



PORTFOLIO BUDGET STATEMENTS 2012-13
BUDGET RELATED PAPER NO. 1.9

FOREIGN AFFAIRS AND TRADE PORTFOLIO

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

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The document must be attributed as the *Portfolio Budget Statements 2012-13 – Foreign Affairs and Trade Portfolio*.

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**PARLIAMENT HOUSE
CANBERRA 2600**

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2012-13 Budget for the Foreign Affairs and Trade portfolio.

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

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

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Bob Carr'.

Bob Carr
Minister for Foreign Affairs

A handwritten signature in dark ink, appearing to read 'Craig Emerson'.

Craig Emerson
Minister for Trade and Competitiveness

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

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

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

USER GUIDE TO THE PORTFOLIO BUDGET STATEMENTS

USER GUIDE

The purpose of the 2012-13 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2012-13 (or Appropriation Bill [Parliamentary Departments] No. 1 2012-13 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

CONTENTS

Portfolio Overview.....	1
Foreign Affairs and Trade Portfolio Overview	3
Agency Resources and Planned Performance	7
Department of Foreign Affairs and Trade (DFAT).....	9
Australian Trade Commission (Austrade)	57
Australian Agency for International Development (AusAID)	89
Australian Centre for International Agricultural Research (ACIAR)	133
Australian Secret Intelligence Service (ASIS)	159
Glossary	176

PORTFOLIO OVERVIEW

FOREIGN AFFAIRS AND TRADE PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

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

The Minister for Foreign Affairs and the Minister for Trade and Competitiveness are the two portfolio ministers. Two Parliamentary Secretaries are responsible for Pacific Island Affairs and Foreign Affairs, and for Trade.

The portfolio consists of the Department of Foreign Affairs and Trade (DFAT), the Australian Trade Commission (Austrade), the Australian Agency for International Development (AusAID), the Australian Centre for International Agricultural Research (ACIAR), the Australian Secret Intelligence Service (ASIS) and the Export Finance and Insurance Corporation (EFIC).

In 2012-13, DFAT will seek to advance the national interest by enhancing Australia's relations bilaterally, regionally and multilaterally and extending Australia's influence on global and regional developments. DFAT will continue to promote a clear understanding of the Government's foreign and trade policy priorities and project a positive image of Australia.

DFAT will again contribute to increasing the international competitiveness of the Australian economy and Australian exporters by pursuing trade liberalisation and expanding markets for Australian exports through arrangements that complement and are supportive of the multilateral trading system.

DFAT will continue to protect the interests of Australian citizens abroad through timely and responsive travel advice, consular services and a secure passport system. DFAT will also continue to ensure the security of Australia's network of overseas diplomatic missions and to maintain and protect Australia's secure government communications systems. DFAT will deliver timely and responsive services to the diplomatic and consular corps in Australia.

Austrade will continue to promote Australia's international trade, investment and education interests. Austrade's international activities will again focus on growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability (including education) and where there is a clear role for Austrade, as a Government agency, to support Australian firms and education institutions. In established markets, Austrade will focus predominantly on opportunities for inward investment and education services. Austrade will continue to administer the Export Market Development Grants scheme.

Portfolio Overview

Austrade will partner with State and Territory Governments and other Commonwealth Government agencies to attract productive foreign direct investment from target markets. Austrade will lead, on the Government's behalf, the use of the *Australia Unlimited* nation brand, to advance Australia's global reputation in business, science, education, technology, creativity and not-for-profit activity.

Austrade will also deliver consular and passport services in specific locations overseas.

