

Department of Foreign Affairs and Trade (DFAT)

Agency resources and planned performance

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

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DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In 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 of prior + year amounts available in 2010-11 \$'000	Proposed at Budget = 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	338,566	-	338,566	271,241
Departmental appropriation ³	-	948,048	948,048	924,513 ⁴
s31 Relevant agency receipts ⁵	-	41,404	41,404	48,859
Total	338,566	989,452	1,328,018	1,244,613
Other Services⁶				
Administered expenses				
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
Total	-	294,960	294,960	400,646
Total ordinary annual services	A 338,566	1,284,412	1,622,978	1,645,259
Departmental non-operating				
Equity injections	111,902	71,933	183,835	65,285
Previous years' programs	-	-	-	42,127
Total	111,902	71,933	183,835	107,412
Administered non-operating				
Administered assets and liabilities	75,000	-	75,000	75,000
Total	75,000	-	75,000	75,000
Total other services	B 186,902	71,933	258,835	182,412
Total available annual appropriations	525,468	1,356,345	1,881,813	1,827,671
Special appropriations				
Special appropriations limited by amount				
Special Appropriation FMA Act s28				
Passport Refunds	-	650	650	650
Total special appropriations	C -	650	650	650
Total appropriations excluding Special Accounts	525,468	1,356,995	1,882,463	1,828,321

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

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

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 \$'000	2009-10 \$'000
Receipts received from other agencies for the provision of services (disclosed above within Departmental section 31)	41,404	48,859
Payments made to CAC Act bodies within the Portfolio 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 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Expense measures						
Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach	1.1, 3.1					
Departmental expenses		-	34,082	34,320	-	-
Total		-	34,082	34,320	-	-
Australia's Contribution to the Antarctic Treaty Secretariat	1.1					
Administered expenses		-	63	63	63	63
Departmental expenses		-	(63)	(63)	(63)	(63)
Total		-	-	-	-	-
Baghdad Embassy – transition towards civilian security arrangements	3.1					
Departmental expenses		-	23,796	28,082	-	-
Total		-	23,796	28,082	-	-
National Security - Improved Passport Integrity and Strengthened Issuance Systems	2.2					
Departmental expenses		-	2,458	5,162	11,019	10,367
Total		-	2,458	5,162	11,019	10,367
Smartraveller information campaign - continuation ¹	2.1					
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Total expense measures						
Administered		-	63	63	63	63
Departmental		-	60,273	67,501	10,956	10,304
Total		-	60,336	67,564	11,019	10,367

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

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

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

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	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
Program 1.1: Foreign Affairs and Trade Operations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	85,093	10,957
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1) 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
Total for Program 1.1	649,720	563,801
Program 1.2: Payments to International Organisations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	251,510	254,423
Total for Program 1.2	251,510	254,423
Program 1.3: Public Information Services and Public Diplomacy		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	65,951	28,830
Total for Program 1.3	65,951	28,830
Outcome 1 Totals by appropriation type		
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
Total expenses for Outcome 1	967,181	847,054
	2009-10	2010-11
Average Staffing Level (number)²	2,001	2,009

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 Revised budget \$'000	2010-11 Budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'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
Total program expenses	649,720	563,801	560,705	561,107	559,624

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

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 Revised budget \$'000	2010-11 Budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'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	-	-	-
Total program expenses	65,951	28,830	23,948	23,948	23,948

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 *Smartraveller* 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

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	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
Program 2.1: Consular Services		
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) ¹	83,220	75,393
Expenses not requiring appropriation in the Budget year	37	4,566
Total for Program 2.1	84,007	80,709
Program 2.2: Passport Services		
Administered expenses		
Special Appropriations	650	650
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1) ¹	203,821	189,868
Expenses not requiring appropriation in the Budget year	88	11,105
Total for Program 2.2	204,559	201,623
Outcome 2 Totals by appropriation type		
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
Total expenses for Outcome 2	289,116	282,882
	2009-10	2010-11
Average Staffing Level (number) ²	977	1,022

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

- 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).
- 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 Revised budget \$'000	2010-11 Budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'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
Total program expenses	84,007	80,709	78,534	81,476	81,937

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 Revised budget \$'000	2010-11 Budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'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
Total program expenses	204,559	201,623	210,736	223,316	230,404

