

## DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

<b>Section 1: Agency overview and resources .....</b>	<b>11</b>
1.1 Strategic Direction .....	11
1.2 Agency Resource Statement .....	11
1.3 Agency Measures table.....	15
1.4 Additional Estimates and variations .....	17
1.5 Breakdown of Additional Estimates by appropriation bill .....	20
<b>Section 2: Revisions to agency outcomes and planned performance.....</b>	<b>22</b>
2.1 Resources and performance information .....	22
<b>Section 3: Explanatory tables and budgeted financial statements .....</b>	<b>34</b>
3.1 Explanatory tables.....	34
3.2 Budgeted financial statements .....	36



# DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

To continue to deliver the foreign and trade policy priorities outlined in the *2011-12 Portfolio Budget Statements*, the Government has agreed to fund two further foreign and trade policy initiatives, which will be delivered by the Department.

The Government has agreed to provide funding to support Australia's participation in the 2012 World Expo to be held in Yeosu, Republic of Korea, from 12 May to 12 August. The funding will contribute to the operation of the Australian pavilion and the management of associated programs. The Yeosu Expo (themed "Living Ocean and Coast") will showcase Australia's industries and cutting edge science and research in the marine environment, providing trade and economic opportunities. It will also boost Australia's tourism and education sectors.

The Government has agreed to provide funding for a contribution to the Bali Peace Park Association to assist with the purchase of the Sari Club site in Bali, where 88 Australians were killed and others injured in a terrorist attack in 2002. The site will be used as a memorial for the victims of terrorist attacks, with a park and museum to be constructed on the site.

A full outline of DFAT's Strategic Direction can be found in the *2011-12 Portfolio Budget Statements*.

### 1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for the Department of Foreign Affairs and Trade at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2011-12 Budget year, including variations through Appropriation Bill No. 3, special appropriations and special accounts.

**Table 1.1: DFAT resource statement — Additional estimates for 2011-12 as at Additional Estimates February 2012**

	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates	Total available appropriation
	2011-12 \$'000	2011-12 \$'000	2011-12 \$'000	2010-11 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	496,286	-	496,286	406,655
Departmental appropriation <sup>3</sup>	911,273	18,367	929,640	951,686
s31 Relevant agency receipts <sup>4</sup>	51,433	-	51,433	71,252
<b>Total</b>	<b>1,458,992</b>	<b>18,367</b>	<b>1,477,359</b>	<b>1,429,593</b>
<b>Administered expenses</b>				
Outcome 1 <sup>5</sup>	263,890	5,293	269,183	285,935
Outcome 2	750	-	750	750
Payments to CAC Act bodies	6,022	190	6,212	8,275
<b>Total</b>	<b>270,662</b>	<b>5,483</b>	<b>276,145</b>	<b>294,960</b>
<b>Total ordinary annual services</b>	<b>A 1,729,654</b>	<b>23,850</b>	<b>1,753,504</b>	<b>1,724,553</b>
<b>Other services<sup>6</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	72,005	-	72,005	72,406
<b>Total</b>	<b>72,005</b>	<b>-</b>	<b>72,005</b>	<b>72,406</b>
<b>Total other services</b>	<b>B 72,005</b>	<b>-</b>	<b>72,005</b>	<b>72,406</b>
<b>Total available annual appropriations</b>	<b>1,801,659</b>	<b>23,850</b>	<b>1,825,509</b>	<b>1,796,959</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by amount</b>				
Special Appropriation FMA Act, s28	150	710	860	860
<b>Total special appropriations</b>	<b>C 150</b>	<b>710</b>	<b>860</b>	<b>860</b>
<b>Total appropriations excluding Special Accounts</b>	<b>1,801,809</b>	<b>24,560</b>	<b>1,826,369</b>	<b>1,797,819</b>

Table continued on following page.

**Table 1.1: DFAT resource statement — Additional estimates for 2011-12 as at Additional Estimates February 2012 (continued)**

	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates	Total available appropriation
	2011-12 \$'000	2011-12 \$'000	2011-12 \$'000	2010-11 \$'000
<b>Special Accounts</b>				
Opening balance <sup>7</sup>	400,664	-	400,664	303,380
Appropriation receipts <sup>8</sup>	72,189	(968)	71,221	107,331
Appropriation receipts - other agencies <sup>9</sup>	34,695	(2)	34,693	64,439
Non-appropriation receipts to Special Accounts	9,924	1,197	11,121	26,305
<b>Total Special Account</b>	<b>D 517,472</b>	<b>227</b>	<b>517,699</b>	<b>501,455</b>
<b>Total resourcing</b>				
A+B+C+D	2,319,281	24,787	2,344,068	2,299,274
Less appropriations drawn from				
- annual or special appropriations above and credited to special accounts	(72,189)	968	(71,221)	(107,006)
- and CAC Act bodies through annual appropriations	(6,022)	(190)	(6,212)	(8,275)
<b>Total net resourcing for agency DFAT</b>	<b>2,241,070</b>	<b>25,565</b>	<b>2,266,635</b>	<b>2,183,993</b>

<sup>1</sup> Appropriation Bill (No.1 & 3) 2011-12<sup>2</sup> Estimated adjusted balance carried from previous year for annual appropriations<sup>3</sup> Includes an amount of \$73.446 million in 2011-12 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'<sup>4</sup> s31 Relevant Agency receipts - estimate<sup>5</sup> 2011-12 Portfolio Budget Statements disclosed an appropriation of \$267.228 million which included a provisional amount of \$3.338 million that was not appropriated. The Administered Expenses "Estimate as at Budget" has been restated to \$263.89 million to reflect the amount received in the Appropriation Act (No.1) 2011-12<sup>6</sup> Appropriation Bill (No.2 & 4) 2011-12<sup>7</sup> Estimated opening balance for special accounts (less amounts held in 'Special Public Money' accounts; Administered Payments and Receipts for Other Entities Special Account, Consular Services Special Account or Services for Other Entities and Trust Moneys).

For further information on special accounts see Table 3.1.1.

<sup>8</sup> Appropriation receipts from DFAT annual and special appropriations for 2010-11 included above<sup>9</sup> Appropriation receipts from other agencies credited to DFAT's special accounts

Reader note: All figures are GST exclusive.