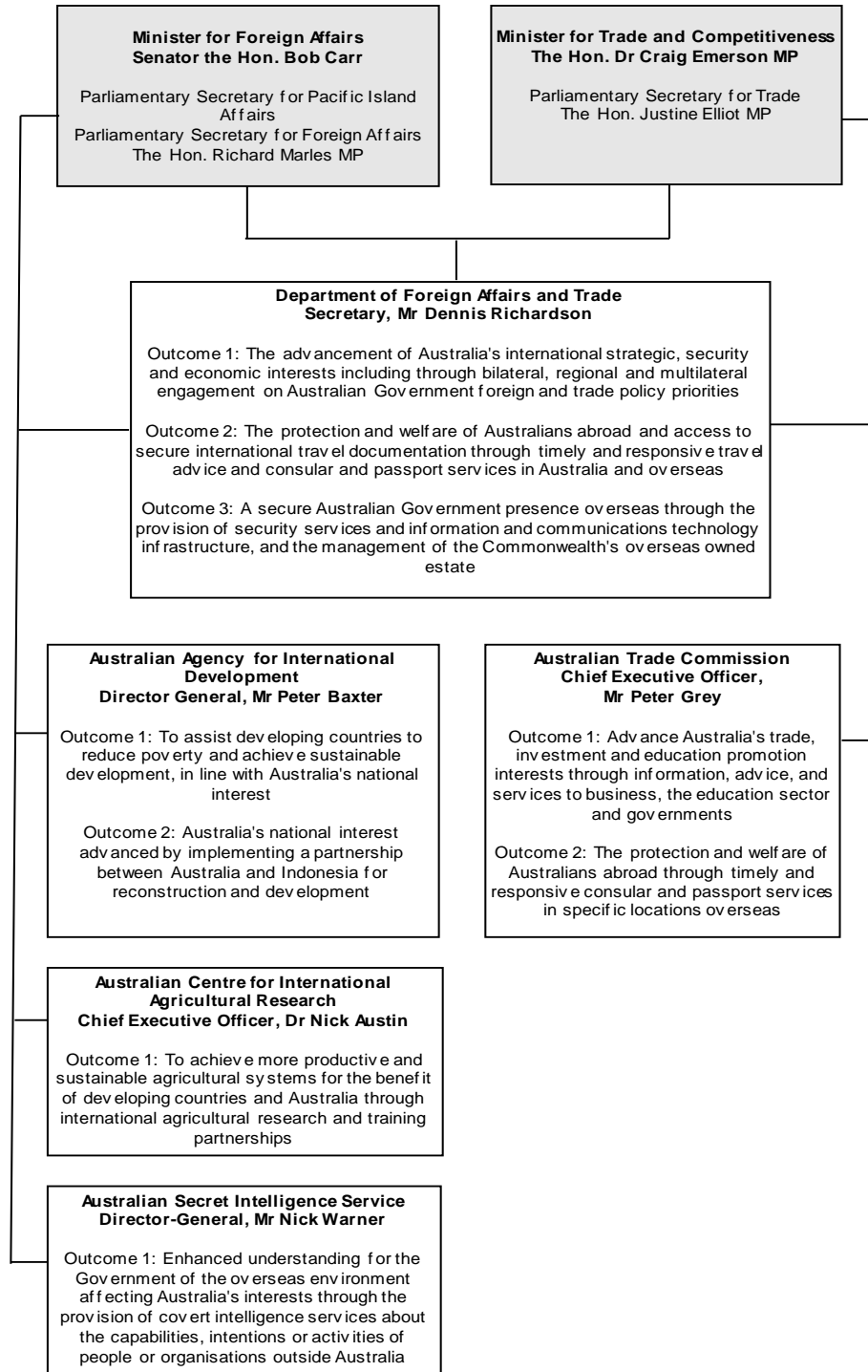
Through AusAID, the Australian aid program helps developing countries reduce the number of people living in poverty in developing countries in the Asia-Pacific region and beyond. By doing so, the aid program also advances our national interest through promoting a more stable and prosperous region and world. The aid program is guided by the Millennium Development Goals (MDGs), the internationally agreed targets for poverty reduction and human development.

ACIAR will continue to focus Australia's agricultural research expertise on enhancing food security and alleviating poverty in the Asia-Pacific region and Africa, in line with priorities established in Australia's aid policy statement: An effective aid program for Australia. ACIAR will invest in capacity building and training activities for individuals and institutions in developing countries in these regions. ACIAR will continue to administer and manage Australia's increasing investment in multilateral agricultural innovation through the Consultative Group on International Agricultural Research.

