Forward<br>year 1<br>\$'000s | 2012-13<br>Forward<br>year 2<br>\$'000s | 2013-14<br>Forward<br>year 3<br>\$'000s |
|---|---|------------------------------|---|---|---|
| Annual administered expenses:             |   |                              |   |   |   |
| Administered item (Bill 1)                | 3,868                                   | 3,668                        | -                                       | -                                       | -                                       |
| Special Account Expenses:                 |   |                              |   |   |   |
| AIPRD grants special account <sup>1</sup> | 57,094                                  | -                            | -                                       | -                                       | -                                       |
| AIPRD loans special account <sup>1</sup>  | 70,000                                  | 70,000                       | 70,000                                  | 68,094                                  | -                                       |
| <b>Total program expenses</b>             | <b>130,962</b>                          | <b>73,668</b>                | <b>70,000</b>                           | <b>68,094</b>                           | <b>-</b>                                |

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

|  |
|--|
| <b>Program 2.1 Key Performance Indicators</b>  |
| <ul style="list-style-type: none"> <li>Significant development results.</li> <li>Significant activity outputs.</li> <li>At least 75 per cent of activities receive a satisfactory rating.</li> <li>At least 75 per cent of program strategy objectives fully or partially achieved.</li> <li>90 per cent compliance with Quality at Implementation process.</li> </ul> |

|  |
|--|
| <b>Departmental Support: Outcome 2</b>   |
| <b>Program objective</b>   |
| <ul style="list-style-type: none"> <li>To assist with the implementation of the AIPRD in Indonesia.</li> </ul> |

### Program expenses

|                               | 2009-10<br>Revised<br>budget<br>\$'000s | 2010-11<br>Budget<br>\$'000s | 2011-12<br>Forward<br>year 1<br>\$'000s | 2012-13<br>Forward<br>year 2<br>\$'000s | 2013-14<br>Forward<br>year 3<br>\$'000s |
|-------------------------------|---|------------------------------|---|---|---|
| Annual departmental expenses: |   |                              |   |   |   |
| Departmental item (Bill 1)    | 6,009                                   | 5,225                        | -                                       | -                                       | -                                       |
| <b>Total program expenses</b> | <b>6,009</b>                            | <b>5,225</b>                 | <b>-</b>                                | <b>-</b>                                | <b>-</b>                                |

## **Section 3: Explanatory tables and budgeted financial statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010-11 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

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

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

### 3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by AusAID.

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

|  |         | Opening<br>balance<br><b>2010-11</b><br><i>2009-10</i> | Receipts<br><b>2010-11</b><br><i>2009-10</i> | Payments<br><b>2010-11</b><br><i>2009-10</i> | Adjustments<br><b>2010-11</b><br><i>2009-10</i> | Closing<br>balance<br><b>2010-11</b><br><i>2009-10</i> |
|--|---------|--|--|--|---|--|
|  | Outcome | \$'000   | \$'000                                       | \$'000                                       | \$'000  | \$'000   |
| Services for Other Governments and Non-Agency Bodies (A).  | 1       | <b>571</b>   | <b>5,000</b>                                 | <b>5,000</b>                                 | -   | <b>571</b>   |
| <i>Financial Management and Accountability Act 1997 s.20</i>                                     |         | <i>571</i>   | <i>5,000</i>                                 | <i>5,000</i>                                 | -   | <i>571</i>   |
| Other Trust Moneys Account (D).  | 1       | -  | -  | -  | -   | -  |
| <i>Financial Management and Accountability Act 1997 s.20</i>                                     |         | -  | -  | -  | -   | -  |
| Australia-Indonesia Partnership for Reconstruction and Development (Grants) Special Account (A). | 2       | -  | -  | -  | -   | -  |
| <i>Financial Management and Accountability Act 1997 s.20</i>                                     |         | <i>57,094</i>  | -  | <i>57,094</i>                                | -   | -  |
| Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account (A).  | 2       | <b>208,345</b>   | -  | <b>70,000</b>                                | -   | <b>138,345</b>   |
| <i>Financial Management and Accountability Act 1997 s.20</i>                                     |         | <i>278,345</i>   | -  | <i>70,000</i>                                | -   | <i>208,345</i>   |
| <b>Total Special Accounts</b>  |         |  |  |  |   |  |
| <b>2010-11 Budget estimate</b>   |         | <b>208,916</b>   | <b>5,000</b>                                 | <b>75,000</b>                                | -   | <b>138,916</b>   |
| <i>Total Special Accounts</i>  |         |  |  |  |   |  |
| <i>2009-10 estimate actual</i>   |         | <i>336,010</i>   | <i>5,000</i>                                 | <i>132,094</i>                               | -   | <i>208,916</i>   |

(A) = Administered  
(D) = Departmental



### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure**

| Outcome 1                         | Appropriations          |                         |                             |                           | Other<br>\$'000 | Total<br>\$'000 | Program   |
|-----------------------------------|-------------------------|-------------------------|-----------------------------|---------------------------|-----------------|-----------------|-----------|
|                                   | Bill<br>No. 1<br>\$'000 | Bill<br>No. 2<br>\$'000 | Special<br>approp<br>\$'000 | Total<br>approp<br>\$'000 |                 |                 |           |
| <b>AusAID</b>                     |                         |                         |                             |                           |                 |                 |           |
| <b>Outcome 1</b>                  |                         |                         |                             |                           |                 |                 |           |
| Departmental 2010-11              | 100                     | -                       | -                           | -                         | -               | 100             | DS        |
| <i>Departmental 2009-10</i>       | <i>44</i>               | -                       | -                           | -                         | -               | <i>44</i>       | <i>DS</i> |
| Total outcome 2010-11             | 100                     | -                       | -                           | -                         | -               | 100             | DS        |
| <i>Total outcome 2009-10</i>      | <i>44</i>               | -                       | -                           | -                         | -               | <i>44</i>       | <i>DS</i> |
| Total departmental 2010-11        | 100                     | -                       | -                           | -                         | -               | 100             | DS        |
| <i>Total departmental 2009-10</i> | <i>44</i>               | -                       | -                           | -                         | -               | <i>44</i>       | <i>DS</i> |
| <b>Total AGIE 2010-11</b>         | <b>100</b>              | -                       | -                           | -                         | -               | <b>100</b>      | <b>DS</b> |
| <i>Total AGIE 2009-10</i>         | <i>44</i>               | -                       | -                           | -                         | -               | <i>44</i>       | <i>DS</i> |

DS = departmental support

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

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

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

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

### **3.2.2 Analysis of budgeted financial statements**

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

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

The net cost of services in 2010–11 is estimated to be \$218.6 million, an increase of \$77.3 million from the 2009–10 estimated actual. The departmental budget has grown by \$23.9 million due to new funding to manage the expanded aid program and \$45.0 million due to a transfer of appropriation from administered to departmental to enable the implementation of a new classification guideline established for AusAID by the Department of Finance and Deregulation.

Total expenses are estimated to be \$219.2 million, an increase of \$77.6 million from the 2009–10 estimated actual. The increase is primarily due to costs associated with managing an increased volume of development assistance. The income statement shows a budgeted deficit in 2010–11 of \$7.3 million, due to the removal of funding for depreciation and amortisation under the net cash funding arrangements.

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

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

AusAID's budgeted net asset position of \$40.9 million is an increase of \$12.5 million over the 2009–10 estimated actual net asset position. The increase is attributable to the

capital injections related to new and prior year measures received through the 2010-11 Budget.

AusAID's most significant liability continues to be accrued employee entitlements, as a result of accruing leave entitlements. In 2010-11 this is estimated at \$23.0 million.

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

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

### **Departmental statement of changes in equity – summary of movement**

This statement shows changes in equity resulting from the net impact of movements in accumulated results, asset revaluation and other reserves, and contributed equity. Total equity in 2010-11 is estimated to be \$40.9 million, an increase of \$12.5 million from the 2009-10 estimated actual.

### **Schedule of Administered Activity**

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

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

In 2010-11 AusAID will receive administered appropriation of \$3,424.5 million (excluding capital funding) for programs administered on behalf of the Government, representing an increase of \$587.3 million from the 2009-10 estimated actual.

Administered expenses for 'Official Development Assistance Program' are budgeted at \$319.7 million, an increase of \$59.1 million from the 2009-10 estimated actual. This amount covers grant payments to UN, Commonwealth and other international organisations.

Administered expenses for 'Other - official development assistance program' are budgeted at \$3,022.6 million, an increase of \$385.0 million from the 2009-10 estimated actual. This amount covers the remainder of the aid program, excluding multilateral replenishments.

The expenses 'Concessional loan discount' relates to the discounting of the AIPRD loans.

The expenses 'Concessional investment discount' relates to the discounting of the investment components of the replenishments for the IDA and the ADF.

*AusAID Budget Statements*

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

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

### 3.2.3 Budgeted financial statements tables

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

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>EXPENSES</b>  |  |   |  |  |  |
| Employee benefits  | 94,605                                   | 116,913                                 | 131,232                                  | 129,307                                  | 131,704                                  |
| Supplier expenses  | 40,176                                   | 94,910                                  | 56,905                                   | 47,790                                   | 42,442                                   |
| Depreciation and amortisation  | 6,733                                    | 7,276                                   | 9,657                                    | 13,404                                   | 14,520                                   |
| Write-down and impairment of assets  | 128                                      | 130                                     | 133                                      | 136                                      | 138                                      |
| <b>Total expenses</b>  | <b>141,642</b>                           | <b>219,229</b>                          | <b>197,927</b>                           | <b>190,637</b>                           | <b>188,804</b>                           |
| <b>LESS:</b>   |  |   |  |  |  |
| <b>OWN-SOURCE INCOME</b>   |  |   |  |  |  |
| <b>Revenue</b>   |  |   |  |  |  |
| Other  | 231                                      | 462                                     | 462                                      | 462                                      | 462                                      |
| <b>Total revenue</b>   | <b>231</b>                               | <b>462</b>                              | <b>462</b>                               | <b>462</b>                               | <b>462</b>                               |
| <b>Gains</b>   |  |   |  |  |  |
| Other  | 118                                      | 122                                     | 125                                      | 129                                      | 133                                      |
| <b>Total gains</b>   | <b>118</b>                               | <b>122</b>                              | <b>125</b>                               | <b>129</b>                               | <b>133</b>                               |
| <b>Total own-source income</b>   | <b>349</b>                               | <b>584</b>                              | <b>587</b>                               | <b>591</b>                               | <b>595</b>                               |
| <b>Net cost of (contribution by)<br/>services</b>                          | <b>141,293</b>                           | <b>218,645</b>                          | <b>197,340</b>                           | <b>190,046</b>                           | <b>188,209</b>                           |
| Revenue from Government  | 141,293                                  | 211,369                                 | 187,683                                  | 176,642                                  | 173,689                                  |
| <b>Surplus (Deficit)</b>   | <b>-</b>                                 | <b>(7,276)</b>                          | <b>(9,657)</b>                           | <b>(13,404)</b>                          | <b>(14,520)</b>                          |
| <b>Surplus (Deficit) attributable to<br/>the Australian Government</b>     | <b>-</b>                                 | <b>(7,276)</b>                          | <b>(9,657)</b>                           | <b>(13,404)</b>                          | <b>(14,520)</b>                          |
| <b>Note: Reconciliation of operating result attributable to the agency</b> |  |   |  |  |  |
|  | 2009-10<br>\$'000                        | 2010-11<br>\$'000                       | 2011-12<br>\$'000                        | 2012-13<br>\$'000                        | 2012-13<br>\$'000                        |
| <b>Operating result attributable to the<br/>Australian Government</b>      | -  | (7,276)                                 | (9,657)                                  | (13,404)                                 | (14,520)                                 |
| plus non-appropriated expenses<br>depreciation and amortisation expenses   | -  | 7,276                                   | 9,657                                    | 13,404                                   | 14,520                                   |
| <b>Operating result attributable to the<br/>Agency</b>                     | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS</b>                             |  |   |  |  |  |
| <b>Financial assets</b>                   |  |   |  |  |  |
| Cash and equivalents                      | 3,387                                    | 10,501                                  | 4,802                                    | 9,766                                    | 13,264                                   |
| Other receivables                         | 26,091                                   | 25,299                                  | 25,442                                   | 27,615                                   | 27,615                                   |
| <b>Total financial assets</b>             | <b>29,478</b>                            | <b>35,800</b>                           | <b>30,244</b>                            | <b>37,381</b>                            | <b>40,879</b>                            |
| <b>Non-financial assets</b>               |  |   |  |  |  |
| Leasehold improvements                    | 19,808                                   | 19,727                                  | 19,097                                   | 18,161                                   | 17,512                                   |
| Property, plant and equipment             | 7,226                                    | 20,814                                  | 33,987                                   | 30,545                                   | 25,700                                   |
| Intangibles                               | 2,722                                    | 1,692                                   | 1,692                                    | 1,692                                    | 1,692                                    |
| Other                                     | 4,231                                    | 4,231                                   | 4,231                                    | 4,231                                    | 4,231                                    |
| <b>Total non-financial assets</b>         | <b>33,987</b>                            | <b>46,464</b>                           | <b>59,007</b>                            | <b>54,629</b>                            | <b>49,135</b>                            |
| <b>Total assets</b>                       | <b>63,465</b>                            | <b>82,264</b>                           | <b>89,251</b>                            | <b>92,010</b>                            | <b>90,014</b>                            |
| <b>LIABILITIES</b>                        |  |   |  |  |  |
| <b>Payables</b>                           |  |   |  |  |  |
| Suppliers                                 | 8,249                                    | 13,902                                  | 7,657                                    | 14,084                                   | 16,850                                   |
| Other                                     | 4,510                                    | 4,510                                   | 4,510                                    | 4,510                                    | 4,510                                    |
| <b>Total payables</b>                     | <b>12,759</b>                            | <b>18,412</b>                           | <b>12,167</b>                            | <b>18,594</b>                            | <b>21,360</b>                            |
| <b>Provisions</b>                         |  |   |  |  |  |
| Employee provisions                       | 22,311                                   | 22,980                                  | 23,669                                   | 24,379                                   | 25,111                                   |
| <b>Total provisions</b>                   | <b>22,311</b>                            | <b>22,980</b>                           | <b>23,669</b>                            | <b>24,379</b>                            | <b>25,111</b>                            |
| <b>Total liabilities</b>                  | <b>35,070</b>                            | <b>41,392</b>                           | <b>35,836</b>                            | <b>42,973</b>                            | <b>46,471</b>                            |
| <b>Net assets</b>                         | <b>28,395</b>                            | <b>40,872</b>                           | <b>53,415</b>                            | <b>49,037</b>                            | <b>43,543</b>                            |
| <b>EQUITY*</b>                            |  |   |  |  |  |
| <b>Parent entity interest</b>             |  |   |  |  |  |
| Contributed equity                        | 23,756                                   | 43,509                                  | 65,709                                   | 74,735                                   | 83,761                                   |
| Reserves                                  | 374                                      | 374                                     | 374                                      | 374                                      | 374                                      |
| Retained surplus<br>(accumulated deficit) | 4,265                                    | (3,011)                                 | (12,668)                                 | (26,072)                                 | (40,592)                                 |
| <b>Total parent entity interest</b>       | <b>28,395</b>                            | <b>40,872</b>                           | <b>53,415</b>                            | <b>49,037</b>                            | <b>43,543</b>                            |
| <b>Total equity</b>                       | <b>28,395</b>                            | <b>40,872</b>                           | <b>53,415</b>                            | <b>49,037</b>                            | <b>43,543</b>                            |