*DFAT Additional Estimates Statements*

**Third Party Drawdowns from and on behalf of other agencies**

	Estimate at Budget 2011-12 \$'000	Estimate at Additional Estimates 2011-12 \$'000
Receipts received from other agencies for the provision of services (disclosed above within Departmental section 31)	51,433	51,433
Payments made to CAC Act bodies within the Portfolio Export Finance and Insurance Corporation Appropriation Acts 1 & 2	6,022	6,212

### **1.3 AGENCY MEASURES TABLE**

Table 1.2 summarises new Government measures taken since the 2011-12 Budget. The table is split into expense and capital measures, with the affected program identified.

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

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Expense measures</b>					
Australia's Contribution to Bali Peace Park	1.3				
Administered expenses		450	-	-	-
<b>Total</b>		<b>450</b>	-	-	-
Australia's Participation in Yeosu Expo 2012	1.3				
Administered expenses <sup>1</sup>		8,500	1,500	-	-
<b>Total</b>		<b>8,500</b>	<b>1,500</b>	-	-
Ex Gratia Payments - Families of the Victims of the 2009 Kokoda Plane Crash <sup>2</sup>	2.1				
Departmental expenses		-	-	-	-
Ex Gratia Payments - Families of the Victims of September 11 Terrorist Attacks <sup>2</sup>	2.1				
Departmental expenses		-	-	-	-
<b>Total</b>		-	-	-	-
Reducing the cost of Government administration - one-off efficiency dividend	1.1, 2.1, 2.2, 3.1				
Departmental expenses		-	(19,707)	(19,492)	(19,709)
<b>Total</b>		-	<b>(19,707)</b>	<b>(19,492)</b>	<b>(19,709)</b>
<b>Total expense measures</b>					
Administered		8,950	1,500	-	-
Departmental			(19,707)	(19,492)	(19,709)
<b>Total</b>		<b>8,950</b>	<b>(18,207)</b>	<b>(19,492)</b>	<b>(19,709)</b>
<b>Capital measures</b>					
Departmental Capital Budgets - Savings					
Departmental Capital	1.1	-	(15,860)	(23,738)	(17,086)
<b>Total</b>		-	<b>(15,860)</b>	<b>(23,738)</b>	<b>(17,086)</b>
<b>Total capital measures</b>					
Administered		-	-	-	-
Departmental			(15,860)	(23,738)	(17,086)
<b>Total</b>		-	<b>(15,860)</b>	<b>(23,738)</b>	<b>(17,086)</b>

Prepared on a Government Financial Statistics (fiscal) basis

<sup>1</sup> Total expense measure for 2011-12 is \$8.5 million. However, the department has \$7.48 million surplus funds in the expositions special account from previous expositions, which the department has attributed to this measure and only requires an additional appropriation of \$1.02 million.

<sup>2</sup> The measures *Ex Gratia Payments - Families of the Victims of the 2009 Kokoda Plane Crash* and *Ex Gratia Payments - Families of the Victims of September 11 Terrorist Attacks* will be funded through existing departmental resources.



## **1.4 ADDITIONAL ESTIMATES AND VARIATIONS**

The following tables detail the changes to the resourcing for DFAT at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2011-12 Budget in Appropriation Bill No. 3. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2011-12 Budget**

	Program impacted	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Outcome 1</b>					
Increase in estimates (administered)					
Australia's Contribution to Bali Peace Park	1.3	450	-	-	-
Australia's Participation in Yeosu Expo 2012 <sup>1</sup>	1.3	1,020	1,500	-	-
Net impact on estimates for Outcome 1 (administered)		1,470	1,500	-	-
Decrease in estimates (departmental)					
Reducing the cost of Government administration - one-off efficiency dividend	1.1	-	(9,933)	(9,697)	(9,941)
Net impact on estimates for Outcome 1 (departmental)		-	(9,933)	(9,697)	(9,941)
<b>Outcome 2</b>					
Ex Gratia Payments - Families of the Victims of the 2009 Kokoda Plane Crash <sup>2</sup>	2.1	-	-	-	-
Ex Gratia Payments - Families of the Victims of September 11 Terrorist Attacks <sup>2</sup>	2.1	-	-	-	-
Decrease in estimates (departmental)					
Reducing the cost of Government administration - one-off efficiency dividend	2.1, 2.2	-	(6,725)	(6,732)	(6,647)
Net impact on estimates for Outcome 2 (Departmental)		-	(6,725)	(6,732)	(6,647)
<b>Outcome 3</b>					
Decrease in estimates (departmental)					
Reducing the cost of Government administration - one-off efficiency dividend	3.1	-	(3,049)	(3,063)	(3,121)
Net impact on estimates for Outcome 3 (Departmental)		-	(3,049)	(3,063)	(3,121)

<sup>1</sup> Total expense measure for 2011-12 is \$8.5 million. However, the department has \$7.48 million surplus funds in the expositions special account from previous expositions, which the department has attributed to this measure and only requires and additional appropriation of \$1.02 million.

<sup>2</sup> The measures *Ex Gratia Payments - Families of the Victims of the 2009 Kokoda Plane Crash* and *Ex Gratia Payments - Families of the Victims of September 11 Terrorist Attacks* will be funded through existing departmental resources.

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

	Program impacted	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Outcome 1</b>					
Increase in estimates (administered)					
Adjustment for rebasing	1.1 & 1.2	13,558	9,389	8,297	7,208
Decrease in estimates (administered)					
Adjustment for within year foreign exchange gain	1.1 & 1.2	(9,545)	(11,469)	(9,747)	(8,707)
Net impact on estimates for Outcome 1 (administered)		4,013	(2,080)	(1,450)	(1,499)
Increase in estimates (departmental)					
Adjustment for overseas inflation	1.1	1,538	1,588	1,568	1,589
Adjustment for domestic inflation	1.1	-	276	269	(1)
Adjustment for Ho Chi Minh City chancery relocation	1.1	92	164	162	164
Decrease in estimates (departmental)		-	-	-	-
Adjustment for foreign exchange rebasing	1.1	(58)	(59)	(59)	(60)
Net impact on estimates for Outcome 1 (departmental)		1,572	1,969	1,940	1,692
<b>Outcome 2</b>					
Increase in estimates (departmental)					
Adjustment for overseas inflation	2.1, 2.2	969	1,075	1,088	1,063
Adjustment for domestic inflation	2.1, 2.2	-	187	187	(1)
Adjustment to Passport funding due to higher than expected passport issues in 2010-11.	2.2	15,143	-	-	-
Adjustment for Ho Chi Minh City chancery relocation	2.1, 2.2	59	112	113	110
Decrease in estimates (departmental)					
Adjustment for foreign exchange rebasing	2.1, 2.2	(36)	(40)	(40)	(40)
Net impact on estimates for Outcome 2 (departmental)		16,135	1,334	1,348	1,132
<b>Outcome 3</b>					
Increase in estimates (departmental)					
Adjustment for overseas inflation	3.1	644	487	495	499
Adjustment for domestic inflation	3.1	-	84	84	-
Adjustment for Ho Chi Minh City chancery relocation	3.1	40	50	51	52
Decrease in estimates (departmental)					
Adjustment for foreign exchange rebasing	3.1	(24)	(18)	(18)	(19)
Net impact on estimates for Outcome 3 (departmental)		660	603	612	532

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for DFAT through Appropriation Bill No. 3.