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

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	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
Program 3.1: Foreign Affairs and Trade Operations		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1) ¹	152,757	176,722
Expenses not requiring appropriation in the Budget year	59	12,722
Total for Program 3.1	152,816	189,444
Program 3.2: Overseas Property		
Departmental expenses		
Special Accounts	70,007	66,212
Total for Program 3.2	70,007	66,212
Outcome 3 Totals by appropriation type		
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
Total expenses for Outcome 3	222,823	255,656
	2009-10	2010-11
Average Staffing Level (number)²	584	591

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 Revised budget \$'000	2010-11 Budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'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
Total program expenses	152,816	189,444	187,537	148,831	148,492

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

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 2010-11 <i>2009-10</i>	Receipts 2010-11 <i>2009-10</i>	Payments 2010-11 <i>2009-10</i>	Adjustments 2010-11 <i>2009-10</i>	Closing balance 2010-11 <i>2009-10</i>
		\$'000	\$'000	\$'000	\$'000	\$'000
Administered Payments and Receipts for Other Entities Special Account - FMA Act 1997 s20 (A)	1	5,000 <i>4,967</i>	230,000 <i>230,000</i>	(230,000) <i>(229,967)</i>	-	5,000 <i>5,000</i>
Australia-Japan Foundation Special Account - FMA Act 1997 s20 (A)	1	- <i>64</i>	-	- <i>(64)</i>	-	-
Consular Services Special Account - FMA Act 1997 s20 (A)	2	- <i>54</i>	100 <i>310</i>	(100) <i>(364)</i>	-	-
Expositions Special Accounts - FMA Act 1997 s20 (A)	1	525 <i>337</i>	7,880 <i>47,119</i>	(8,405) <i>(46,931)</i>	-	- <i>525</i>
Other Trust Monies Account - FMA Act 1997 s20 (A) ¹	1	- <i>788</i>	- <i>180</i>	- <i>(968)</i>	-	-
Services for Other Entities and Trust Moneys - Foreign Affairs and Trade Special Account - FMA Act 1997 s20 (A)	1	- <i>-</i>	5,000 <i>3,333</i>	(5,000) <i>(3,333)</i>	-	-
Services for Other Governments & Non-Agency Bodies Account - FMA Act 1997 s20 (A) ¹	1	- <i>3,481</i>	- <i>3</i>	- <i>(3,484)</i>	-	-
Overseas Property Special Account - Finance Determination 2002-01 (D)	3	290,627 <i>262,430</i>	114,842 <i>121,300</i>	(183,555) <i>(93,103)</i>	-	221,914 <i>290,627</i>
Total Special Accounts 2010-11 Budget estimate		296,152	357,822	(427,060)	-	226,914
<i>Total Special Accounts 2009-10 estimate actual</i>		<i>272,121</i>	<i>402,245</i>	<i>(378,214)</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 \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
	Foreign Affairs and Trade Outcome 1						
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>	
Total AGIE 2010-11	788	-	-	788	-	788	
<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 actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	440,966	438,422	425,836	404,803	439,021
Supplier expenses	441,695	474,037	479,413	478,307	450,454
Grants	900	900	900	900	900
Depreciation and amortisation	85,016	99,149	107,544	109,438	116,549
Write-down and impairment of assets	659	422	-	188	-
Losses from asset sales	457	400	300	300	300
Other	3,361	3,334	3,329	1,857	-
Total expenses	973,054	1,016,664	1,017,322	995,793	1,007,224
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	100,731	88,463	89,029	90,278	90,962
Other	1,521	1,911	1,780	2,033	2,144
Total revenue	102,252	90,374	90,809	92,311	93,106
Gains					
Sale of assets	747	-	-	-	-
Other	390	390	392	392	400
Total gains	1,137	390	392	392	400
Total own-source income	103,389	90,764	91,201	92,703	93,506
Net cost of (contribution by) services	869,665	925,900	926,121	903,090	913,718
Revenue from Government	953,647	890,367	885,776	864,046	862,559
Surplus (Deficit)	83,982	(35,533)	(40,345)	(39,044)	(51,159)
Surplus (Deficit) attributable to the Australian Government	83,982	(35,533)	(40,345)	(39,044)	(51,159)