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

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

Figure 1: Foreign Affairs and Trade portfolio structure and outcomes



PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2012-13 budget year, by agency.

Table 1: Portfolio Resources 2012-13

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of Foreign Affairs and Trade					
Administered appropriations	275.1	-	0.9	-	276.0
Departmental appropriations	943.0	56.8	-	176.8	1,176.6
Total:	1,218.1	56.8	0.9	176.8	1,452.6
Australian Trade Commission					
Administered appropriations	150.4	-	-	-	150.4
Departmental appropriations	176.5	5.6	-	-	182.1
Total:	326.9	5.6	-	-	332.5
Australian Agency for International Development					
Administered appropriations	4,207.2	507.4	-	-	4,714.6
Departmental appropriations	319.7	15.1	-	-	334.8
Total:	4,526.9	522.5	-	-	5,049.4
Australian Centre for International Agricultural Research					
Administered appropriations	89.9	-	-	34.6	124.5
Departmental appropriations	10.7	0.3	-	-	11.0
Total:	100.6	0.3	-	34.6	135.5
Australian Secret Intelligence Service					
Administered appropriations	-	-	-	-	-
Departmental appropriations	205.4	6.1	-	-	211.5
Total:	205.4	6.1	-	-	211.5
Portfolio total					7,181.5
Less amounts transferred within portfolio					
Resources available within portfolio:					7,181.5

AGENCY RESOURCES AND PLANNED PERFORMANCE

Department of Foreign Affairs and Trade (DFAT).....	9
Australian Trade Commission (Austrade).....	57
Australian Agency for International Development (AusAID).....	89
Australian Centre for International Agricultural Research (ACIAR)	133
Australian Secret Intelligence Services (ASIS)	159

Department of Foreign Affairs and Trade (DFAT)

Agency resources and planned performance

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

Section 1: Agency overview and resources	13
1.1 Strategic Direction Statement	13
1.2 Agency Resource Statement	16
1.3 Budget Measures.....	18
Section 2: Outcomes and planned performance	20
2.1 Outcomes and performance information	20
Section 3: Explanatory tables and budgeted financial statements	41
3.1 Explanatory tables	41
3.2 Budgeted Financial Statements.....	44

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2012-13, the Department of Foreign Affairs and Trade (DFAT) will continue to develop and implement the Government's foreign, trade and international security priorities and, in so doing, advance the interests of Australia and Australians internationally.

The department will work to strengthen key international partnerships, bilaterally and in regional and multilateral forums. The department recognises that in an increasingly complex and interdependent world, developments in a particular relationship or issue may have wider resonance and that international cooperation and coordination accordingly is more important than ever before.

The department will continue to engage with Australia's main strategic ally, the United States. It will intensify engagement with China, including through a program of activities to mark the 40th anniversary of our diplomatic relations in 2012. The department will build on Australia's broad and deep ties with Japan. It will work to strengthen growing links with the Republic of Korea, based on significant shared interests. The department will also 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.

The department will continue to strengthen Australia's relations with Pacific island countries and support Australia's role in the Pacific Islands Forum, including to advance regional trade and economic integration. It will actively assist Fiji's return to democracy and the rule of law, including by providing support for credible constitutional and electoral processes and working with the international community to maintain pressure on the military regime. It will provide assistance to Papua New Guinea to deliver credible national elections.

The department will continue to develop and implement policies to advance Australia's national interests in multilateral forums, particularly the United Nations. It will continue to drive Australia's campaign for a non-permanent seat on the United Nations Security Council for 2013-14 in the lead-up to the vote in October 2012.

Australia will host the G20 leaders' summit in 2014 and will be part of the influential G20 Troika from 2013 to 2015. The department will work with the Department of the Prime Minister and Cabinet and the Treasury to ensure that the G20, as the premier

forum for international economic cooperation, delivers on its global financial reform and economic recovery agendas. The department will develop and deepen its engagement with major emerging economies whose political and economic significance to Australia and contribution to solving shared global problems continues to grow. It will also engage in outreach with non-G20 members.