**Table 1.5: Appropriation Bill (No. 3) 2011-12**

	2010-11 Available \$'000	2011-12 Budget \$'000	2011-12 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 1</b>					
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	294,210	269,912	275,395	5,483	-
<b>Outcome 2</b>					
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	750	750	750	-	-
<b>Total</b>	<b>294,960</b>	<b>270,662</b>	<b>276,145</b>	<b>5,483</b>	<b>-</b>

*Table continued on following page.*

**Table 1.5: Appropriation Bill (No. 3) 2011-12 (continued)**

	2010-11 Available \$'000	2011-12 Budget \$'000	2011-12 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>DEPARTMENTAL ITEMS</b>					
<b>Outcome 1</b>					
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	496,818	482,283	483,855	1,572	-
<b>Outcome 2</b>					
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	281,518	257,732	273,867	16,135	-
<b>Outcome 3</b>					
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	173,350	171,258	171,918	660	-
<b>Total</b>	<b>951,686</b>	<b>911,273</b>	<b>929,640</b>	<b>18,367</b>	<b>-</b>
<b>Total administered and departmental</b>	<b>1,246,646</b>	<b>1,181,935</b>	<b>1,205,785</b>	<b>23,850</b>	<b>-</b>

## Section 2: Revisions to agency resources and planned performance

### 2.1 RESOURCES AND PERFORMANCE INFORMATION

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

##### **Outcome 1 Strategy**

There is no change to the Department's Outcome Strategy as expressed in the *2011-12 Portfolio Budget Statements*. Measures being funded through Additional Estimates reflect the Government's foreign, trade and security policy priorities through Australia's bilateral, regional and multilateral relationships.

The Government has agreed to provide funding to support Australia's participation in the 2012 World Expo to be held in Yeosu, Republic of Korea, from 12 May to 12 August 2012.

The Government has agreed to provide funding for a contribution to the Bali Peace Park Association to assist with the purchase of the Sari Club site in Bali, for use as a memorial for the victims of the terrorist attacks.

**Table 2.1.1 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>	2010-11 Actual expenses \$'000	2011-12 Revised estimated expenses \$'000
<b>Program 1.1: Foreign Affairs and Trade Operations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	11,269	11,006
Departmental expenses		
Departmental appropriation <sup>1 &amp; 2</sup>	442,824	450,062
Expenses not requiring appropriation in the Budget year <sup>3 &amp; 4</sup>	61,840	64,669
<b>Total for Program 1.1</b>	<b>515,933</b>	<b>525,737</b>
<b>Program 1.2: Payments to International Organisations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	239,803	238,429
<b>Total for Program 1.2</b>	<b>239,803</b>	<b>238,429</b>
<b>Program 1.3: Public Information and Public Diplomacy</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	23,842	24,940
Special Accounts	2,809	1,020
Expenses not requiring appropriation in the Budget year <sup>5</sup>	-	7,495
<b>Total for Program 1.2</b>	<b>26,651</b>	<b>33,455</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	274,914	274,375
Special Accounts	2,809	1,020
Departmental expenses		
Departmental appropriation <sup>1 &amp; 2</sup>	442,824	450,062
Expenses not requiring appropriation in the Budget year <sup>3, 4 &amp; 5</sup>	61,840	72,164
<b>Total expenses for Outcome 1</b>	<b>782,387</b>	<b>797,621</b>
	2010-11	2011-12
<b>Average Staffing Level (number) <sup>6</sup></b>	<b>2,134</b>	<b>2,134</b>

<sup>1</sup> Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1 & 3)" and "Revenue from independent sources (s31)".

<sup>2</sup> These expenses include a portion of an intra-entity amount of \$71.575 million (2010-11: \$102.37million) representing rent paid by DFAT to the DFAT Overseas Property Office which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).

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

<sup>4</sup> The Department received Debt Forgiveness appropriation of \$75.0 million in *Appropriation Act (No.4) 2009-10* for Debt-to-Health Swap with Government of Indonesia. This appropriation is to be expensed over a period of 6 years in accordance with the schedule loan repayments with EFIC.

<sup>5</sup> The Department will use surplus funds from previous expositions, which the Department has attributed to Exposition expenses occurring in 2011-12.

<sup>6</sup> ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 and Outcome 3

## Program 1.1: Foreign Affairs and Trade Operations

### Program 1.1 Objective

There is no change to the objective for Program 1.1 as expressed in the *2011-12 Portfolio Budget Statements*.

### Program 1.1 Expenses

	2010-11 Actual \$'000	2011-12 Revised budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses:					
Administered item					
Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses	6,521	6,212	5,174	4,647	3,780
Hosting of the 35th Antarctic Treaty Consultative Meeting	29	1,386	-	-	-
Personal Benefits - Locally Engaged Staff pension schemes	4,275	2,020	2,033	2,100	2,137
Other Administered Items	444	1,388	491	502	511
Annual departmental expenses:					
Foreign Affairs and Trade Operations	442,824	450,062	438,178	431,223	440,860
Expenses not requiring appropriation in the Budget year:	54,449	56,069	57,065	57,909	50,362
Overseas development assistance - Debt-to-Health Swap with Government of Indonesia <sup>1</sup>	7,391	8,600	9,200	9,700	11,100
<b>Total program expenses</b>	<b>515,933</b>	<b>525,737</b>	<b>512,141</b>	<b>506,081</b>	<b>508,750</b>

<sup>1</sup> The Department was appropriated \$75 million in *Appropriation Act (No.4) 2009-10* for Debt-to-Health Swap with Government of Indonesia. This appropriation is to be expensed over a period of 6 years in accordance with the schedule loan repayments with EFIC.