Note: Reconciliation of operating result attributable to the agency

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2012-13 \$'000
Operating result attributable to the Australian Government	83,982	(35,533)	(40,345)	(39,044)	(51,159)
plus non-appropriated expenses depreciation and amortisation expenses	-	79,753	86,452	86,526	92,276
Operating result attributable to the Agency	83,982	44,220	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 actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
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
Total financial assets	734,132	641,990	625,418	522,814	447,445
Non-financial assets					
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
Total non-financial assets	2,156,593	2,283,194	2,386,961	2,570,392	2,782,600
Total assets	2,890,725	2,925,184	3,012,379	3,093,206	3,230,045
LIABILITIES					
Payables					
Suppliers	76,167	76,157	76,157	76,157	76,157
Other	12,106	12,106	12,106	12,106	12,106
Total payables	88,273	88,263	88,263	88,263	88,263
Provisions					
Employee provisions	122,597	122,616	122,616	122,616	122,616
Other	19,547	19,547	19,547	19,547	19,547
Total provisions	142,144	142,163	142,163	142,163	142,163
Total liabilities	230,417	230,426	230,426	230,426	230,426
Net assets	2,660,308	2,694,758	2,781,953	2,862,780	2,999,619
EQUITY*					
Parent entity interest					
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 (accumulated deficit)	616,070	540,516	498,266	457,508	404,635
Total parent entity interest	2,660,308	2,694,758	2,781,953	2,862,780	2,999,619
Total equity	2,660,308	2,694,758	2,781,953	2,862,780	2,999,619

* '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 \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	616,070	447,621	-	1,596,617	2,660,308
Adjusted opening balance	616,070	447,621	-	1,596,617	2,660,308
Comprehensive income					
Comprehensive income recognised directly in equity:					
Gain/loss on revaluation of property	-	(18,067)	-	-	(18,067)
Sub-total comprehensive income	-	(18,067)	-	-	(18,067)
Surplus (deficit) for the period	(35,533)	-	-	-	(35,533)
Total comprehensive income recognised directly in equity	580,537	429,554	-	1,596,617	2,606,708
Transactions with owners					
<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					
Sub-total transactions with owners	(40,021)	-	-	128,071	88,050
Estimated closing balance as at 30 June 2011	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 actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
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
Total cash received	1,080,580	1,028,029	998,930	980,559	976,638
Cash used					
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
Total cash used	890,639	941,985	928,749	905,327	909,638
Net cash from (used by) operating activities	189,941	86,044	70,181	75,232	67,000
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	14,981	4,410	-	-	-
Total cash received	14,981	4,410	-	-	-
Cash used					
Purchase of property, plant and equipment	161,620	207,618	141,995	160,272	163,777
Purchase of financial instruments Investments					
Other	25,769	40,871	81,866	138,456	140,144
Total cash used	187,389	248,489	223,861	298,728	303,921
Net cash from (used by) investing activities	(172,408)	(244,079)	(223,861)	(298,728)	(303,921)

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

Table 3.2.5 Departmental Capital Budget Statement

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

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

#Proceeds may be returned to the OPA

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation revenue					
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
Total non-taxation revenue	394,106	396,868	411,181	433,143	452,197
Total revenues administered on behalf of Government	394,106	396,868	411,181	433,143	452,197
Total income administered on behalf of Government	394,106	396,868	411,181	433,143	452,197
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
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
Total expenses administered on behalf of Government	403,404	297,660	291,281	288,940	288,024

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
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 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
Total financial assets	474,974	478,089	465,929	455,789	444,784
Non-financial assets					
Other	3,649	3,649	3,649	3,649	3,649
Total non-financial assets	3,649	3,649	3,649	3,649	3,649
Total assets administered on behalf of Government	478,623	481,738	469,578	459,438	448,433
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	3,961	3,961	3,961	3,961	3,961
Other	102,578	100,678	86,578	74,078	61,578
Total payables	106,539	104,639	90,539	78,039	65,539
Interest bearing liabilities					
Other	25,360	24,960	19,560	14,460	10,160
Total interest bearing liabilities	25,360	24,960	19,560	14,460	10,160
Provisions					
Other	39,466	39,466	39,466	39,466	39,466
Total provisions	39,466	39,466	39,466	39,466	39,466
Total liabilities administered on behalf of Government	171,365	169,065	149,565	131,965	115,165

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering 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
Total cash received	378,412	389,165	406,263	429,769	449,603
Cash used					
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
Total cash used	335,911	301,897	294,030	292,213	291,322
Net cash from (used by) operating activities	42,501	87,268	112,233	137,556	158,281
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing					
Other	-	-	12,500	12,500	12,500
Total cash received	-	-	12,500	12,500	12,500
Cash used					
Net repayment of borrowings					
Other	-	-	12,500	12,500	12,500
Total cash used	-	-	12,500	12,500	12,500
Net cash from (used by) financing activities	-	-	-	-	-
Net increase (decrease) in cash held					
Cash and cash equivalents at 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
Cash and cash equivalents at end of reporting period	5,758	5,233	5,233	5,233	5,233

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.