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

|   | Retained<br>earnings<br>\$'000 | Asset<br>revaluation<br>reserve<br>\$'000 | Other<br>reserves<br>\$'000 | Contributed<br>equity/<br>capital<br>\$'000 | Total<br>equity<br>\$'000 |
|---|--------------------------------|---|-----------------------------|---|---------------------------|
| <b>Opening balance as at 1 July 2010</b>                            |                                |   |                             |   |                           |
| Balance carried forward from<br>previous period                     | 4,265                          | 374                                       | -                           | 23,756                                      | 28,395                    |
| <b>Adjusted opening balance</b>                                     | <b>4,265</b>                   | <b>374</b>                                | <b>-</b>                    | <b>23,756</b>                               | <b>28,395</b>             |
| <b>Comprehensive income</b>   |                                |   |                             |   |                           |
| Surplus (deficit) for the period                                    | (7,276)                        | -   | -                           | -   | (7,276)                   |
| <b>Total comprehensive income<br/>recognised directly in equity</b> | <b>(7,276)</b>                 | <b>-</b>                                  | <b>-</b>                    | <b>-</b>                                    | <b>(7,276)</b>            |
| <b>Transactions with owners</b>                                     |                                |   |                             |   |                           |
| <i>Contributions by owners</i>                                      |                                |   |                             |   |                           |
| Appropriation (equity injection)                                    | -                              | -   | -                           | 12,326                                      | 12,326                    |
| Appropriation (departmental<br>capital budget)                      | -                              | -   | -                           | 7,427                                       | 7,427                     |
| <b>Sub-total transactions with owners</b>                           | <b>-</b>                       | <b>-</b>                                  | <b>-</b>                    | <b>19,753</b>                               | <b>19,753</b>             |
| Transfers between equity<br>components                              | -                              | -   | -                           | -   | -                         |
| <b>Estimated closing balance<br/>as at 30 June 2011</b>             | <b>(3,011)</b>                 | <b>374</b>                                | <b>-</b>                    | <b>43,509</b>                               | <b>40,872</b>             |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Goods and services  | 841                                      | 462                                     | 462                                      | 462                                      | 462                                      |
| Appropriations  | 131,716                                  | 191,616                                 | 165,483                                  | 167,616                                  | 164,663                                  |
| Net GST Received  | 123                                      | 130                                     | 179                                      | 151                                      | 134                                      |
| <b>Total cash received</b>  | <b>132,680</b>                           | <b>192,208</b>                          | <b>166,124</b>                           | <b>168,229</b>                           | <b>165,259</b>                           |
| <b>Cash used</b>  |  |   |  |  |  |
| Employees   | 93,717                                   | 116,244                                 | 130,543                                  | 128,597                                  | 130,972                                  |
| Suppliers   | 29,145                                   | 68,850                                  | 41,280                                   | 34,668                                   | 30,789                                   |
| <b>Total cash used</b>  | <b>122,862</b>                           | <b>185,094</b>                          | <b>171,823</b>                           | <b>163,265</b>                           | <b>161,761</b>                           |
| <b>Net cash from (used by)<br/>operating activities</b>                 | <b>9,818</b>                             | <b>7,114</b>                            | <b>(5,699)</b>                           | <b>4,964</b>                             | <b>3,498</b>                             |
| <b>INVESTING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Proceeds from sale of assets  | 51                                       | -                                       | -  | -  | -  |
| <b>Total cash received</b>  | <b>51</b>                                | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Cash used</b>  |  |   |  |  |  |
| Purchase of property, plant<br>and equipment                            | 9,577                                    | 19,753                                  | 22,200                                   | 9,026                                    | 9,026                                    |
| <b>Total cash used</b>  | <b>9,577</b>                             | <b>19,753</b>                           | <b>22,200</b>                            | <b>9,026</b>                             | <b>9,026</b>                             |
| <b>Net cash from (used by)<br/>investing activities</b>                 | <b>(9,526)</b>                           | <b>(19,753)</b>                         | <b>(22,200)</b>                          | <b>(9,026)</b>                           | <b>(9,026)</b>                           |
| <b>FINANCING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Contributed equity  | 2,828                                    | 19,753                                  | 22,200                                   | 9,026                                    | 9,026                                    |
| <b>Total cash received</b>  | <b>2,828</b>                             | <b>19,753</b>                           | <b>22,200</b>                            | <b>9,026</b>                             | <b>9,026</b>                             |
| <b>Cash used</b>  |  |   |  |  |  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total cash used</b>  | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net cash from (used by)<br/>financing activities</b>                 | <b>2,828</b>                             | <b>19,753</b>                           | <b>22,200</b>                            | <b>9,026</b>                             | <b>9,026</b>                             |
| <b>Net increase (decrease)<br/>in cash held</b>                         | <b>3,120</b>                             | <b>7,114</b>                            | <b>(5,699)</b>                           | <b>4,964</b>                             | <b>3,498</b>                             |
| Cash and cash equivalents at the<br>beginning of the reporting period   | 267                                      | 3,387                                   | 10,501                                   | 4,802                                    | 9,766                                    |
| <b>Cash and cash equivalents at the<br/>end of the reporting period</b> | <b>3,387</b>                             | <b>10,501</b>                           | <b>4,802</b>                             | <b>9,766</b>                             | <b>13,264</b>                            |

Prepared on Australian Accounting Standards basis.



**Table 3.2.5: Departmental Capital Budget Statement**

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>  |  |   |  |  |  |
| Departmental capital budget - Bill 1 (DCB)                                   | -  | 7,427                                   | 8,170                                    | 8,986                                    | 8,986                                    |
| Equity injections - Bill 2   | 2,828                                    | 12,326                                  | 14,030                                   | 40                                       | 40                                       |
| <b>Total capital appropriations</b>  | <b>2,828</b>                             | <b>19,753</b>                           | <b>22,200</b>                            | <b>9,026</b>                             | <b>9,026</b>                             |
| <b>Total new capital appropriations</b>                                      |  |   |  |  |  |
| <b>Represented by:</b>   |  |   |  |  |  |
| Purchase of non-financial assets   | 2,828                                    | 19,753                                  | 22,200                                   | 9,026                                    | 9,026                                    |
| <b>Total Items</b>   | <b>2,828</b>                             | <b>19,753</b>                           | <b>22,200</b>                            | <b>9,026</b>                             | <b>9,026</b>                             |
| <b>PURCHASE OF NON-FINANCIAL ASSETS</b>                                      |  |   |  |  |  |
| Funded by capital appropriations   | 2,828                                    | 12,326                                  | 14,030                                   | 40                                       | 40                                       |
| Funded by capital appropriation - DCB  | -  | 7,427                                   | 8,170                                    | 8,986                                    | 8,986                                    |
| Funded internally from departmental resources <sup>1</sup>                   | 6,749                                    | -                                       | -  | -  | -  |
| <b>TOTAL</b>   | <b>9,577</b>                             | <b>19,753</b>                           | <b>22,200</b>                            | <b>9,026</b>                             | <b>9,026</b>                             |
| <b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b> |  |   |  |  |  |
| Total purchases  | <b>9,577</b>                             | <b>19,753</b>                           | <b>22,200</b>                            | <b>9,026</b>                             | <b>9,026</b>                             |
| <b>Total cash used to acquire assets</b>                                     | <b>9,577</b>                             | <b>19,753</b>                           | <b>22,200</b>                            | <b>9,026</b>                             | <b>9,026</b>                             |

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2010-11)**

|   | Buildings     | Other property,<br>plant and<br>equipment | Intangibles  | Total         |
|---|---------------|---|--------------|---------------|
|   | \$'000        | \$'000                                    | \$'000       | \$'000        |
| <b>As at 1 July 2010</b>                                      |               |   |              |               |
| Gross book value  | 25,556        | 12,657                                    | 10,500       | 48,713        |
| Accumulated depreciation/amortisation<br>and impairment       | (5,748)       | (5,431)                                   | (7,778)      | (18,957)      |
| <b>Opening net book balance</b>                               | <b>19,808</b> | <b>7,226</b>                              | <b>2,722</b> | <b>29,756</b> |
| <b>CAPITAL ASSET ADDITIONS</b>                                |               |   |              |               |
| <b>Estimated expenditure on<br/>new or replacement assets</b> |               |   |              |               |
| By purchase - appropriation equity                            | -             | 12,326                                    | -            | 12,326        |
| By purchase - appropriation ordinary<br>annual services       | 2,389         | 4,925                                     | 113          | 7,427         |
| <b>Total additions</b>  | <b>2,389</b>  | <b>17,251</b>                             | <b>113</b>   | <b>19,753</b> |
| <b>Other movements</b>  |               |   |              |               |
| Depreciation/amortisation expense                             | (2,470)       | (3,663)                                   | (1,143)      | (7,276)       |
| <b>As at 30 June 2011</b>                                     |               |   |              |               |
| Gross book value  | 27,945        | 29,908                                    | 10,613       | 68,466        |
| Accumulated depreciation/amortisation<br>and impairment       | (8,218)       | (9,094)                                   | (8,921)      | (26,233)      |
| <b>Closing net book balance</b>                               | <b>19,727</b> | <b>20,814</b>                             | <b>1,692</b> | <b>42,233</b> |

Prepared on Australian Accounting Standards basis.