### Program 1.1 Deliverables

There is no change to the deliverables for Program 1.1 as expressed in the *2011-12 Portfolio Budget Statements*.

### Program 1.1 Key Performance Indicators

There is no change to the key performance indicators for Program 1.1 as expressed in the *2011-12 Portfolio Budget Statements*.



**Program 1.2: Payments to International Organisations***Program 1.2 Objective*

There is no change to the objective for Program 1.2 as expressed in the 2011-12 *Portfolio Budget Statements*.

*Program 1.2 Expenses*

	2010-11 Actual \$'000	2011-12 Revised budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses:					
Administered item					
Payments to International Organisations	239,803	238,429	236,917	239,042	241,172
<b>Total program expenses</b>	<b>239,803</b>	<b>238,429</b>	<b>236,917</b>	<b>239,042</b>	<b>241,172</b>

*Program 1.2 Deliverables*

There is no change to the deliverables for Program 1.2 as expressed in the 2011-12 *Portfolio Budget Statements*.

*Program 1.2 Key Performance Indicators*

There is no change to the key performance indicators for Program 1.2 as expressed in the 2011-12 *Portfolio Budget Statements*.

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

There is no change to the objective for Program 1.3 as expressed in the 2011-12 *Portfolio Budget Statements*.

*Program 1.3 Expenses*

	2010-11 Actual \$'000	2011-12 Revised budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses:					
Administered item					
Administered Grants Program	4,488	4,594	4,594	4,594	4,594
Bali Peace Park	-	450	-	-	-
Australia Network	19,354	19,896	20,414	20,924	21,447
Special Account expenses:					
<i>Expositions Special Account</i>	2,809	1,020	1,500	-	-
Expenses not requiring appropriation in the Budget year <sup>1</sup>	-	7,495	-	-	-
<b>Total program expenses</b>	<b>26,651</b>	<b>33,455</b>	<b>26,508</b>	<b>25,518</b>	<b>26,041</b>

<sup>1</sup> The Department will use surplus funds from previous expositions, which the Department has attributed to Exposition expenses occurring in 2011-12.

*DFAT Additional Estimates Statements*

*Program 1.3 Deliverables*

Program 1.3 deliverables are affected by Additional Estimates measures which provide funding for Australia's participation in the 2012 World Expo in Yeosu, Republic of Korea, and for a contribution to the Bali Peace Park Association to assist with the purchase of the Sari Club site in Bali for use as a memorial for the victims of the terrorist attacks.

*Program 1.3 Key Performance Indicators*

In addition to the Key Performance Indicators listed in the *2011-12 Portfolio Budget Statements*, we include the following Key Performance Indicator:

- Showcasing Australia's industries and cutting edge science and research in the marine environment, providing trade and economic opportunities and boosting Australia's tourism and education sectors through participation in the 2012 World Expo in Yeosu, Republic of Korea.

Complete details of the Department of Foreign Affairs and Trade resources and performance information can be found in the *2011-12 Portfolio Budget Statements*.

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

**Outcome 2 Strategy**

There is no change to the Department's Outcome Strategy as expressed in the 2011-12 *Portfolio Budget Statements*.

**Table 2.1.2 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>	2010-11 Actual expenses \$'000	2011-12 Revised estimated expenses \$'000
<b>Program 2.1: Consular Services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	42	200
Traveller's Emergency Loans <sup>1</sup>	48	-
Departmental expenses		
Departmental appropriation <sup>2 &amp; 5</sup>	63,351	70,454
Expenses not requiring appropriation in the Budget year <sup>3</sup>	8,030	4,852
<b>Total for Program 2.1</b>	<b>71,470</b>	<b>75,506</b>
<b>Program 2.2: Passport Services</b>		
Administered expenses		
Special appropriations	754	860
Departmental expenses		
Departmental appropriation <sup>2</sup>	155,155	188,270
Expenses not requiring appropriation in the Budget year <sup>3</sup>	19,666	12,541
<b>Total for Program 2.2</b>	<b>175,576</b>	<b>201,671</b>
<b>Outcome 2 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	42	200
Traveller's Emergency Loans <sup>1</sup>	48	-
Special appropriations	754	860
Departmental expenses		
Departmental appropriation <sup>2 &amp; 5</sup>	218,506	258,724
Expenses not requiring appropriation in the Budget year <sup>3</sup>	27,696	17,393
<b>Total expenses for Outcome 2</b>	<b>247,046</b>	<b>277,177</b>
	<b>2010-11</b>	<b>2011-12</b>
<b>Average Staffing Level (number)<sup>4</sup></b>	<b>1,059</b>	<b>1,071</b>

<sup>1</sup> Travellers Emergency Loans Issued are initially recorded as receivables to the Commonwealth. Program expenses relate to non-cash expenses resulting from write down and impairment of assets (i.e. impairment of Travellers' Emergency Loans Receivable).

<sup>2</sup> Departmental Appropriation is "Ordinary annual services (Appropriation Bill No. 1 & 3)".

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

<sup>4</sup> ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2.

<sup>5</sup> These expenses include a portion of an intra-entity amount of \$71.575 million (2010-11: \$102.37million) 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).

**Program 2.1: Consular Services***Program 2.1 Objective*

There is no change to the objective for Program 2.1 as expressed in the 2011-12 *Portfolio Budget Statements*.

*Program 2.1 Expenses*

	2010-11 Actual \$'000	2011-12 Revised budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses:					
Administered item					
Consular Emergency Services	42	200	200	200	200
Travellers' Emergency Loans <sup>1</sup>	48	-	-	-	-
Annual departmental expenses:					
Foreign Affairs and Trade Operations	63,351	70,454	67,110	67,348	68,496
Expenses not requiring appropriation in the Budget year	8,030	4,852	4,882	4,836	8,344
<b>Total program expenses</b>	<b>71,470</b>	<b>75,506</b>	<b>72,192</b>	<b>72,384</b>	<b>77,040</b>

<sup>1</sup> Travellers Emergency Loans Issued are initially recorded as receivables to the Commonwealth. Program expenses relate to non-cash expenses resulting from write down and impairment of assets (i.e. impairment of Travellers' Emergency Loans Receivable).