The department will work to maximise political, strategic and economic opportunities arising from the transformation of our region, including through its contribution to the White Paper, *Australia in the Asian Century*. Support for strengthened regional architecture that promotes enhanced political, security and economic dialogue among regional states will continue to be core work for the department in 2012-13. The department will seek to create partnerships, build regional integration and promote stability through the Asia-Pacific Economic Cooperation (APEC) forum with Indonesia as Chair in 2013, and to strengthen the economic and security agendas of the East Asia Summit. It will support the democratic transition underway in Burma, and will explore political, security and economic opportunities arising from reforms there.

Australia's alliances and security partnerships will be critical to countering nuclear proliferation and people smuggling activities. In 2012-13, the department will continue to contribute to international stabilisation efforts in Afghanistan and pursue non-proliferation and disarmament objectives with Iran and the DPRK. The department will continue its engagement with the region on preventing people-smuggling. The measure on Afghanistan, *Australia's civilian engagement in Afghanistan – an integrated whole-of-government approach – continuation*, will allow the department to continue its current level and focus of diplomatic and political engagement in Afghanistan prior to the implementation of post-transition arrangements in 2014. The department will continue to coordinate Australia's cooperation with key partner countries to enhance the effectiveness of programs to counter terrorism, which remains a significant threat.

The department will seek to maximise market access and trade competitiveness gains for Australia, pursuing trade liberalisation through multilateral, regional and bilateral initiatives. While negotiations will remain complex and difficult, the department will continue to advocate for ambitious outcomes from the World Trade Organization's Doha Round and pursue Free Trade Agreements (FTAs) with China, Japan, the Republic of Korea, India, Indonesia, Malaysia, the Pacific (through PACER Plus) and the Gulf Cooperation Council in support of more open, predictable and non-discriminatory trading arrangements for Australian exporters and investors. The department will work to advance negotiations on the Trans-Pacific Partnership to increase economic integration among its nine Pacific-rim members and to discuss with aspiring new participants their capacity to join the TPP negotiations. It will continue to leverage the benefits of Australia's existing FTAs with the countries of South-East Asia, New Zealand, the United States and Chile.

The department will uphold Australia's strong record of global action on climate change, encouraging international support for negotiations in 2012 on a new legally

binding climate change agreement in line with the 2011 Durban mandate. It will advocate Australia's interest in developing international carbon markets and continue to play a constructive role to support action on climate change in developing countries and small island states.

The department will seek to strengthen Australia's political and economic relations with Europe both bilaterally and through negotiation of a treaty-level Framework Agreement with the EU, participation in the Organization for Security and Co-operation in Europe (OSCE) and the Asia-Europe Meeting (ASEM) process. The department recognises the growing significance to Australia's interests of countries in Africa, the Middle East, Latin America and the Caribbean and will work to develop and deepen these ties. The department will support Australia's role as Chair-in-Office of the Commonwealth in 2012-13.

As the number of Australians travelling overseas each year continues to increase, the department will once again place priority on the effective delivery of consular services to Australians in need. It will promote safe travel messages through accurate and timely travel advice, including through the *Smarttraveller* campaign.

The department will continue to deliver an efficient passport service for Australian citizens. In 2012-13, work will continue on the detailed design and scheduling of the new 'P-series' passport to provide a contemporary, secure travel document to Australian citizens. The department's funding arrangement for passport services has been renewed for a further three years replacing the agreement that expires in 2011-12. The new agreement has resulted in a funding increase to meet the costs of expected increased demand and provides for measures to mitigate the growing risks of identity fraud and child abduction.

In an inherently high-risk environment, the department will continue to place priority on the safety of Australian Government personnel overseas and the security of its missions. Through the measure *National Security - Baghdad Embassy civilian security arrangements*, the department will continue to provide security at Australia's diplomatic mission in Baghdad following the transfer of responsibility for all security capabilities from the Australian Defence Force to the department in 2011.