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

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>         |  |   |  |  |  |
| <b>Revenue</b>   |  |   |  |  |  |
| <b>Non-taxation revenue</b>                                |  |   |  |  |  |
| Interest   | 2,606                                    | 3,499                                   | 4,393                                    | 5,286                                    | -  |
| Other  | 4,538                                    | 4,811                                   | 5,099                                    | 5,405                                    | 5,729                                    |
| <b>Total non-taxation revenue</b>                          | <b>7,144</b>                             | <b>8,310</b>                            | <b>9,492</b>                             | <b>10,691</b>                            | <b>5,729</b>                             |
| <b>Total revenues administered on behalf of Government</b> | <b>7,144</b>                             | <b>8,310</b>                            | <b>9,492</b>                             | <b>10,691</b>                            | <b>5,729</b>                             |
| <b>Gains</b>   |  |   |  |  |  |
| Other  | -  | -                                       | -  | -  | -  |
| <b>Total gains administered on behalf of Government</b>    | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Total income administered on behalf of Government</b>   | <b>7,144</b>                             | <b>8,310</b>                            | <b>9,492</b>                             | <b>10,691</b>                            | <b>5,729</b>                             |
| <b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>       |  |   |  |  |  |
| IDA/ADF grants   | -  | 78,751                                  | -  | 79,382                                   | 78,751                                   |
| Official Development Assistance Program                    | 260,591                                  | 319,701                                 | 504,619                                  | 503,060                                  | 545,850                                  |
| Other - Official Development Assistance Program            | 2,637,645                                | 3,022,600                               | 3,333,136                                | 3,655,218                                | 3,643,987                                |
| Depreciation and amortisation                              | 1,533                                    | 1,699                                   | 1,703                                    | 2,713                                    | 1,507                                    |
| Concessional loan discount                                 | 59,500                                   | 59,500                                  | 59,500                                   | 58,094                                   | -  |
| Concessional investment discount                           | -  | 275,003                                 | -  | 224,024                                  | 275,003                                  |
| <b>Total expenses administered on behalf of Government</b> | <b>2,959,269</b>                         | <b>3,757,254</b>                        | <b>3,898,958</b>                         | <b>4,522,491</b>                         | <b>4,545,098</b>                         |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>            |  |   |  |  |  |
| <b>Financial assets</b>                                       |  |   |  |  |  |
| Cash and cash equivalents                                     | 11,306                                   | 11,306                                  | 11,306                                   | 11,306                                   | 11,306                                   |
| Appropriation receivable                                      | 1,790,357                                | 1,926,778                               | 1,669,335                                | 1,644,094                                | 1,795,604                                |
| AIPRD loan receivable   | 41,127                                   | 51,627                                  | 62,127                                   | 72,379                                   | 72,379                                   |
| IDA/ADF Investment  | 887,015                                  | 927,014                                 | 927,014                                  | 941,138                                  | 981,138                                  |
| Other   | 11,249                                   | 11,566                                  | 11,568                                   | 11,568                                   | 11,568                                   |
| <b>Total financial assets</b>                                 | <b>2,741,054</b>                         | <b>2,928,291</b>                        | <b>2,681,350</b>                         | <b>2,680,485</b>                         | <b>2,871,995</b>                         |
| <b>Non-financial assets</b>                                   |  |   |  |  |  |
| Leasehold improvements  | 1,128                                    | 734                                     | 1,784                                    | 3,284                                    | 4,491                                    |
| Property, plant and equipment                                 | 2,579                                    | 3,433                                   | 2,995                                    | 1,213                                    | 904                                      |
| Intangibles   | 2,693                                    | 2,507                                   | 2,362                                    | 2,318                                    | 2,300                                    |
| Other   | 368                                      | 368                                     | 368                                      | 368                                      | 368                                      |
| <b>Total non-financial assets</b>                             | <b>6,768</b>                             | <b>7,042</b>                            | <b>7,509</b>                             | <b>7,183</b>                             | <b>8,063</b>                             |
| <b>Total assets administered on behalf of Government</b>      | <b>2,747,822</b>                         | <b>2,935,333</b>                        | <b>2,688,859</b>                         | <b>2,687,668</b>                         | <b>2,880,058</b>                         |
| <b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>       |  |   |  |  |  |
| <b>Payables</b>   |  |   |  |  |  |
| Suppliers   | 344,489                                  | 366,025                                 | 368,685                                  | 368,684                                  | 368,684                                  |
| Development assistance<br>Program                             | 155,454                                  | 173,374                                 | 205,864                                  | 166,925                                  | 162,761                                  |
| IDA/ADF grants payable  | 248,091                                  | 275,189                                 | 224,814                                  | 251,526                                  | 277,268                                  |
| IDA/ADF investment payable                                    | 834,818                                  | 975,764                                 | 804,381                                  | 861,122                                  | 992,446                                  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total payables</b>   | <b>1,582,852</b>                         | <b>1,790,352</b>                        | <b>1,603,744</b>                         | <b>1,648,257</b>                         | <b>1,801,159</b>                         |
| <b>Provisions</b>   |  |   |  |  |  |
| Other   | 152                                      | 152                                     | 152                                      | 152                                      | 152                                      |
| <b>Total provisions</b>                                       | <b>152</b>                               | <b>152</b>                              | <b>152</b>                               | <b>152</b>                               | <b>152</b>                               |
| <b>Total liabilities administered on behalf of Government</b> | <b>1,583,004</b>                         | <b>1,790,504</b>                        | <b>1,603,896</b>                         | <b>1,648,409</b>                         | <b>1,801,311</b>                         |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>                                     |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Net GST received  | 84,436                                   | 92,828                                  | 86,830                                   | 92,758                                   | 95,858                                   |
| Other   | 4,538                                    | 4,811                                   | 5,099                                    | 5,405                                    | 5,729                                    |
| <b>Total cash received</b>                                      | <b>88,974</b>                            | <b>97,639</b>                           | <b>91,929</b>                            | <b>98,163</b>                            | <b>101,587</b>                           |
| <b>Cash used</b>  |  |   |  |  |  |
| Development assistance<br>Program                               | 3,342,116                                | 3,533,218                               | 4,007,249                                | 4,069,401                                | 3,881,651                                |
| Net GST paid  | 85,168                                   | 93,524                                  | 86,221                                   | 93,754                                   | 97,165                                   |
| <b>Total cash used</b>  | <b>3,427,284</b>                         | <b>3,626,742</b>                        | <b>4,093,470</b>                         | <b>4,163,155</b>                         | <b>3,978,816</b>                         |
| <b>Net cash from (used by)<br/>operating activities</b>         | <b>(3,338,310)</b>                       | <b>(3,529,103)</b>                      | <b>(4,001,541)</b>                       | <b>(4,064,992)</b>                       | <b>(3,877,229)</b>                       |
| <b>INVESTING ACTIVITIES</b>                                     |  |   |  |  |  |
| <b>Cash used</b>  |  |   |  |  |  |
| Purchase of property, plant<br>and equipment                    | -  | 1,973                                   | 2,170                                    | 2,387                                    | 2,386                                    |
| <b>Total cash used</b>  | <b>-</b>                                 | <b>1,973</b>                            | <b>2,170</b>                             | <b>2,387</b>                             | <b>2,386</b>                             |
| <b>Net cash from (used by)<br/>investing activities</b>         | <b>-</b>                                 | <b>(1,973)</b>                          | <b>(2,170)</b>                           | <b>(2,387)</b>                           | <b>(2,386)</b>                           |
| <b>FINANCING ACTIVITIES</b>                                     |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Proceeds from borrowing   | 85,168                                   | 93,524                                  | 86,221                                   | 93,754                                   | 97,165                                   |
| Cash from equity injections                                     | 6,252                                    | 318,815                                 | 3,909                                    | 242,170                                  | 319,133                                  |
| <b>Total cash received</b>                                      | <b>91,420</b>                            | <b>412,339</b>                          | <b>90,130</b>                            | <b>335,924</b>                           | <b>416,298</b>                           |
| <b>Cash used</b>  |  |   |  |  |  |
| Net repayment of borrowings                                     | 84,436                                   | 92,828                                  | 86,830                                   | 92,758                                   | 95,858                                   |
| Other   | 4,538                                    | 4,811                                   | 5,099                                    | 5,405                                    | 5,729                                    |
| <b>Total cash used</b>  | <b>88,974</b>                            | <b>97,639</b>                           | <b>91,929</b>                            | <b>98,163</b>                            | <b>101,587</b>                           |
| <b>Net cash from (used by)<br/>financing activities</b>         | <b>(2,446)</b>                           | <b>(314,700)</b>                        | <b>1,799</b>                             | <b>(237,761)</b>                         | <b>(314,711)</b>                         |
| <b>Net increase (decrease) in<br/>cash held</b>                 |  |   |  |  |  |
| Cash and cash equivalents at<br>beginning of reporting period   | 11,306                                   | 11,306                                  | 11,306                                   | 11,306                                   | 11,306                                   |
| Cash from Official Public<br>Account for:                       |  |   |  |  |  |
| - Appropriations  | 3,130,509                                | 3,479,790                               | 4,003,726                                | 4,364,758                                | 4,338,366                                |
| - Special Accounts  | 127,904                                  | 75,000                                  | 75,000                                   | 75,000                                   | 5,000                                    |
| <b>Cash and cash equivalents at<br/>end of reporting period</b> | <b>11,306</b>                            | <b>11,306</b>                           | <b>11,306</b>                            | <b>11,306</b>                            | <b>11,306</b>                            |

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of Administered Capital Budget**

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>  |  |   |  |  |  |
| Departmental capital budget - Bill 1 (ACB)                                   | -  | 1,973                                   | 2,170                                    | 2,387                                    | 2,386                                    |
| Administered assets and liabilities - Bill 2 <sup>1</sup>                    | 6,252                                    | 318,815                                 | 3,909                                    | 242,170                                  | 319,133                                  |
| <b>Total capital appropriations</b>  | <b>6,252</b>                             | <b>320,788</b>                          | <b>6,079</b>                             | <b>244,557</b>                           | <b>321,519</b>                           |
| <b>Total new capital appropriations</b>                                      |  |   |  |  |  |
| <b>Represented by:</b>   |  |   |  |  |  |
| Purchase of non-financial assets   | -  | 1,973                                   | 2,170                                    | 2,387                                    | 2,386                                    |
| Other Items  | 6,252                                    | 318,815                                 | 3,909                                    | 242,170                                  | 319,133                                  |
| <b>Total Items</b>   | <b>6,252</b>                             | <b>320,788</b>                          | <b>6,079</b>                             | <b>244,557</b>                           | <b>321,519</b>                           |
| <b>PURCHASE OF NON-FINANCIAL ASSETS</b>                                      |  |   |  |  |  |
| Funded by capital appropriation - ACB  | -  | 1,973                                   | 2,170                                    | 2,387                                    | 2,386                                    |
| Funded internally from administered resources <sup>2</sup>                   | 1,794                                    | -                                       | -  | -  | -  |
| <b>TOTAL</b>   | <b>1,794</b>                             | <b>1,973</b>                            | <b>2,170</b>                             | <b>2,387</b>                             | <b>2,386</b>                             |
| <b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b> |  |   |  |  |  |
| Total purchases  | 1,794                                    | 1,973                                   | 2,170                                    | 2,387                                    | 2,386                                    |
| <b>Total cash used to acquire assets</b>                                     | <b>1,794</b>                             | <b>1,973</b>                            | <b>2,170</b>                             | <b>2,387</b>                             | <b>2,386</b>                             |

ACB = Administered Capital Budget

1. Administered assets and liabilities relates to funding received for new and existing multilateral replenishments.
2. Includes the following sources of funding:
  - annual and prior year appropriations
  - donations and contributions
  - gifts
  - internally developed assets

Prepared on Australian Accounting Standards basis.