*Program 2.1 Deliverables*

There is no change to the deliverables for Program 2.1 as expressed in the 2011-12 *Portfolio Budget Statements*.

*Program 2.1 Key Performance Indicators*

There is no change to the key performance indicators for Program 2.1 as expressed in the 2011-12 *Portfolio Budget Statements*.

**Program 2.2: Passport Services***Program 2.2 Objective*

There is no change to the objective for Program 2.2 as expressed in the 2011-12 *Portfolio Budget Statements*.

*DFAT Additional Estimates Statements*

*Program 2.2 Expenses*

	2010-11 Actual \$'000	2011-12 Revised budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses:					
Special appropriations:					
<i>Passport Refunds</i>	754	860	860	860	860
Annual departmental expenses:					
Foreign Affairs and Trade Operations	155,155	188,270	195,291	195,305	190,872
Expenses not requiring appropriation in the Budget year	19,666	12,541	12,698	19,157	29,542
<b>Total program expenses</b>	<b>175,576</b>	<b>201,671</b>	<b>208,849</b>	<b>215,322</b>	<b>221,274</b>

*Program 2.2 Deliverables*

There is no change to the deliverables for Program 2.2 as expressed in the 2011-12 *Portfolio Budget Statements*.

*Program 2.2 Key Performance Indicators*

There is no change to the key performance indicators for Program 2.2 as expressed in the 2011-12 *Portfolio Budget Statements*.

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

**Outcome 3 Strategy**

There is no change to the Department's Outcome Strategy as expressed in the *2011-12 Portfolio Budget Statements*.

**Table 2.1.3 Budgeted Expenses and Resources for Outcome 3**

	2010-11 Actual expenses \$'000	2011-12 Revised estimated expenses \$'000
<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>		
<b>Program 3.1: Other (Departmental)</b>		
Departmental expenses		
Departmental appropriation <sup>1 &amp; 4</sup>	151,442	171,918
Expenses not requiring appropriation in the Budget year <sup>2</sup>	12,135	15,235
<b>Total for Program 3.1</b>	<b>163,576</b>	<b>187,153</b>
<b>Program 3.2: Overseas Property</b>		
Departmental expenses		
Special Accounts	88,749	72,121
<b>Total for Program 3.2</b>	<b>88,749</b>	<b>72,121</b>
<b>Outcome 3 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	151,442	171,918
Special Accounts	88,749	72,121
Expenses not requiring appropriation in the Budget year <sup>2</sup>	12,135	15,235
<b>Total expenses for Outcome 3</b>	<b>252,325</b>	<b>259,274</b>
<b>Average Staffing Level (number)<sup>3</sup></b>	<b>662</b>	<b>670</b>

<sup>1</sup> Departmental Appropriation is "Ordinary annual services (Appropriation Bill No. 1 & 3)".

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

<sup>3</sup> ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 3.

<sup>4</sup> These expenses include a portion of an intra-entity amount of \$71.575 million (2010-11: \$102.37million) 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).



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

There is no change to the objective for Program 3.1 as expressed in the 2011-12 *Portfolio Budget Statements*.

*Program 3.1 Expenses*

	2010-11 Actual \$'000	2011-12 Revised budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual departmental expenses:					
Foreign Affairs and Trade Operations	151,442	171,918	118,952	119,514	121,771
Expenses not requiring appropriation in the Budget year	12,135	15,235	14,380	12,992	14,834
<b>Total program expenses</b>	<b>163,576</b>	<b>187,153</b>	<b>133,332</b>	<b>132,506</b>	<b>136,605</b>

*Program 3.1 Deliverables*

There is no change to the deliverables for Program 3.1 as expressed in the 2011-12 *Portfolio Budget Statements*.

*Program 3.1 Key Performance Indicators*

There is no change to the key performance indicators for Program 3.1 as expressed in the 2011-12 *Portfolio Budget Statements*.

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

There is no change to the objective for Program 3.2 as expressed in the 2011-12 *Portfolio Budget Statements*.

*Program 3.2 Expenses*

	2010-11 Actual \$'000	2011-12 Revised budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Special Account Expenses:					
Overseas Property Special Account - Finance Determination 2002-01 (D)	88,749	72,121	72,367	72,961	75,160
<b>Total program expenses</b>	<b>88,749</b>	<b>72,121</b>	<b>72,367</b>	<b>72,961</b>	<b>75,160</b>

*Program 3.2 Deliverables*

There is no change to the deliverables for Program 1.2 as expressed in the 2011-12 *Portfolio Budget Statements*.

*Program 3.2 Key Performance Indicators*

There is no change to the key performance indicators for Program 1.2 as expressed in the 2011-12 *Portfolio Budget Statements*.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### **Estimates of special account flows**

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by DFAT. The corresponding table in the *2011-12 Portfolio Budget Statements* is Table 3.1.2.

**Table 3.1.1: Estimates of special account flows**

		Opening balance <b>2011-12</b> 2010-11	Receipts <b>2011-12</b> 2010-11	Payments <b>2011-12</b> 2010-11	Adjustments <b>2011-12</b> 2010-11	Closing balance <b>2011-12</b> 2010-11
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Payments and Receipts for Other Entities Special Account - FMA Act 1997 s20 (A)	1	<b>5,000</b>	<b>200,000</b>	<b>(200,000)</b>	-	<b>5,000</b>
		5,000	189,112	(189,112)	-	5,000
Consular Services Special Account - FMA Act 1997 s20 (A)	2	<b>44</b>	<b>100</b>	<b>(100)</b>	-	<b>44</b>
		51	81	(88)	-	44
Expositions Special Accounts - FMA Act 1997 s20 (A)	1	<b>7,391</b>	<b>1,124</b>	<b>(8,515)</b>	-	-
		5,752	12,874	(11,235)	-	7,391
Services for Other Entities and Trust Moneys - Foreign Affairs and Trade Special Account (A)	1	<b>3,070</b>	<b>2,000</b>	<b>(4,000)</b>	-	<b>1,070</b>
		2,108	2,439	(1,477)	-	3,070
Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (D)	3	<b>393,273</b>	<b>115,911</b>	<b>(204,832)</b>	-	<b>304,352</b>
		297,628	185,201	(89,556)	-	393,273
<b>Total Special Accounts 2011-12 Budget estimate</b>		<b>408,778</b>	<b>319,135</b>	<b>(417,447)</b>	-	<b>310,466</b>
<i>Total Special Accounts 2010-11 actual</i>		310,539	389,707	(291,468)	-	408,778

(A) = Administered

(D) = Departmental

## **3.2 BUDGETED FINANCIAL STATEMENTS**

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

#### **Budgeted Departmental Income Statement**

The department will receive additional departmental appropriation of \$18.4 million in 2011-12. Of this \$18.4 million, \$15.1 million relates to an adjustment to passport funding due to a higher than expected number of passports issued in 2010-11. The remaining amount is attributable to supplementation of Ho Chi Minh City Chancery rent as part of its relocation and adjustments for foreign exchange and domestic and overseas inflation.