The department will continue to manage its resources efficiently through careful prioritisation and regular review of budget allocations. It will maintain a professional workforce that will respond effectively and flexibly to emerging foreign, trade and economic, international security 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 2012-13 as at Budget May 2012

	Estimate of prior year amounts available in 2012-13 \$'000	Proposed at Budget = 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	322,297	-	322,297	357,691
Departmental appropriation ^{3&4}	-	943,043	943,043	921,647
s31 Relevant agency receipts ⁵	-	81,599	81,599	81,599
Total	322,297	1,024,642	1,346,939	1,360,937
Administered expenses				
Outcome 1	-	269,453	269,453	270,307
Outcome 2	-	750	750	750
Outcome 3	-	-	-	-
Payments to CAC Act bodies	-	4,926	4,926	6,212
Total	-	275,129	275,129	277,269
Total ordinary annual services	A 322,297	1,299,771	1,622,068	1,638,206
Other services				
Departmental non- operating				
Equity injections ⁶	-	56,814	56,814	72,005
Total	-	56,814	56,814	72,005
Total other services	B -	56,814	56,814	72,005
Total available annual appropriations	322,297	1,356,585	1,678,882	1,710,211
Special appropriations				
Special appropriations limited by amount				
Passport Refunds - <i>Financial Management Act s28</i>	-	860	860	860
Total special appropriations	C -	860	860	860
Total appropriations excluding Special Accounts	322,297	1,357,445	1,679,742	1,711,071

Table continued on the following page.

Table 1.1: Department of Foreign Affairs and Trade Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012 (continued)

	Estimate of prior ⁺ year amounts available in 2012- 13 \$'000	Proposed at Budget ⁼ 2012- 13 \$'000	Total estimate 2012- 13 \$'000	Actual available appropriation 2011- 12 \$'000
Special Accounts				
Opening balance ⁷	338,667	-	338,667	393,250
Appropriation receipts ⁸	-	59,456	59,456	68,490
Appropriation receipts - other agencies ⁹	-	27,928	27,928	30,690
Non- appropriation receipts to Special Accounts	-	7,841	7,841	9,750
Total Special Account	D 338,667	95,225	433,892	502,180
Total resourcing				
A+B+C+D	660,964	1,452,670	2,113,634	2,213,251
Less appropriations drawn from				
annual or special appropriations above	-	(59,456)	(59,456)	(67,470)
and credited to special accounts	-	(1,500)	(1,500)	(1,020)
and/or CAC Act bodies through annual appropriations	-	(4,926)	(4,926)	(6,212)
Total net resourcing for DFAT	660,964	1,386,788	2,047,752	2,138,549

¹ Appropriation Bill (No. 1) 2012- 13.² Estimated adjusted balance carried forward from previous year.³ Includes an amount of \$63.256m in 2012- 13 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 Includes measures appropriated in Appropriation Bill No. 5.⁵ s31 Relevant Agency receipts - estimate.⁶ Appropriation Bill (No. 2) 2012- 13.⁷ Estimated opening balance for special accounts (less 'Special Public Money' held in Other Trust Monies accounts (OTM), Services for other Government and Non- agency Bodies accounts (SOG), Expositions Special Account, or Services for Other Entities and Trust Monies Special accounts (SOETM)).

For further information on special accounts see Table 3.1.2.

⁸ Appropriation receipts from DFAT annual and special appropriations for 2011- 12 included above.⁹ Appropriation receipts from other agencies credited to DFAT's special accounts.

Reader note: All figures are GST exclusive.

Third party payments from and on behalf of other agencies

	2012- 13 \$'000	2011- 12 \$'000
Receipts received from other agencies for the provision of services (disclosed above within Departmental section 31)	81,599	81,599
Payments made to CAC Act bodies within the Portfolio		
Export Finance and Insurance Corporation Appropriation Acts 1 & 2	4,926	6,212