**Table 3.2.11: Schedule of Asset Movements - Administered**

|   | Buildings    | Other<br>property,<br>plant and<br>equipment | Intangibles  | Total        |
|---|--------------|--|--------------|--------------|
|   | \$'000       | \$'000                                       | \$'000       | \$'000       |
| <b>As at 1 July 2010</b>                                      |              |  |              |              |
| Gross book value  | 2,307        | 9,257  | 3,224        | 14,788       |
| Accumulated depreciation/amortisation and<br>impairment       | (1,179)      | (6,678)                                      | (531)        | (8,388)      |
| <b>Opening net book balance</b>                               | <b>1,128</b> | <b>2,579</b>                                 | <b>2,693</b> | <b>6,400</b> |
| <b>CAPITAL ASSET ADDITIONS</b>                                |              |  |              |              |
| <b>Estimated expenditure on<br/>new or replacement assets</b> |              |  |              |              |
| By purchase - appropriation ordinary<br>annual services       | 675          | 1,298  | -            | 1,973        |
| <b>Total additions</b>  | <b>675</b>   | <b>1,298</b>                                 | <b>-</b>     | <b>1,973</b> |
| <b>Other movements</b>  |              |  |              |              |
| Depreciation/amortisation expense                             | (1,069)      | (444)  | (186)        | (1,699)      |
| <b>As at 30 June 2011</b>                                     |              |  |              |              |
| Gross book value  | 2,982        | 10,555                                       | 3,224        | 16,761       |
| Accumulated depreciation/amortisation and<br>impairment       | (2,248)      | (7,122)                                      | (717)        | (10,087)     |
| <b>Closing net book balance</b>                               | <b>734</b>   | <b>3,433</b>                                 | <b>2,507</b> | <b>6,674</b> |

Prepared on Australian Accounting Standards basis.

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

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

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

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

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

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

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

#### **Asset Valuation**

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



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

## **Agency resources and planned performance**



# AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

|  |            |
|--|------------|
| <b>Section 1: Agency overview and resources</b> .....                        | <b>141</b> |
| 1.1 Strategic Direction Statement.....                                       | 141        |
| 1.2 Agency Resource Statement.....   | 143        |
| 1.3 Budget Measures.....   | 143        |
| <b>Section 2: Outcomes and planned performance</b> .....                     | <b>144</b> |
| 2.1 Outcomes and performance information .....                               | 144        |
| <b>Section 3: Explanatory tables and budgeted financial statements</b> ..... | <b>149</b> |
| 3.1 Explanatory tables .....   | 149        |
| 3.2 Budgeted Financial Statements.....                                       | 151        |



# AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

In 2010-11 the Australian Centre for International Agricultural Research (ACIAR) will advance the Government's aid objective of assisting developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest. In partnership with Australian and developing country research scientists, ACIAR will implement research and development (R&D) programs to increase agricultural productivity and sustainability in developing countries of the Asia-Pacific region and countries in sub-Saharan Africa.

ACIAR will implement five programs, linked to the *Australian Government's Food Security through Rural Development* initiative, to help increase food security in partner countries. The programs are:

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

ACIAR's R&D investment also complements and where applicable, operates under the umbrella of a number of AusAID development programs, such as the Cambodian Agricultural Value Chain Program (CAVAC) in Cambodia. Total appropriation in 2010-11 will amount to \$70.9m, with an additional \$17.2m from AusAID for specific activities.

Regional allocations for ACIAR's total R&D project budget in 2010-11 are:

- Papua New Guinea (PNG) and Pacific – 18 per cent;

### *ACIAR Budget Statements*

- Indonesia, East Timor and Philippines – 32 per cent;
- Mekong Countries – 23 per cent;
- South Asia – 18 per cent; and
- Sub-Saharan Africa – 9 per cent.

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

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

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

New research partnerships will emphasise the enhancement of smallholder incomes for horticulture, including strengthening the role and effectiveness of women's groups in rural industries in Papua New Guinea, and delivering productivity improvement in the tree crop sector in Solomon Islands. In South-East Asia, new initiatives will include promoting sustainable management of fisheries and forestry resources in Indonesia, improving village livestock production in Laos and introducing improved crop varieties in East Timor. Initiatives in South Asia will include a focus on water management in India and land and water management in Pakistan. An expanded program of research will be delivered in Southern and Eastern Africa.

ACIAR develops the skills of partner country research scientists involved in Centre programs through its training program. Expenditure on training is budgeted at \$2.8 million in 2010-11, the majority on two fellowship schemes. The first offers developing country scientists post-graduate study opportunities in Australia in areas relevant to project activities addressing partner country priorities. The second targets emerging leaders in agricultural science through short-term research management training at relevant Australian institutions. Through the Australian Academy of Technological Sciences and Engineering, Crawford Fund, ACIAR also supports training activities that complement the Centre's projects.

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: ACIAR Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010**

|  | Estimate<br>of prior +<br>year amounts<br>available in<br>2010-11<br>\$'000 | Proposed<br>at Budget =<br>2010-11<br>\$'000 | Total<br>estimate<br>2010-11<br>\$'000 | Actual<br>available<br>appropriation<br>2009-10<br>\$'000 |
|--|---|--|--|---|
| <b>Ordinary Annual Services<sup>1</sup></b>        |   |  |  |   |
| <b>Departmental appropriation</b>                  |   |  |  |   |
| Prior year departmental appropriation <sup>2</sup> | 500   | -  | 500                                    | -   |
| Departmental appropriation <sup>3</sup>            | -   | 9,853  | 9,853                                  | 9,731 <sup>4</sup>  |
| s31 Relevant agency receipts <sup>5</sup>          |   | 50   | 50                                     | 50  |
| <b>Total</b>                                       | <b>500</b>  | <b>9,903</b>                                 | <b>10,403</b>                          | <b>9,781</b>  |
| <b>Administered expenses</b>                       |   |  |  |   |
| Outcome 1  | -   | 61,035                                       | 61,035                                 | 54,081  |
| <b>Total</b>                                       | <b>-</b>  | <b>61,035</b>                                | <b>61,035</b>                          | <b>54,081</b>   |
| <b>Total ordinary annual services</b>              | <b>500</b>  | <b>70,938</b>                                | <b>71,438</b>                          | <b>63,862</b>   |
| <b>Total available annual appropriations</b>       | <b>500</b>  | <b>70,938</b>                                | <b>71,438</b>                          | <b>63,862</b>   |
| <b>Special Accounts</b>                            |   |  |  |   |
| Opening balance <sup>6</sup>                       | 3,938   | -  | 3,938                                  | 3,938   |
| Non-appropriation receipts to<br>Special Accounts  | -   | 17,240                                       | 17,240                                 | 18,764  |
| <b>Total Special Account</b>                       | <b>3,938</b>  | <b>17,240</b>                                | <b>21,178</b>                          | <b>22,702</b>   |
| <b>Total resourcing</b>                            | <b>4,438</b>  | <b>88,178</b>                                | <b>92,616</b>                          | <b>86,564</b>   |
| <b>Total net resourcing for ACIAR</b>              | <b>4,438</b>  | <b>88,178</b>                                | <b>92,616</b>                          | <b>86,564</b>   |

1. Appropriation Bill (No.1) 2010-11.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$0.315m in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. The actual available appropriation for 2009-10 for Departmental Appropriation is net of an amount of \$0.077m appropriated to ACIAR but quarantined by the Department of Finance and Deregulation pending a review of the funding model for the overseas owned property estate. The outcome of the review will be considered by Government in the context of the 2011-12 Budget. All agencies have their actual available appropriations in the Appropriation Bills presented net of any quarantined amounts.
5. s31 Relevant Agency receipts – estimate.
6. Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

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

## 1.3 BUDGET MEASURES

ACIAR has no new budget measures.

## **SECTION 2: OUTCOMES AND PLANNED PERFORMANCE**

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

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

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

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

#### **Outcome 1 Strategy**

ACIAR has a single outcome: To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships. This is achieved through a single administered program, Program 1: International agricultural research for development for more productive and sustainable agriculture. The key strategic directions ACIAR will adopt in 2010-11 are described in section one above, and in greater detail in the Centre's Annual Operational Plan 2010-11 (available at [www.aciar.gov.au](http://www.aciar.gov.au)).

ACIAR's programs align closely with the *Overseas Development Assistance - Food Security through Rural Development* initiative. Five programs under the initiative that commenced, either in design or consultation phases, in 2009-10 will become fully operational during 2010-11.



## Outcome Expense and Resource Statement

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

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

| Outcome 1: To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships. | 2009-10                             | 2010-11                      |
|---|-------------------------------------|------------------------------|
|   | Estimated actual expenses<br>\$'000 | Estimated expenses<br>\$'000 |
| <b>Program 1: International Agricultural Research and Development</b>   |                                     |                              |
| Administered expenses   |                                     |                              |
| Ordinary Annual Services (Appropriation Bill No. 1)   | 54,081                              | 61,035                       |
| Special Accounts  | 19,764                              | 18,240                       |
| Departmental expenses   |                                     |                              |
| Ordinary annual services (Appropriation Bill No. 1)   | 9,808                               | 9,853                        |
| Revenues from independent sources (s31)   | 50                                  | 50                           |
| Expenses not requiring appropriation in the Budget year   | 24                                  | 24                           |
| <b>Total for Program 1</b>  | <b>83,727</b>                       | <b>89,202</b>                |
| <b>Total expenses for Outcome 1</b>   | <b>83,727</b>                       | <b>89,202</b>                |
|   | 2009-10                             | 2010-11                      |
| <b>Average Staffing Level (number)</b>  | <b>64</b>                           | <b>64</b>                    |

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

## Contributions to Outcome 1

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

### Program objective

Administered program

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

- Safeguarding food security in rice-based farming systems of Mekong countries and South Asia;
- Adaptation to climate change for rice-based systems in the Mekong Delta;
- Developing high-value agriculture, forestry and fishery products in the Pacific;
- Sustainable intensification of maize-legume cropping systems in sub-Saharan Africa;
- Increasing financial support to CGIAR; and
- Support for whole-of-Government and Australian aid program initiatives including CAVAC, and programs in Iraq and PNG.

Departmental program

ACIAR has a single departmental program of Portfolio management: Sound administration that underpins ACIAR's collaborative, international project partnerships, and requires liaison with a diverse range of research providers and government instrumentalities and other stakeholders.

### Program expenses

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Annual Administered Expenses:                           |  |                             |  |  |  |
| Administered Item                                       | 54,081                                 | 61,035                      | 73,134                                 | 79,006                                 | 81,913                                 |
| Special Account Expenses:                               |  |                             |  |  |  |
| ACIAR Special Account                                   | 19,764                                 | 18,240                      | 14,797                                 | 10,755                                 | 4,250                                  |
| Annual Departmental Expenses:                           |  |                             |  |  |  |
| Departmental Item                                       | 9,808                                  | 9,853                       | 9,683                                  | 9,664                                  | 9,706                                  |
| Expenses not requiring Appropriation in the Budget year | 74                                     | 74                          | 74                                     | 74                                     | 74                                     |
| <b>Total program expenses</b>                           | <b>83,727</b>                          | <b>89,202</b>               | <b>97,688</b>                          | <b>99,499</b>                          | <b>95,943</b>                          |

**Program 1: Deliverables**

Administered program

- Increased uptake and application of existing technologies to achieve early improvement in the productivity of key crops in partner countries;
- Utilisation of seasonal climate forecasting, crop modelling and water resource management in rice-based systems in the Mekong, with an initial focus on the Mekong Delta region of Vietnam;
- Identification of markets and supply chains with potential to deliver substantial livelihood benefits to Pacific island communities;
- Increased farm-level food security and productivity by sustainably intensifying maize-legume cropping systems through characterising input and output value chain systems to identify constraints and options for field testing in partner countries of East Africa;
- New funding allocated to the CGIAR system primarily on an unrestricted basis, while respecting previous restricted funding allocations;
- Contribution to whole-of-government programs including:
  - Managing the research and extension component of the CAVAC program, funded on behalf of the Australian Government through AusAID;
  - Enhancing grain production under dryland conditions in northern Iraq through the introduction and evaluation of appropriate modern varieties and improved management techniques;
  - Improving livelihoods of smallholder farmers in PNG through increasing the productivity of coffee-based systems and development of aquaculture systems; and
- Ensure administered costs are maintained within agreed budget parameters.

Departmental program

- Ensure departmental costs are maintained within agreed budget parameters.