The Income Statement shows a budgeted deficit in 2011-12 of \$46.9 million, due to removal of funding for depreciation and amortisation under the Net Cash funding arrangements. Adjusting for the non-appropriated expenses, the operating result is a surplus of \$62.0 million in 2011-12, all of which relates to the Overseas Property Special Account (OPSA). However, after adjusting for \$22.4 million in self-funded depreciation expense relating to the Overseas Property Office, the surplus is \$39.6 million. Surpluses are necessary in the OPSA to fund capital investment projects.

#### **Budgeted Departmental Balance Sheet**

For 2011-12, the department's non-financial asset position is budgeted to be \$2,261.5 million at year-end. The major asset component is \$1,811.6 million for Land and Buildings which includes \$1,664.6 million managed in the Overseas Property Special Account.

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

Administered revenues have been budgeted at \$419.2 million in 2011-12. Total revenue is estimated to decrease by \$6.7 million since the *2011-12 Portfolio Budget Statements*. This is a result of an expected reduction in passport income, partially offset by an expected increase in other sources of income.

Total expenses administered on behalf of government are budgeted at \$291.6 million in 2011-12. Total estimated expenses have increased by \$17.3 million since the *2011-12 Portfolio Budget Statement*. This is a result of new measures (Yeosu and Bali Peace Park) and 'Other' expenses including increased payments to EFIC.

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

This statement has been revised since the publication of the *2011-12 Portfolio Budget Statements* to reflect the final actual closing balances in 2010-11, including fair value adjustments required under the Australian Accounting Standards.

**Schedule of budgeted administered cash flows**

Administered cash received generally moves in line with the administered revenue, and is returned to the Consolidated Revenue Fund. Total cash received is in line with the expectations published in the *2011-12 Portfolio Budget Statements*.

### 3.2.2 Budgeted financial statements

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

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>EXPENSES</b>					
Employee benefits	411,693	413,974	378,891	409,555	391,624
Supplier expenses	457,158	440,797	418,576	391,754	416,548
Grants	14,742	900	900	900	900
Depreciation and amortisation	92,993	108,880	110,197	117,668	126,082
Finance costs	883	300	300	300	300
Write-down and impairment of assets	16,925	-	-	-	-
Net Foreign Exchange Losses	1,292	-	-	-	-
Losses from asset sales	-	239	193	-	-
Other	112	3,329	1,857	-	-
<b>Total expenses</b>	<b>995,798</b>	<b>968,419</b>	<b>910,914</b>	<b>920,177</b>	<b>935,454</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	73,342	48,280	50,614	52,875	52,982
Operating Lease Rental Revenue	64,710	40,020	41,364	38,977	39,331
Other	9,687	1,780	2,033	2,144	3,078
<b>Total own-source revenue</b>	<b>147,739</b>	<b>90,080</b>	<b>94,011</b>	<b>93,996</b>	<b>95,391</b>
<b>Gains</b>					
Sale of assets	1,874	-	-	-	-
Other	450	392	392	400	400
<b>Total gains</b>	<b>2,324</b>	<b>392</b>	<b>392</b>	<b>400</b>	<b>400</b>
<b>Total own-source income</b>	<b>150,063</b>	<b>90,472</b>	<b>94,403</b>	<b>94,396</b>	<b>95,791</b>
<b>Net cost of (contribution by) services</b>	<b>845,735</b>	<b>877,947</b>	<b>816,511</b>	<b>825,781</b>	<b>839,663</b>
Revenue from Government	875,646	831,051	768,917	760,515	768,995
<b>Surplus (Deficit)</b>	<b>29,911</b>	<b>(46,896)</b>	<b>(47,594)</b>	<b>(65,266)</b>	<b>(70,668)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>29,911</b>	<b>(46,896)</b>	<b>(47,594)</b>	<b>(65,266)</b>	<b>(70,668)</b>