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 2012-13 Budget measures

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Revenue Measures						
Export Finance and Insurance Corporation - special dividend	1.1					
Administered revenue		-	200,000	-	-	-
Total		-	200,000	-	-	-
Total revenue measures						
Administered		-	200,000	-	-	-
Departmental		-	-	-	-	-
Total		-	200,000	-	-	-
Expense measures						
National Security - Baghdad Embassy civilian security arrangements	3.1					
Departmental expenses		-	33,143	33,904	-	-
Total		-	33,143	33,904	-	-
Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach - continuation						
Departmental expenses	1.1, 3.1	-	45,948	46,462	-	-
Total		-	45,948	46,462	-	-
ANZAC Centenary Program 2014-18						
Departmental expenses	1.1, 2.1	-	-	-	574	286
Total		-	-	-	574	286
Seasonal Labour Mobility Program with Pacific Island countries and East Timor - establishment ¹						
Departmental expenses	1.1	-	-	-	-	-
Total		-	-	-	-	-
Total expense measures						
Administered		-	-	-	-	-
Departmental		-	79,091	80,366	574	286
Total		-	79,091	80,366	574	286
Capital measures						
National Security - Baghdad Embassy civilian security arrangements	3.1					
Departmental capital		-	520	4,618	-	-
Total		-	520	4,618	-	-
Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach - continuation						
Departmental capital	1.1, 3.1	-	1,723	1,572	-	-
Total		-	1,723	1,572	-	-
Total capital measures						
Administered		-	-	-	-	-
Departmental		-	2,243	6,190	-	-
Total		-	2,243	6,190	-	-

Prepared on a Government Finance Statistics (fiscal) basis

¹ This measure will be funded through existing departmental resources.

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

The department will assist the Government to meet its foreign, trade and economic, and security objectives over 2012-13 and forward years through:

- developing further Australia's relations with key international partners and countries of growing significance to Australia's national interests;
- working multilaterally to address global challenges relating to peace and security, climate change, sustainable growth and human rights and to advance Australia's interests through the United Nations, G20 and significant regional forums;
- promoting and strengthening regional and global cooperation and governance in countering terrorism, people smuggling and nuclear proliferation;
- contributing to national prosperity by maximising Australia's trade opportunities and market access gains through multilateral, regional and bilateral means; and
- developing and implementing programs and projects to enhance international awareness and understanding of Australia and Australian policies to advance our national interests.

As the lead agency managing Australia's external affairs, the department will also continue to provide leadership at Australia's diplomatic missions overseas, manage and maintain Australia's diplomatic network, including the provision of services to

other agencies represented overseas, and deliver services to diplomatic and consular representatives in Australia.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses 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	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 1.1: Foreign Affairs and Trade Operations		
Administered expenses		
Ordinary annual services (Appropriation Bill No.1)	10,091	7,412
Departmental expenses		
Departmental appropriation ^{1 & 2}	478,795	487,186
Expenses not requiring appropriation in the Budget year ^{3 & 4}	45,511	46,448
Total for Program 1.1	534,397	541,046
Program 1.2: Payments to International Organisations		
Administered expenses		
Ordinary annual services (Appropriation Bill No.1)	237,918	240,009
Total for Program 1.2	237,918	240,009
Program 1.3: Public Information and Public Diplomacy		
Administered expenses		
Ordinary annual services (Appropriation Bill No.1)	27,490	25,458
Special Accounts	1,020	1,500
Expenses not requiring appropriation in the Budget year ⁵	7,495	-
Total for Program 1.3	36,005	26,958
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No.1)	275,499	272,879
Special Accounts	1,020	1,500
Departmental expenses		
Departmental appropriation ^{1 & 2}	478,795	487,186
Expenses not requiring appropriation in the Budget year ^{3, 4 & 5}	53,006	46,448
Total expenses for Outcome 1	808,320	808,013
	2011-12	2012-13
Average Staffing Level (number) ⁶	2,159	2,081

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

² Expense includes a portion of an intra- entity amount of \$60.99 million (2011- 12: \$68.99 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).

³ Expenses not requiring appropriation in the Budget year include depreciation and amortisation expenses, make good and audit fees.

⁴ Includes expenses for a Debt- to- Health Swap with the Government of Indonesia of \$8.6 million in 2011- 12 and \$7.9 million in 2012- 13.

⁵ Includes an expense of \$7.5 million in 2011- 12 against surplus funds from previous public diplomacy expositions.

⁶ 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.