**Program 1: Key Performance Indicators**

Administered Program

- Feasibility and profitability of post-rice legume cropping in three Provinces in Cambodia assessed;
- Field surveys evaluated and field trials established to identify profitable crop and livestock systems for south central coastal Vietnam;
- New market-driven product opportunities (in high-value agriculture, fisheries and forestry sectors) identified addressing constraints in at least four supply chains within the *Pacific Agribusiness Research for Development Initiative* ;
- Assessment of best bet conservation agriculture technologies in exploratory trials in five eastern and southern African countries undertaken;
- CGIAR funding allocations within specified Annual Operational Plan parameters;
- In collaboration with CAVAC, a new project on farm-scale water management in three Cambodian provinces implemented;
- Policy options to enhance farmer uptake of project technologies in northern Iraq identified;
- Inception workshop and socio-economic surveys conducted of the new PNG initiative commenced on improving livelihoods of highlands smallholders through increased productivity of coffee-based farming systems; and
- Administered costs within specified budget parameters.

Departmental program

- Departmental costs within specified budget parameters.

## **Section 3: Explanatory tables and budgeted financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010-11 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

There has been no movement of administered funds between years for ACIAR since the 2009-10 Additional Estimates.

### 3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by ACIAR.

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

|  |         | Opening<br>balance<br><b>2010-11</b><br><i>2009-10</i> | Receipts<br><b>2010-11</b><br><i>2009-10</i> | Payments<br><b>2010-11</b><br><i>2009-10</i> | Adjustments<br><b>2010-11</b><br><i>2009-10</i> | Closing<br>balance<br><b>2010-11</b><br><i>2009-10</i> |
|--|---------|--|--|--|---|--|
|  | Outcome | \$'000   | \$'000                                       | \$'000                                       | \$'000  | \$'000   |
| Australian Centre for International<br>Agricultural Research Account (A) | 1       | <b>3,938</b><br>4,938                                  | <b>17,240</b><br>18,764                      | <b>18,240</b><br>19,764                      | -<br>-  | <b>2,938</b><br>3,938                                  |
| Other Trust Moneys Account (D)   |         | -<br>-   | -<br>-                                       | -<br>-                                       | -<br>-  | -<br>-   |
| <b>Total Special Accounts</b><br><b>2010-11 Budget estimate</b>          |         | <b>3,938</b>   | <b>17,240</b>                                | <b>18,240</b>                                | -   | <b>2,938</b>   |
| <i>Total Special Accounts</i><br><i>2009-10 estimate actual</i>          |         | 4,938  | 18,764                                       | 19,764                                       | -   | 3,938  |

(A) = Administered  
(D) = Departmental

### 3.1.3 Australian Government Indigenous Expenditure

ACIAR's business model provides opportunities for engagement of Australian indigenous communities as partners in ACIAR projects. Grant administration is ACIAR's primary vehicle for engagement of indigenous communities in its programs.

**Table 3.1.3: Australian Government Indigenous Expenditure**

| Outcome                      | Appropriations          |                         |                             |                           | Other | Total      | Program |
|------------------------------|-------------------------|-------------------------|-----------------------------|---------------------------|-------|------------|---------|
|                              | Bill<br>No. 1<br>\$'000 | Bill<br>No. 2<br>\$'000 | Special<br>approp<br>\$'000 | Total<br>approp<br>\$'000 |       |            |         |
| <b>ACIAR</b>                 |                         |                         |                             |                           |       |            |         |
| <b>Outcome 1</b>             |                         |                         |                             |                           |       |            |         |
| Administered 2010-11         | 150                     | -                       | -                           | 150                       | -     | 150        | 1       |
| <i>Administered 2009-10</i>  | 200                     | -                       | -                           | 200                       | -     | 200        | 1       |
| Departmental 2010-11         | -                       | -                       | -                           | -                         | -     | -          |         |
| <i>Departmental 2009-10</i>  | -                       | -                       | -                           | -                         | -     | -          |         |
| Total outcome 2010-11        | 150                     | -                       | -                           | 150                       | -     | 150        |         |
| <i>Total outcome 2009-10</i> | 200                     | -                       | -                           | 200                       | -     | 200        |         |
| <b>Total AGIE 2010-11</b>    | <b>150</b>              | -                       | -                           | <b>150</b>                | -     | <b>150</b> |         |
| <i>Total AGIE 2009-10</i>    | 200                     | -                       | -                           | 200                       | -     | 200        |         |

### 3.2 BUDGETED FINANCIAL STATEMENTS

#### 3.2.1 Differences in agency resourcing and financial statements

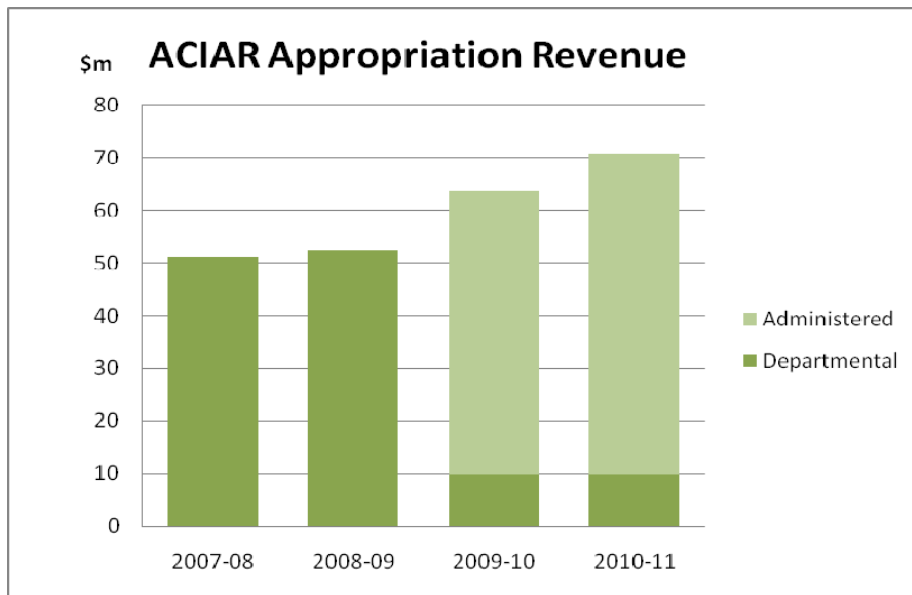
From 2009-10 ACIAR's budget has been split between 'departmental' and 'administered'. Before this time all of ACIAR's appropriation had been deemed to be 'departmental'.

From 2010-11 ACIAR's Comprehensive Income Statement is based on a net cost of services basis which shows a loss of \$315,000. This is offset by a separate departmental capital budget resulting in an operating result attributable to the agency that is budget neutral.

#### 3.2.2 Analysis of budgeted financial statements

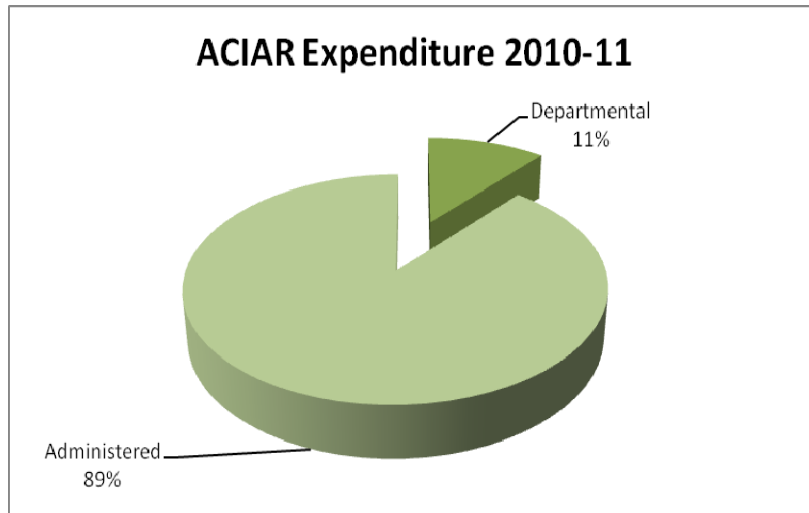
An analysis of ACIAR's budgeted financial statements is provided below.

Total appropriation has increased since 2008-09. The increase represents funding under the *Overseas Development Assistance - Food Security Through Rural Development* initiative that commenced in 2009-10.



*ACIAR Budget Statements*

The chart below shows the expected split between 'departmental' and 'administered' expenditure for 2010-11.





## 3.2.3 Budgeted financial statements tables

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>EXPENSES</b>   |  |   |  |  |  |
| Employee benefits   | 5,850                                    | 5,900                                   | 5,950                                    | 6,000                                    | 6,050                                    |
| Supplier expenses   | 3,727                                    | 3,702                                   | 3,482                                    | 3,413                                    | 3,405                                    |
| Depreciation and amortisation   | 295                                      | 315                                     | 315                                      | 315                                      | 315                                      |
| Losses from asset sales   | 10                                       | 10                                      | 10                                       | 10                                       | 10                                       |
| <b>Total expenses</b>   | <b>9,882</b>                             | <b>9,927</b>                            | <b>9,757</b>                             | <b>9,738</b>                             | <b>9,780</b>                             |
| <b>LESS:</b>  |  |   |  |  |  |
| <b>OWN-SOURCE INCOME</b>  |  |   |  |  |  |
| <b>Revenue</b>  |  |   |  |  |  |
| Sale of goods and rendering of services   | 10                                       | 10                                      | 10                                       | 10                                       | 10                                       |
| Other revenue   | 40                                       | 40                                      | 40                                       | 40                                       | 40                                       |
| <b>Total revenue</b>  | <b>50</b>                                | <b>50</b>                               | <b>50</b>                                | <b>50</b>                                | <b>50</b>                                |
| <b>Gains</b>  |  |   |  |  |  |
| Other gains   | 24                                       | 24                                      | 24                                       | 24                                       | 24                                       |
| <b>Total gains</b>  | <b>24</b>                                | <b>24</b>                               | <b>24</b>                                | <b>24</b>                                | <b>24</b>                                |
| <b>Total own-source income</b>  | <b>74</b>                                | <b>74</b>                               | <b>74</b>                                | <b>74</b>                                | <b>74</b>                                |
| <b>Net cost of (contribution by)<br/>services</b>                                   | <b>9,808</b>                             | <b>9,853</b>                            | <b>9,683</b>                             | <b>9,664</b>                             | <b>9,706</b>                             |
| Revenue from Government   | 9,808                                    | 9,538                                   | 9,368                                    | 9,349                                    | 9,391                                    |
| <b>Surplus (Deficit) attributable to<br/>the Australian Government*</b>             | <b>-</b>                                 | <b>(315)</b>                            | <b>(315)</b>                             | <b>(315)</b>                             | <b>(315)</b>                             |
| <b>Note: Reconciliation of operating result attributable to the agency</b>          |  |   |  |  |  |
|   | 2009-10<br>\$'000                        | 2010-11<br>\$'000                       | 2011-12<br>\$'000                        | 2012-13<br>\$'000                        | 2012-13<br>\$'000                        |
| <b>Operating result attributable to the<br/>Australian Government</b>               | -  | (315)                                   | (315)                                    | (315)                                    | (315)                                    |
| plus non-appropriated items<br>depreciation, amortisation and make<br>good expenses | -  | 315                                     | 315                                      | 315                                      | 315                                      |
| <b>Operating result attributable to the<br/>agency</b>                              | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |

Prepared on Australian Accounting Standards basis.