**Note: Reconciliation of comprehensive income attributable to DFAT**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Total Comprehensive Income (loss) Attributable to the Australian Government</b>	29,911	(46,896)	(47,594)	(65,266)	(70,668)
plus non-appropriated expenses depreciation and amortisation expenses	92,993	108,880	110,197	117,668	126,082
<b>Total Comprehensive Income (loss) Attributable to the agency</b>	<b>122,904</b>	<b>61,984</b>	<b>62,603</b>	<b>52,402</b>	<b>55,414</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	58,160	65,562	67,172	68,782	68,782
Trade and other receivables	880,783	725,961	636,211	467,375	389,688
<b>Total financial assets</b>	<b>938,943</b>	<b>791,523</b>	<b>703,383</b>	<b>536,157</b>	<b>458,470</b>
<b>Non-financial assets</b>					
Land and buildings	1,687,971	1,811,600	1,871,836	1,952,711	2,034,629
Property, plant and equipment	126,763	224,109	268,923	282,217	276,897
Intangibles	20,286	24,836	19,110	11,694	8,151
Inventories	40,238	40,238	40,238	40,238	40,238
Other	120,901	160,688	263,295	411,771	464,397
<b>Total non-financial assets</b>	<b>1,996,159</b>	<b>2,261,471</b>	<b>2,463,402</b>	<b>2,698,631</b>	<b>2,824,312</b>
<b>Total assets</b>	<b>2,935,102</b>	<b>3,052,994</b>	<b>3,166,785</b>	<b>3,234,788</b>	<b>3,282,782</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	80,184	80,184	80,184	80,184	80,184
Other	25,689	22,989	22,989	22,989	22,989
<b>Total payables</b>	<b>105,873</b>	<b>103,173</b>	<b>103,173</b>	<b>103,173</b>	<b>103,173</b>
<b>Provisions</b>					
Employee provisions	132,260	132,260	132,260	132,260	132,260
Other	23,841	23,841	23,841	23,841	23,841
<b>Total provisions</b>	<b>156,101</b>	<b>156,101</b>	<b>156,101</b>	<b>156,101</b>	<b>156,101</b>
<b>Total liabilities</b>	<b>261,974</b>	<b>259,274</b>	<b>259,274</b>	<b>259,274</b>	<b>259,274</b>
<b>Net assets</b>	<b>2,673,128</b>	<b>2,793,720</b>	<b>2,907,511</b>	<b>2,975,514</b>	<b>3,023,508</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	1,699,239	1,844,690	1,957,702	2,101,070	2,197,541
Reserves	327,341	363,195	411,644	401,545	423,736
Retained surplus	646,548	585,835	538,165	472,899	402,231
<b>Total parent entity interest</b>	<b>2,673,128</b>	<b>2,793,720</b>	<b>2,907,511</b>	<b>2,975,514</b>	<b>3,023,508</b>
<b>Total Equity</b>	<b>2,673,128</b>	<b>2,793,720</b>	<b>2,907,511</b>	<b>2,975,514</b>	<b>3,023,508</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2011-12)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2011</b>					
Balance carried forward from previous period	646,548	327,341	-	1,699,239	2,673,128
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	646,548	327,341	-	1,699,239	2,673,128
<b>Comprehensive income</b>					
Other comprehensive income	-	35,854	-	-	35,854
Surplus (deficit) for the period	(46,896)	-	-	-	(46,896)
<b>Total comprehensive income</b>	(46,896)	35,854	-	-	(11,042)
<b>Transactions with owners</b>					
<i>Distributions to owners</i>					
Returns on capital:					
Cash transfers to the OPA	(13,817)	-	-	-	(13,817)
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	72,005	72,005
Departmental Capital Budget (DCBs)	-	-	-	73,446	73,446
<b>Sub-total transactions with owners</b>	(13,817)	-	-	145,451	131,634
<b>Estimated closing balance as at 30 June 2012</b>	<b>585,835</b>	<b>363,195</b>	<b>-</b>	<b>1,844,690</b>	<b>2,793,720</b>

Prepared on Australian Accounting Standards basis



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

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	125,284	88,300	91,978	91,852	92,313
Appropriations	839,935	909,733	795,150	784,348	797,802
Net GST received	31,375	19,363	19,363	-	-
Other	51	1,780	2,033	2,144	3,078
<b>Total cash received</b>	<b>996,645</b>	<b>1,019,176</b>	<b>908,524</b>	<b>878,344</b>	<b>893,193</b>
<b>Cash used</b>					
Employees	405,267	413,269	377,431	408,097	390,130
Suppliers	470,964	448,558	425,826	399,090	424,056
Grants	-	900	900	900	900
Borrowing costs	-	300	300	300	300
Net GST paid	29,573	19,363	19,363	-	-
Other	14,853	13,225	2,045	-	-
<b>Total cash used</b>	<b>920,657</b>	<b>895,615</b>	<b>825,865</b>	<b>808,387</b>	<b>815,386</b>
<b>Net cash from (used by) operating activities</b>	<b>75,988</b>	<b>123,561</b>	<b>82,659</b>	<b>69,957</b>	<b>77,807</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	14,586	4,172	81	-	-
<b>Total cash received</b>	<b>14,586</b>	<b>4,172</b>	<b>81</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	112,518	230,098	127,879	198,110	166,236
Other	-	114,020	135,881	164,886	63,336
<b>Total cash used</b>	<b>112,518</b>	<b>344,118</b>	<b>263,760</b>	<b>362,996</b>	<b>229,572</b>
<b>Net cash from (used by) investing activities</b>	<b>(97,932)</b>	<b>(339,946)</b>	<b>(263,679)</b>	<b>(362,996)</b>	<b>(229,572)</b>

Table continued on following page.

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

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	147,071	145,451	113,012	143,368	96,471
Other	(89,284)	94,501	69,695	151,281	55,294
<b>Total cash received</b>	<b>57,787</b>	<b>239,952</b>	<b>182,707</b>	<b>294,649</b>	<b>151,765</b>
<b>Cash used</b>					
Other	24,806	3,921	76	-	-
<b>Total cash used</b>	<b>24,806</b>	<b>3,921</b>	<b>76</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>32,981</b>	<b>236,031</b>	<b>182,631</b>	<b>294,649</b>	<b>151,765</b>
<b>Net increase (decrease) in cash held</b>	<b>11,037</b>	<b>19,646</b>	<b>1,611</b>	<b>1,610</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	48,555	58,160	92,949	79,417	81,027
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period	(1,432)	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>58,160</b>	<b>77,806</b>	<b>79,417</b>	<b>81,027</b>	<b>81,027</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Capital Budget Statement — Departmental**

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	57,681	73,446	63,441	94,950	68,345
Equity injections - Bill 2	72,686	72,005	49,571	48,418	28,126
<b>Total capital appropriations</b>	<b>130,367</b>	<b>145,451</b>	<b>113,012</b>	<b>143,368</b>	<b>96,471</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	128,824	145,451	113,012	143,368	96,471
Other Items	1,543	-	-	-	-
<b>Total Items</b>	<b>130,367</b>	<b>145,451</b>	<b>113,012</b>	<b>143,368</b>	<b>96,471</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	93,802	106,177	64,788	64,363	50,519
Funded by capital appropriation - DCB <sup>1</sup>	57,681	83,381	63,441	94,950	68,345
Funded internally from departmental resources <sup>2</sup>	97,761	108,655	32,924	55,207	58,082
<b>TOTAL</b>	<b>249,244</b>	<b>298,213</b>	<b>161,153</b>	<b>214,520</b>	<b>176,946</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	249,244	298,213	161,153	214,520	176,946
<b>Total cash used to acquire assets</b>	<b>249,244</b>	<b>298,213</b>	<b>161,153</b>	<b>214,520</b>	<b>176,946</b>

<sup>1</sup> Includes purchases from current and previous years' Departmental Capital Budgets.