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

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>ASSETS</b>  |  |   |  |  |  |
| <b>Financial assets</b>                                  |  |   |  |  |  |
| Cash and equivalents                                     | 200                                      | 200                                     | 200                                      | 200                                      | 200                                      |
| Trade and other receivables                              | 1,180                                    | 1,230                                   | 1,280                                    | 1,330                                    | 1,380                                    |
| <b>Total financial assets</b>                            | <b>1,380</b>                             | <b>1,430</b>                            | <b>1,480</b>                             | <b>1,530</b>                             | <b>1,580</b>                             |
| <b>Non-financial assets</b>                              |  |   |  |  |  |
| Land and buildings                                       | 313                                      | 313                                     | 313                                      | 617                                      | 617                                      |
| Infrastructure, plant and equipment                      | 236                                      | 236                                     | 236                                      | 236                                      | 236                                      |
| Intangibles  | 126                                      | 126                                     | 126                                      | 126                                      | 126                                      |
| Other  | 173                                      | 173                                     | 173                                      | 173                                      | 173                                      |
| <b>Total non-financial assets</b>                        | <b>848</b>                               | <b>848</b>                              | <b>848</b>                               | <b>1,152</b>                             | <b>1,152</b>                             |
| Assets held for sale                                     |  |   |  |  |  |
| <b>Total assets</b>                                      | <b>2,228</b>                             | <b>2,278</b>                            | <b>2,328</b>                             | <b>2,682</b>                             | <b>2,732</b>                             |
| <b>LIABILITIES</b>                                       |  |   |  |  |  |
| <b>Payables</b>  |  |   |  |  |  |
| Suppliers  | 126                                      | 126                                     | 126                                      | 126                                      | 126                                      |
| <b>Total payables</b>                                    | <b>126</b>                               | <b>126</b>                              | <b>126</b>                               | <b>126</b>                               | <b>126</b>                               |
| <b>Provisions</b>  |  |   |  |  |  |
| Employees  | 1,100                                    | 1,150                                   | 1,200                                    | 1,250                                    | 1,300                                    |
| <b>Total provisions</b>                                  | <b>1,100</b>                             | <b>1,150</b>                            | <b>1,200</b>                             | <b>1,250</b>                             | <b>1,300</b>                             |
| Liabilities included in disposal<br>groups held for sale |  |   |  |  |  |
| <b>Total liabilities</b>                                 | <b>1,226</b>                             | <b>1,276</b>                            | <b>1,326</b>                             | <b>1,376</b>                             | <b>1,426</b>                             |
| <b>Net assets</b>  | <b>1,002</b>                             | <b>1,002</b>                            | <b>1,002</b>                             | <b>1,306</b>                             | <b>1,306</b>                             |
| <b>EQUITY*</b>   |  |   |  |  |  |
| <b>Parent entity interest</b>                            |  |   |  |  |  |
| Contributed equity                                       | -  | 315                                     | 630                                      | 1,249                                    | 1,564                                    |
| Reserves   | 325                                      | 325                                     | 325                                      | 325                                      | 325                                      |
| Retained surpluses or<br>accumulated deficits            | 677                                      | 362                                     | 47                                       | (268)                                    | (583)                                    |
| <b>Total parent entity interest</b>                      | <b>1,002</b>                             | <b>1,002</b>                            | <b>1,002</b>                             | <b>1,306</b>                             | <b>1,306</b>                             |
| <b>Total equity</b>                                      | <b>1,002</b>                             | <b>1,002</b>                            | <b>1,002</b>                             | <b>1,306</b>                             | <b>1,306</b>                             |

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

|   | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/capital | Total equity |
|---|-------------------|---------------------------|----------------|----------------------------|--------------|
|   | \$'000            | \$'000                    | \$'000         | \$'000                     | \$'000       |
| <b>Opening balance as at 1 July 2010</b>                        |                   |                           |                |                            |              |
| Balance carried forward from previous period                    | 677               | 325                       | -              | -                          | 1,002        |
| Adjustment for changes in accounting policies                   | -                 | -                         | -              | -                          | -            |
| <b>Adjusted opening balance</b>                                 | 677               | 325                       | -              | -                          | 1,002        |
| <b>Sub-total comprehensive income</b>                           | -                 | -                         | -              | -                          | -            |
| Surplus (deficit) for the period                                | (315)             | -                         | -              | -                          | (315)        |
| <b>Total comprehensive income recognised directly in equity</b> | -                 | -                         | -              | -                          | -            |
| <b>Transactions with owners</b>                                 |                   |                           |                |                            |              |
| <i>Contribution by owners</i>                                   |                   |                           |                |                            |              |
| Appropriation (departmental capital budget)                     | -                 | -                         | -              | 315                        | 315          |
| <b>Sub-total transactions with owners</b>                       | -                 | -                         | -              | 315                        | 315          |
| <b>Estimated closing balance as at 30 June 2011</b>             | 362               | 325                       | -              | 315                        | 1,002        |

Prepared on Australian Accounting Standards basis.

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

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>  |  |   |  |  |  |
| <b>Cash received</b>   |  |   |  |  |  |
| Goods and services   | 15                                       | 15                                      | 15                                       | 15                                       | 15                                       |
| Appropriations   | 9,808                                    | 9,538                                   | 9,368                                    | 9,349                                    | 9,393                                    |
| GST  | 350                                      | 350                                     | 350                                      | 350                                      | 350                                      |
| <b>Total cash received</b>   | <b>10,173</b>                            | <b>9,903</b>                            | <b>9,733</b>                             | <b>9,714</b>                             | <b>9,758</b>                             |
| <b>Cash used</b>   |  |   |  |  |  |
| Employees  | 5,800                                    | 5,850                                   | 5,900                                    | 5,950                                    | 6,000                                    |
| Suppliers  | 4,088                                    | 4,063                                   | 3,843                                    | 3,774                                    | 3,768                                    |
| <b>Total cash used</b>   | <b>9,888</b>                             | <b>9,913</b>                            | <b>9,743</b>                             | <b>9,724</b>                             | <b>9,768</b>                             |
| <b>Net cash from or (used by)<br/>operating activities</b>                           | <b>285</b>                               | <b>(10)</b>                             | <b>(10)</b>                              | <b>(10)</b>                              | <b>(10)</b>                              |
| <b>INVESTING ACTIVITIES</b>  |  |   |  |  |  |
| <b>Cash received</b>   |  |   |  |  |  |
| Proceeds from sales of property,<br>plant and equipment                              | 10                                       | 10                                      | 10                                       | 10                                       | 10                                       |
| <b>Total cash received</b>   | <b>10</b>                                | <b>10</b>                               | <b>10</b>                                | <b>10</b>                                | <b>10</b>                                |
| <b>Cash used</b>   |  |   |  |  |  |
| Purchase of property, plant<br>and equipment   | 295                                      | 315                                     | 315                                      | 619                                      | 315                                      |
| <b>Total cash used</b>   | <b>295</b>                               | <b>315</b>                              | <b>315</b>                               | <b>619</b>                               | <b>315</b>                               |
| <b>Net cash from or (used by)<br/>investing activities</b>                           | <b>(285)</b>                             | <b>(305)</b>                            | <b>(305)</b>                             | <b>(609)</b>                             | <b>(305)</b>                             |
| <b>FINANCING ACTIVITIES</b>  |  |   |  |  |  |
| <b>Cash received</b>   |  |   |  |  |  |
| Appropriations - contributed equity  | -  | 315                                     | 315                                      | 619                                      | 315                                      |
| <b>Total cash received</b>   | <b>-</b>                                 | <b>315</b>                              | <b>315</b>                               | <b>619</b>                               | <b>315</b>                               |
| <b>Total cash used</b>   |  |   |  |  |  |
|  | -  | -                                       | -  | -  | -  |
| <b>Net cash from or (used by)<br/>financing activities</b>                           | <b>-</b>                                 | <b>315</b>                              | <b>315</b>                               | <b>619</b>                               | <b>315</b>                               |
| <b>Net increase or (decrease)<br/>in cash held</b>                                   |  |   |  |  |  |
|  | -  | -                                       | -  | -  | -  |
| Cash at the beginning of<br>the reporting period                                     | 200                                      | 200                                     | 200                                      | 200                                      | 200                                      |
| Effect of exchange rate movements<br>on cash at the beginning of<br>reporting period | -  | -                                       | -  | -  | -  |
| <b>Cash at the end of the<br/>reporting period</b>                                   | <b>200</b>                               | <b>200</b>                              | <b>200</b>                               | <b>200</b>                               | <b>200</b>                               |

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>  |  |   |  |  |  |
| Equity Injections - Bill 2   | -  | -                                       | -  | 304                                      | -  |
| Capital Budget - Bill 1 (DCB)  | -  | 315                                     | 315                                      | 315                                      | 315                                      |
| <b>Total capital appropriations</b>  | -  | <b>315</b>                              | <b>315</b>                               | <b>619</b>                               | <b>315</b>                               |
| <b>Total new capital appropriations</b>  |  |   |  |  |  |
| <b>Represented by:</b>   |  |   |  |  |  |
| Purchase of non-financial assets   | -  | 315                                     | 315                                      | 619                                      | 315                                      |
| <b>Total Items</b>   | -  | <b>315</b>                              | <b>315</b>                               | <b>619</b>                               | <b>315</b>                               |
| <b>PURCHASE OF NON-FINANCIAL ASSETS</b>  |  |   |  |  |  |
| Funded by capital appropriations   | -  | -                                       | -  | 304                                      | -  |
| Funded by current year DCB <sup>1</sup><br>departmental resources <sup>2</sup>       | -  | 315                                     | 315                                      | 315                                      | 315                                      |
|  | 295                                      | -                                       | -  | -  | -  |
| <b>TOTAL</b>   | <b>295</b>                               | <b>315</b>                              | <b>315</b>                               | <b>619</b>                               | <b>315</b>                               |
| <b>RECONCILIATION OF CASH<br/>USED TO ACQUIRE ASSETS<br/>TO ASSET MOVEMENT TABLE</b> |  |   |  |  |  |
| Total purchases  | 295                                      | 315                                     | 315                                      | 619                                      | 315                                      |
| <b>Total cash used to<br/>acquire assets</b>   | <b>295</b>                               | <b>315</b>                              | <b>315</b>                               | <b>619</b>                               | <b>315</b>                               |

1. Does not include annual finance lease costs.
2. Includes the following sources of funding:
  - annual and prior year appropriations
  - donations and contributions
  - gifts
  - internally developed assets
  - s31 relevant agency receipts
  - proceeds from the sale of assets

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2010-11)**

|  | Buildings  | Other<br>infrastructure,<br>plant and<br>equipment | Intangibles | Total      |
|--|------------|--|-------------|------------|
|  | \$'000     | \$'000   | \$'000      | \$'000     |
| <b>As at 1 July 2010</b>   |            |  |             |            |
| Gross book value   | 649        | 923  | 439         | 2,011      |
| Accumulated depreciation/amortisation  | (336)      | (687)  | (313)       | (1,336)    |
| <b>Opening net book balance</b>  | <b>313</b> | <b>236</b>   | <b>126</b>  | <b>675</b> |
| <b>CAPITAL ASSET ADDITIONS</b>   |            |  |             |            |
| <b>Estimated expenditure on<br/>new or replacement assets</b>                        |            |  |             |            |
| By purchase - appropriation equity   | 96         | 188  | 31          | 315        |
| <b>Acquisition of entities or operations<br/>(including restructuring) sub-total</b> | <b>96</b>  | <b>188</b>   | <b>31</b>   | <b>315</b> |
| <b>Other movements</b>   |            |  |             |            |
| Depreciation/amortisation expense  | (96)       | (188)  | (31)        | (315)      |
| <b>As at 30 June 2011</b>  |            |  |             |            |
| Gross book value   | 745        | 1,111  | 470         | 2,326      |
| Accumulated depreciation/amortisation  | (432)      | (875)  | (344)       | (1,651)    |
| <b>Closing net book balance</b>  | <b>313</b> | <b>236</b>   | <b>126</b>  | <b>675</b> |

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

# Proceeds may be returned to the OPA

Prepared on Australian Accounting Standards basis.

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

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>INCOME ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>         |  |   |  |  |  |
| <b>Revenue</b>   |  |   |  |  |  |
| <b>Non-taxation</b>  |  |   |  |  |  |
| Other sources of non-taxation<br>revenues                      | 18,764                                   | 17,240                                  | 13,797                                   | 9,755                                    | 4,250                                    |
| <b>Total non-taxation</b>                                      | <b>18,764</b>                            | <b>17,240</b>                           | <b>13,797</b>                            | <b>9,755</b>                             | <b>4,250</b>                             |
| <b>Total revenues administered<br/>on behalf of Government</b> | <b>18,764</b>                            | <b>17,240</b>                           | <b>13,797</b>                            | <b>9,755</b>                             | <b>4,250</b>                             |
| <b>Total gains administered<br/>on behalf of Government</b>    | <b>18,764</b>                            | <b>17,240</b>                           | <b>13,797</b>                            | <b>9,755</b>                             | <b>4,250</b>                             |
| <b>Total income administered<br/>on behalf of Government</b>   | <b>18,764</b>                            | <b>17,240</b>                           | <b>13,797</b>                            | <b>9,755</b>                             | <b>4,250</b>                             |
| <b>EXPENSES ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>       |  |   |  |  |  |
| Grants   | 63,048                                   | 68,157                                  | 76,810                                   | 78,872                                   | 76,294                                   |
| Other  | 9,797                                    | 10,118                                  | 10,121                                   | 9,889                                    | 9,869                                    |
| <b>Total expenses administered<br/>on behalf of Government</b> | <b>72,845</b>                            | <b>78,275</b>                           | <b>86,931</b>                            | <b>88,761</b>                            | <b>86,163</b>                            |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>            |  |   |  |  |  |
| <b>Financial assets</b>                                       |  |   |  |  |  |
| Cash and cash equivalents                                     | 3,938                                    | 2,938                                   | 1,938                                    | 938                                      | 938                                      |
| Receivables   | 100                                      | 100                                     | 100                                      | 100                                      | 100                                      |
| <b>Total financial assets</b>                                 | <b>4,038</b>                             | <b>3,038</b>                            | <b>2,038</b>                             | <b>1,038</b>                             | <b>1,038</b>                             |
| <b>Total non-financial assets</b>                             | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Total assets administered on behalf of Government</b>      | <b>4,038</b>                             | <b>3,038</b>                            | <b>2,038</b>                             | <b>1,038</b>                             | <b>1,038</b>                             |
| <b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>       |  |   |  |  |  |
| <b>Payables</b>   |  |   |  |  |  |
| Grants  | 100                                      | 100                                     | 100                                      | 100                                      | 100                                      |
| Other   | 3,938                                    | 2,938                                   | 1,938                                    | 938                                      | 938                                      |
| <b>Total payables</b>   | <b>4,038</b>                             | <b>3,038</b>                            | <b>2,038</b>                             | <b>1,038</b>                             | <b>1,038</b>                             |
| <b>Total interest bearing liabilities</b>                     | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Total provisions</b>                                       | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Total liabilities administered on behalf of Government</b> | <b>4,038</b>                             | <b>3,038</b>                            | <b>2,038</b>                             | <b>1,038</b>                             | <b>1,038</b>                             |

Prepared on Australian Accounting Standards basis.



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

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Cash received</b>                                       |  |   |  |  |  |
| Grants received  | 18,764                                   | 17,240                                  | 13,797                                   | 9,755                                    | 4,250                                    |
| <b>Total cash received</b>                                 | <b>18,764</b>                            | <b>17,240</b>                           | <b>13,797</b>                            | <b>9,755</b>                             | <b>4,250</b>                             |
| <b>Cash used</b>   |  |   |  |  |  |
| Grant payments   | 64,048                                   | 69,157                                  | 77,810                                   | 79,872                                   | 76,294                                   |
| Other  | 9,797                                    | 10,118                                  | 10,121                                   | 9,889                                    | 9,869                                    |
| <b>Total cash used</b>                                     | <b>73,845</b>                            | <b>79,275</b>                           | <b>87,931</b>                            | <b>89,761</b>                            | <b>86,163</b>                            |
| <b>Net cash from or (used by)<br/>operating activities</b> | <b>(55,081)</b>                          | <b>(62,035)</b>                         | <b>(74,134)</b>                          | <b>(80,006)</b>                          | <b>(81,913)</b>                          |
| <b>INVESTING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Net cash from or (used by)<br/>investing activities</b> | -  | -                                       | -  | -  | -  |
| <b>FINANCING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Net cash from or (used by)<br/>financing activities</b> | -  | -                                       | -  | -  | -  |
| <b>Net increase or (decrease) in<br/>cash held</b>         |  |   |  |  |  |
| Cash at beginning of reporting period                      | 4,938                                    | 3,938                                   | 2,938                                    | 1,938                                    | 938                                      |
| Cash from Official Public Account for:<br>- appropriations | 54,081                                   | 61,035                                  | 73,134                                   | 79,006                                   | 81,913                                   |
| <b>Cash at end of reporting period</b>                     | <b>3,938</b>                             | <b>2,938</b>                            | <b>1,938</b>                             | <b>938</b>                               | <b>938</b>                               |

Prepared on Australian Accounting Standards basis.

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

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

Under the Australian Government's budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are 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 Budgeting Framework**

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

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

#### **Asset valuation**

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

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

## **Agency resources and planned performance**



# AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

|  |            |
|--|------------|
| <b>Section 1: Agency overview and resources</b> .....                        | <b>167</b> |
| 1.1 Strategic Direction Statement.....                                       | 167        |
| 1.2 Agency Resource Statement.....   | 168        |
| 1.3 Budget Measures.....   | 169        |
| <b>Section 2: Outcomes and planned performance</b> .....                     | <b>170</b> |
| 2.1 Outcomes and performance information .....                               | 170        |
| <b>Section 3: Explanatory tables and budgeted financial statements</b> ..... | <b>174</b> |
| 3.1 Explanatory tables .....   | 174        |
| 3.2 Budgeted Financial Statements.....                                       | 176        |



# AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

In 2010-11 the Australian Secret Intelligence Service (ASIS) will continue to enhance government understanding of the overseas environment affecting Australia's vital interests. ASIS will take appropriate action, consistent with applicable legislation, to protect and promote Australia's vital interests through the provision of unique foreign intelligence services as directed by the Government.

The primary functions of ASIS are:

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

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: ASIS Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010**

|  | Estimate<br>of prior +<br>year amounts<br>available in<br>2010-11<br>\$'000 | Proposed<br>at Budget =<br>2010-11<br>\$'000 | Total<br>estimate<br>2010-11<br>\$'000 | Actual<br>available<br>appropriation<br>2009-10<br>\$'000 |
|--|---|--|--|---|
| <b>Ordinary annual services<sup>1</sup></b>            |   |  |  |   |
| <b>Departmental appropriation</b>                      |   |  |  |   |
| Departmental appropriation <sup>2</sup>                | -   | 203,449                                      | 203,449                                | 202,404   |
| s31 Relevant agency receipts <sup>3</sup>              | -   | 35,970                                       | 35,970                                 | 32,461  |
| <b>Total</b>   | -   | <b>239,419</b>                               | <b>239,419</b>                         | <b>234,865</b>  |
| <b>Total ordinary annual services</b>                  | <b>A</b>  | <b>239,419</b>                               | <b>239,419</b>                         | <b>234,865</b>  |
| <b>Other services</b>                                  |   |  |  |   |
| <b>Departmental non-operating</b>                      |   |  |  |   |
| Equity injections <sup>4</sup>                         | -   | 389  | 389                                    | 12,816  |
| Previous years' programs                               | 40,947  | -  | 40,947                                 | 44,009  |
| <b>Total</b>   | <b>40,947</b>   | <b>389</b>                                   | <b>41,336</b>                          | <b>56,825</b>   |
| <b>Total other services</b>                            | <b>B</b>  | <b>389</b>                                   | <b>41,336</b>                          | <b>56,825</b>   |
| <b>Total available annual appropriations</b>           | <b>40,947</b>   | <b>239,808</b>                               | <b>280,755</b>                         | <b>291,690</b>  |
| <b>Total appropriations excluding Special Accounts</b> | <b>40,947</b>   | <b>239,808</b>                               | <b>280,755</b>                         | <b>291,690</b>  |
| <b>Total resourcing</b>                                |   |  |  |   |
| A + B  |   |  |  |   |
| <b>Total net resourcing for ASIS</b>                   | <b>40,947</b>   | <b>239,808</b>                               | <b>280,755</b>                         | <b>291,690</b>  |

1. Appropriation Bill (No.1) 2010-11.
2. Includes an amount in 2010-11 for the Departmental Capital Budget.
3. s31 Relevant Agency receipts – estimate.
4. Appropriation Bill (No.2) 2010-11.

**Reader Note: All figures are GST exclusive**



### 1.3 BUDGET MEASURES

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

**Table 1.2 Agency 2010-11 Budget Measures**

|  | Program               | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|--|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures</b>  |                       |                   |                   |                   |                   |                   |
| Border Security - Illegal foreign fishing - securing Australia's northern waters - continuation <sup>1</sup> |                       |                   |                   |                   |                   |                   |
|  | Departmental expenses | 1.1, 1.2          | -                 | -                 | -                 | -                 |
|  | <b>Total</b>          |                   | -                 | -                 | -                 | -                 |
| National Security – enhanced intelligence capability <sup>2</sup>  |                       |                   |                   |                   |                   |                   |
|  | Departmental expenses | 1.1, 1.2          | -                 | 1,548             | -                 | -                 |
|  | <b>Total</b>          |                   | -                 | <b>1,548</b>      | -                 | -                 |
| <b>Total expense measures</b>  |                       |                   |                   |                   |                   |                   |
|  | Departmental          |                   | -                 | 1,548             | -                 | -                 |
|  | <b>Total</b>          |                   | -                 | <b>1,548</b>      | -                 | -                 |
| <b>Capital measures</b>  |                       |                   |                   |                   |                   |                   |
| Border Security - Illegal foreign fishing - securing Australia's northern waters - continuation <sup>1</sup> |                       |                   |                   |                   |                   |                   |
|  | Departmental expenses | 1.1, 1.2          | -                 | -                 | -                 | -                 |
|  | <b>Total</b>          |                   | -                 | -                 | -                 | -                 |
| National Security – enhanced intelligence capability <sup>2</sup>  |                       |                   |                   |                   |                   |                   |
|  | Departmental expenses | 1.1, 1.2          | -                 | 320               | -                 | -                 |
|  | <b>Total</b>          |                   | -                 | <b>320</b>        | -                 | -                 |
| <b>Total capital measures</b>  |                       |                   |                   |                   |                   |                   |
|  | Departmental          |                   | -                 | 320               | -                 | -                 |
|  | <b>Total</b>          |                   | -                 | <b>320</b>        | -                 | -                 |

Prepared on a Government Finance Statistics (fiscal) basis.

1. This measure provides for the continuation of funding already in the Forward Estimates.
2. This measure provides for new funding and the continuation of funding already in the Forward Estimates.

## **SECTION 2: OUTCOMES AND PLANNED PERFORMANCE**

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

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

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of ASIS in achieving Government outcomes. Further information in relation to detailed performance measures and mandatory targets are not provided in the interests of national security.

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

#### **Outcome 1 Strategy**

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

**Outcome Expense and Resource Statement**

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

| <b>Outcome 1: Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia</b> | 2009-10<br>Estimated<br>Actual<br>Expenses<br>\$'000 | 2010-11<br>Estimated<br>Expenses<br>\$'000 |
|---|--|--|
| <b>Program 1.1: Secret Intelligence</b>   |  |  |
| Departmental expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>  | 161,923  | 162,759                                    |
| Revenues from independent sources (s31)   | 25,969   | 28,776                                     |
| <b>Total for Program 1.1</b>  | <b>187,892</b>                                       | <b>191,535</b>                             |
| <b>Program 1.2: Other Services</b>  |  |  |
| Departmental expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>  | 40,481   | 40,690                                     |
| Revenues from independent sources (s31)   | 6,492  | 7,194                                      |
| <b>Total for Program 1.2</b>  | <b>46,973</b>  | <b>47,884</b>                              |
| <b>Outcome 1 Totals by appropriation type</b>   |  |  |
| Departmental expenses   |  |  |
| Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>  | 202,404  | 203,449                                    |
| Revenues from independent sources (s31)   | 32,461   | 35,970                                     |
| <b>Total expenses for Outcome 1</b>   | <b>234,865</b>                                       | <b>239,419</b>                             |

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

1. Includes amounts not requiring Appropriation in the budget year.

**Contributions to Outcome 1**

**Program 1.1: Secret Intelligence**

**Program objective**

- Secret Intelligence

**Program expenses**

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

**Program Expenses**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Annual departmental expenses <sup>1</sup> : | 187,892                                | 191,535                     | 185,723                                | 190,361                                | 198,834                                |
| <b>Total program expenses</b>               | <b>187,892</b>                         | <b>191,535</b>              | <b>185,723</b>                         | <b>190,361</b>                         | <b>198,834</b>                         |

1. Includes amounts not requiring Appropriation in the budget year and Forward Estimates.

**Program 1.1 Deliverables**

- Secret Intelligence

**Program 1.1 Key Performance Indicators**

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

**Program 1.2: Other Services**

**Program objective**

- Other Services

**Program expenses**

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

**Program Expenses**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Annual departmental expenses <sup>1</sup> : | 46,973                                 | 47,884                      | 46,431                                 | 47,590                                 | 49,709                                 |
| <b>Total program expenses</b>               | <b>46,973</b>                          | <b>47,884</b>               | <b>46,431</b>                          | <b>47,590</b>                          | <b>49,709</b>                          |

1. Includes amounts not requiring Appropriation in the budget year and Forward Estimates.

**Program 1.2 Deliverables**

- Other Services

**Program 1.2 Key Performance Indicators**

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

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010-11 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act (1997)* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by ASIS.