<sup>2</sup> Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- internally developed assets
- s31 relevant agency receipts (for FMA agencies only)
- proceeds from the sale of assets

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

	Land	Buildings	Other property, plant and equipment	Intangibles	Other <sup>1</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2011</b>						
Gross book value	867,127	916,669	182,318	55,231	3,627	2,024,972
Accumulated depreciation/amortisation and impairment	-	(95,825)	(55,555)	(35,705)	(2,867)	(189,952)
<b>Opening net book balance</b>	<b>867,127</b>	<b>820,844</b>	<b>126,763</b>	<b>19,526</b>	<b>760</b>	<b>1,835,020</b>
<b>CAPITAL ASSET ADDITIONS</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase or internally developed	79,447	61,268	145,142	12,356	-	298,213
<b>Total additions</b>	<b>79,447</b>	<b>61,268</b>	<b>145,142</b>	<b>12,356</b>	<b>-</b>	<b>298,213</b>
<b>Other movements</b>						
Revaluations	30,864	(16,855)	-	-	-	14,009
Disposals for cash consideration	(1,950)	(1,462)	-	-	(760)	(4,172)
Other movements	-	1,338	489	2,671	-	-
<b>As at 30 June 2012</b>						
Gross book value	975,488	960,958	327,949	70,258	2,867	2,337,520
Accumulated depreciation/amortisation and impairment	-	(124,846)	(103,840)	(45,422)	(2,867)	(276,975)
<b>Closing net book balance</b>	<b>975,488</b>	<b>836,112</b>	<b>224,109</b>	<b>24,836</b>	<b>-</b>	<b>2,060,545</b>

<sup>1</sup> Other consists only of assets held for sale.

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)**

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	348,603	377,490	410,988	441,128	472,089
Interest	5,251	4,713	3,964	3,130	2,155
Dividends	28,708	15,097	8,250	11,650	13,400
Other	29,373	21,883	22,533	23,503	25,563
<b>Total non-taxation revenue</b>	<b>411,935</b>	<b>419,183</b>	<b>445,735</b>	<b>479,411</b>	<b>513,207</b>
<b>Total revenues administered on behalf of Government</b>	<b>411,935</b>	<b>419,183</b>	<b>445,735</b>	<b>479,411</b>	<b>513,207</b>
<b>Gains</b>					
Sale of assets					
Foreign exchange	9,081	-	-	-	-
<b>Total gains administered on behalf of Government</b>	<b>9,081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income administered on behalf of Government</b>	<b>421,016</b>	<b>419,183</b>	<b>445,735</b>	<b>479,411</b>	<b>513,207</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	5,213	2,875	2,263	2,100	2,137
Supplier expenses	21,929	30,281	23,035	22,286	22,818
Grants	244,075	243,673	241,711	243,836	245,966
Finance costs	4,954	4,307	3,174	2,547	1,780
Write-down and impairment of assets	48	-	-	-	-
Other	9,739	10,505	11,200	11,800	13,100
<b>Total expenses administered on behalf of Government</b>	<b>285,958</b>	<b>291,641</b>	<b>281,383</b>	<b>282,569</b>	<b>285,801</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)**

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,528	3,005	3,005	3,005	3,005
Receivables	2,566	3,116	3,666	4,216	4,766
Investments accounted for using the equity method	408,082	408,082	408,082	408,082	408,082
<b>Total financial assets</b>	<b>413,176</b>	<b>414,203</b>	<b>414,753</b>	<b>415,303</b>	<b>415,853</b>
<b>Non-financial assets</b>					
Prepayments	1,613	1,613	1,613	1,613	1,613
<b>Total non-financial assets</b>	<b>1,613</b>	<b>1,613</b>	<b>1,613</b>	<b>1,613</b>	<b>1,613</b>
Assets held for sale					
<b>Total assets administered on behalf of Government</b>	<b>414,789</b>	<b>415,816</b>	<b>416,366</b>	<b>416,916</b>	<b>417,466</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	332	332	332	332	332
Other Payables	31,905	22,886	16,406	10,317	6,509
<b>Total payables</b>	<b>32,237</b>	<b>23,218</b>	<b>16,738</b>	<b>10,649</b>	<b>6,841</b>
<b>Provisions</b>					
Other	32,742	32,742	32,742	32,742	32,742
<b>Total provisions</b>	<b>32,742</b>	<b>32,742</b>	<b>32,742</b>	<b>32,742</b>	<b>32,742</b>
<b>Total liabilities administered on behalf of Government</b>	<b>64,979</b>	<b>55,960</b>	<b>49,480</b>	<b>43,391</b>	<b>39,583</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	350,163	377,490	410,974	441,114	472,089
Interest	99	94	94	94	94
Dividends	28,708	15,097	8,250	11,650	13,400
Net GST received	3,740	2,847	2,217	2,093	2,145
Other	11,148	18,024	21,474	21,644	24,709
<b>Total cash received</b>	<b>393,858</b>	<b>413,552</b>	<b>443,009</b>	<b>476,595</b>	<b>512,437</b>
<b>Cash used</b>					
Grant payments	248,959	244,223	242,261	244,386	246,516
Employees	936	855	230	-	-
Personal benefits	2,386	2,020	2,033	2,100	2,137
Suppliers	31,057	33,128	25,252	24,379	24,963
Borrowing costs	5,167	4,454	3,614	2,791	1,861
Other	9,907	10,505	11,300	11,900	13,100
<b>Total cash used</b>	<b>298,412</b>	<b>295,185</b>	<b>284,690</b>	<b>285,556</b>	<b>288,577</b>
<b>Net cash from (used by) operating activities</b>	<b>95,446</b>	<b>118,367</b>	<b>158,319</b>	<b>191,039</b>	<b>223,860</b>
<b>Net increase (decrease) in cash held</b>					
Cash and cash equivalents at beginning of reporting period	6,376	2,528	3,005	3,005	3,005
Cash from Official Public Account for: - Appropriations	289,735	292,042	282,121	283,204	284,926
	296,111	294,570	285,126	286,209	287,931
Cash to Official Public Account for: - Other	389,029	409,932	440,440	474,243	508,786
	389,029	409,932	440,440	474,243	508,786
<b>Cash and cash equivalents at end of reporting period</b>	<b>2,528</b>	<b>3,005</b>	<b>3,005</b>	<b>3,005</b>	<b>3,005</b>

Prepared on Australian Accounting Standards basis.

## Notes to the financial statements

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

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

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

### *Appropriations in the accrual budgeting framework*

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

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

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

### *Administered investments in controlled entities*

The department has one administered investment in the Export Finance and Insurance Corporation with an estimated asset value of \$408.1 million as at 30 June 2011.



*Asset Valuation*

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