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

|  |         | Opening<br>balance<br><b>2010-11</b><br>2009-10 | Receipts<br><b>2010-11</b><br>2009-10 | Payments<br><b>2010-11</b><br>2009-10 | Adjustments<br><b>2010-11</b><br>2009-10 | Closing<br>balance<br><b>2010-11</b><br>2009-10 |
|--|---------|---|---------------------------------------|---------------------------------------|--|---|
|  | Outcome | \$'000  | \$'000                                | \$'000                                | \$'000                                   | \$'000  |
| Other Trust Moneys Special Account (D) s20FMA Act                          | 1       | -   | -                                     | -                                     | -  | -   |
| Services for Other Governments & Non-Agency Bodies Account (D) s20 FMA Act | 1       | -   | -                                     | -                                     | -  | -   |
| <b>Total Special Accounts<br/>2010-11 Budget estimate</b>                  |         | -   | -                                     | -                                     | -  | -   |
| <i>Total Special Accounts<br/>2009-10 estimate actual</i>                  | 1       | -   | -                                     | -                                     | -  | -   |

The purpose of the Other Trust Moneys Special Account is for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

The purpose of the Services for Other Government & Non Agency Bodies Special Account is for expenditure in connection with services performed on behalf of other Governments and bodies that are not Agencies under the *Financial Management and Accountability Act 1997*.

It is anticipated that there will not be any transactions through either of the ASIS Special Accounts during 2010-11 and future out-years. These accounts remain in place in the event that transactions are required.

### 3.2 BUDGETED FINANCIAL STATEMENTS

#### 3.2.3 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)**

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>EXPENSES</b>  |  |   |  |  |  |
| <b>Total expenses<sup>1</sup></b>                                      | <b>234,865</b>                           | <b>239,419</b>                          | <b>232,154</b>                           | <b>237,951</b>                           | <b>248,543</b>                           |
| <b>LESS:</b>   |  |   |  |  |  |
| <b>OWN-SOURCE INCOME</b>   |  |   |  |  |  |
| <b>Revenue</b>   |  |   |  |  |  |
| Other  | 32,461                                   | 35,970                                  | 35,970                                   | 35,970                                   | 35,970                                   |
| <b>Total revenue</b>   | <b>32,461</b>                            | <b>35,970</b>                           | <b>35,970</b>                            | <b>35,970</b>                            | <b>35,970</b>                            |
| <b>Gains</b>   |  |   |  |  |  |
| Sale of assets   |  |   |  |  |  |
| Other  | -  | -                                       | -  | -  | -  |
| <b>Total gains</b>   | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Total own-source income</b>   | <b>32,461</b>                            | <b>35,970</b>                           | <b>35,970</b>                            | <b>35,970</b>                            | <b>35,970</b>                            |
| <b>Net cost of (contribution by)<br/>services</b>                      | <b>202,404</b>                           | <b>203,449</b>                          | <b>196,184</b>                           | <b>201,981</b>                           | <b>212,573</b>                           |
| Revenue from Government <sup>2</sup>                                   | 202,404                                  | 203,449                                 | 196,184                                  | 201,981                                  | 212,573                                  |
| <b>Surplus (Deficit)</b>   | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Surplus (Deficit) attributable to<br/>the Australian Government</b> | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |

Notes:

1. Includes an amount for expenses not requiring appropriation in the Budget year and Forward Estimates.
2. Includes an amount in 2010-11 and forward estimates for the Department Capital Budget.

Prepared on Australian Accounting Standards basis.



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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS</b>                             |  |   |  |  |  |
| <b>Financial assets</b>                   |  |   |  |  |  |
| <b>Total financial assets</b>             | 86,999                                   | 83,747                                  | 82,426                                   | 82,099                                   | 81,623                                   |
| <b>Non-financial assets</b>               |  |   |  |  |  |
| <b>Total non-financial assets</b>         | 115,275                                  | 122,167                                 | 126,809                                  | 130,455                                  | 134,182                                  |
| <b>Total assets</b>                       | <b>202,274</b>                           | <b>205,914</b>                          | <b>209,234</b>                           | <b>212,554</b>                           | <b>215,805</b>                           |
| <b>LIABILITIES</b>                        |  |   |  |  |  |
| <b>Payables</b>                           |  |   |  |  |  |
| <b>Total payables</b>                     | 15,797                                   | 16,115                                  | 16,433                                   | 16,751                                   | 17,069                                   |
| <b>Interest bearing liabilities</b>       |  |   |  |  |  |
| <b>Total interest bearing liabilities</b> | -  | -                                       | -  | -  | -  |
| <b>Provisions</b>                         |  |   |  |  |  |
| <b>Total provisions</b>                   | 27,632                                   | 30,565                                  | 33,498                                   | 36,431                                   | 39,364                                   |
| <b>Total liabilities</b>                  | <b>43,429</b>                            | <b>46,680</b>                           | <b>49,931</b>                            | <b>53,182</b>                            | <b>56,433</b>                            |
| <b>Net assets</b>                         | <b>158,845</b>                           | <b>159,234</b>                          | <b>159,303</b>                           | <b>159,372</b>                           | <b>159,372</b>                           |
| <b>EQUITY *</b>                           |  |   |  |  |  |
| <b>Parent entity interest</b>             |  |   |  |  |  |
| Contributed equity                        | 79,921                                   | 80,310                                  | 80,379                                   | 80,448                                   | 80,448                                   |
| Reserves                                  | 38,689                                   | 38,689                                  | 38,689                                   | 38,689                                   | 38,689                                   |
| Retained surplus<br>(accumulated deficit) | 40,235                                   | 40,235                                  | 40,235                                   | 40,235                                   | 40,235                                   |
| <b>Total parent entity interest</b>       | <b>158,845</b>                           | <b>159,234</b>                          | <b>159,303</b>                           | <b>159,372</b>                           | <b>159,372</b>                           |

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

Prepared on Australian Accounting Standards basis.

ASIS Budget Statements

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

|   | Retained<br>earnings<br>\$'000 | Asset<br>revaluation<br>reserve<br>\$'000 | Other<br>reserves<br>\$'000 | Contributed<br>equity/<br>capital<br>\$'000 | Total<br>equity<br>\$'000 |
|---|--------------------------------|---|-----------------------------|---|---------------------------|
| <b>Opening balance as at 1 July 2010</b>                |                                |   |                             |   |                           |
| Balance carried forward from<br>previous period         | 40,235                         | -   | 38,689                      | 79,921                                      | 158,845                   |
| Adjustment for changes in<br>accounting policies        | -                              | -   | -                           | -   | -                         |
| <b>Adjusted opening balance</b>                         | <b>40,235</b>                  | <b>-</b>                                  | <b>38,689</b>               | <b>79,921</b>                               | <b>158,845</b>            |
| <b>Transactions with owners</b>                         |                                |   |                             |   |                           |
| <i>Contributions by owners</i>                          |                                |   |                             |   |                           |
| Appropriation (equity injection)                        | -                              | -   | -                           | 389   | 389                       |
| Other   |                                |   |                             |   |                           |
| <b>Sub-total transactions with owners</b>               | <b>-</b>                       | <b>-</b>                                  | <b>-</b>                    | <b>389</b>                                  | <b>389</b>                |
| <b>Estimated closing balance<br/>as at 30 June 2011</b> | <b>40,235</b>                  | <b>-</b>                                  | <b>38,689</b>               | <b>80,310</b>                               | <b>159,234</b>            |

Prepared on Australian Accounting Standards basis.

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

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Appropriations <sup>1</sup>   | 202,404                                  | 203,449                                 | 196,184                                  | 201,981                                  | 212,573                                  |
| Other   | 38,514                                   | 43,023                                  | 42,023                                   | 42,023                                   | 42,023                                   |
| <b>Total cash received</b>  | <b>240,918</b>                           | <b>246,472</b>                          | <b>238,207</b>                           | <b>244,004</b>                           | <b>254,596</b>                           |
| <b>Cash used</b>  |  |   |  |  |  |
| Other   | 219,769                                  | 226,188                                 | 218,565                                  | 225,258                                  | 235,581                                  |
| <b>Total cash used</b>  | <b>219,769</b>                           | <b>226,188</b>                          | <b>218,565</b>                           | <b>225,258</b>                           | <b>235,581</b>                           |
| <b>Net cash from (used by)<br/>operating activities</b>                 | <b>21,149</b>                            | <b>20,284</b>                           | <b>19,642</b>                            | <b>18,746</b>                            | <b>19,015</b>                            |
| <b>INVESTING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total cash received</b>  | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Cash used</b>  |  |   |  |  |  |
| Other   | 37,225                                   | 23,123                                  | 21,231                                   | 19,540                                   | 19,689                                   |
| <b>Total cash used</b>  | <b>37,225</b>                            | <b>23,123</b>                           | <b>21,231</b>                            | <b>19,540</b>                            | <b>19,689</b>                            |
| <b>Net cash from (used by)<br/>investing activities</b>                 | <b>(37,225)</b>                          | <b>(23,123)</b>                         | <b>(21,231)</b>                          | <b>(19,540)</b>                          | <b>(19,689)</b>                          |
| <b>FINANCING ACTIVITIES</b>   |  |   |  |  |  |
| <b>Cash received</b>  |  |   |  |  |  |
| Contributed equity <sup>2</sup>   | 12,816                                   | 389                                     | 69                                       | 69                                       | -  |
| <b>Total cash received</b>  | <b>12,816</b>                            | <b>389</b>                              | <b>69</b>                                | <b>69</b>                                | <b>-</b>                                 |
| <b>Cash used</b>  |  |   |  |  |  |
| Other   | -  | -                                       | -  | -  | -  |
| <b>Total cash used</b>  | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net cash from (used by)<br/>financing activities</b>                 | <b>12,816</b>                            | <b>389</b>                              | <b>69</b>                                | <b>69</b>                                | <b>-</b>                                 |
| <b>Net increase (decrease)<br/>in cash held</b>                         | <b>(3,260)</b>                           | <b>(2,450)</b>                          | <b>(1,520)</b>                           | <b>(725)</b>                             | <b>(674)</b>                             |
| Cash and cash equivalents at the<br>beginning of the reporting period   | 15,226                                   | 11,966                                  | 9,516                                    | 7,996                                    | 7,272                                    |
| <b>Cash and cash equivalents at the<br/>end of the reporting period</b> | <b>11,966</b>                            | <b>9,516</b>                            | <b>7,996</b>                             | <b>7,272</b>                             | <b>6,598</b>                             |

## Notes:

1. Includes an amount in 2010-11 and Forward Estimates for the Departmental Capital Budget.
2. Excludes amount for Departmental Capital Budget. For ASIS, this figure is included with the cash received, operating activities appropriations.

Prepared on Australian Accounting Standards basis.

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

#### **Departmental Financial Statements**

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

## PORTFOLIO GLOSSARY

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

Glossary

|                          |  |
|--------------------------|--|
| 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 | Measures the joint or independent contribution of programs to the achievement of their specified outcome.  |
| Efficiency indicators    | Measures the adequacy of an agency's management of its programs. Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one program should be considered when judging efficiency.   |
| Equity or net assets     | Residual interest in the assets of an entity after deduction of its liabilities.   |
| Expense                  | Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.   |
| Fair value               | Valuation methodology: the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.   |
| Intermediate outcomes    | More specific medium-term impacts (for example, 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 ( <i>see outcomes</i> ). |
| Operating result         | Equals revenue less expense.   |
| Outcomes                 | The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.   |
| Price                    | One of the three key efficiency indicators. The amount the government or the community pays for the delivery of programs.  |

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