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 in Australia and overseas that promotes Australia's foreign, trade and economic, and international security interests.
- To deliver accurate and timely policy advice to Ministers and other high-level clients that addresses the challenges of an evolving international environment.
- To promote a whole-of-government approach in pursuit of Australia's interests abroad, including through leadership at overseas missions and coordination of 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.

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses	6,212	4,926	4,111	3,272	2,270
Hosting of the 35th Antarctic Treaty Consultative Meeting	1,386	-	-	-	-
Personal Benefits - Locally Engaged Staff pension schemes	2,014	1,995	2,008	2,074	2,111
Other Administered Items	479	491	501	511	528
Annual departmental expenses:					
Foreign Affairs and Trade Operations	478,795	487,186	484,049	471,938	472,695
Expenses not requiring appropriation in the Budget year, including: ¹	36,911	38,548	38,169	38,570	38,561
Overseas development assistance - Debt-to-Health Sw ap with the Government of Indonesia ²	8,600	7,900	8,800	9,900	10,900
Total program expenses	534,397	541,046	537,638	526,265	527,065

¹ Expenses not requiring appropriation in the Budget year include depreciation and amortisation expenses.

² The Department was appropriated \$75.0 million in *Appropriation Act (No. 4) 2009-10* for a Debt-to-Health Swap with the Government of Indonesia. This appropriation is expensed over a period of 6 years in accordance with an EFIC loan repayment schedule.

Program 1.1 Deliverables

- Australia's foreign and trade policy interests and international standing are advanced through:
 - strengthened key international relationships, including a strong alliance with the United States, high-level political and economic engagement with Japan, China, India, Republic of Korea, and the countries of South-East Asia, a stronger partnership with the European Union and its members, and continued close ties with New Zealand and Canada;
 - sustained engagement with Pacific island countries, the Middle East, Africa and Latin America and the Caribbean to meet shared challenges and to promote global and regional stability, security and prosperity;
 - strong participation in the United Nations and other multilateral forums, including international support for Australia's election to the UN Security Council for the 2013-14 term, promotion of effective international climate change action and sustainable development, and advocacy of human rights;
 - contribution to enhanced regional architecture through the East Asia Summit (EAS), the Asia-Pacific Economic Cooperation (APEC) forum and dialogue with the Association of Southeast Asian Nations (ASEAN); and
 - promotion of high-quality public diplomacy, international media and cultural visit programs which improve understanding of Australia and Australian Government foreign and trade policies.
- Australia's trade and economic opportunities are maximised, including through:
 - effective participation in the World Trade Organization (WTO), including through the Doha Round, leadership of the Cairns Group of agricultural exporting countries, and G20 processes; and
 - effective leadership in advancing Australia's Free Trade Agreement (FTA) agenda, including negotiating and implementing FTAs, and exploring opportunities where appropriate for new FTAs.
- An enhanced environment for security and development, including through:
 - effective whole-of-government efforts to promote stability and development in Afghanistan;
 - promotion of nuclear non-proliferation and disarmament, and counter-proliferation and arms control efforts, including in arms trade treaty negotiations and as chair of the Australia Group;

- participation in counter-terrorism programs and activities, including in South Asia, South-East Asia, the Middle East, eastern Africa, and in the Global Terrorism Forum; and
- contribution to whole-of-government efforts bilaterally and regionally to counter people smuggling, in particular through the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime.
- Australia's international and portfolio responsibilities are met through:
 - effective coordination and sound advice to Ministers, members of parliament, government agencies, state and territory governments, business, non-governmental organisations, media and members of the public;
 - sound advice on compliance with international legal obligations and contribution to the development of a strong international legal framework;
 - 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 to the diplomatic and consular corps serving in Australia, including facilitation of accreditation and diplomatic visas, and the security and protection of dignity of diplomatic missions and their personnel, upholding Australia's obligations under the Vienna Conventions; and
 - administration of the EFIC National Interest Account.

Program 1.1 Key Performance Indicators

- High level of satisfaction of Ministers and high-level clients with the quality and timeliness of advice, briefing and support in relation to Australia's foreign, trade and economic, and international security interests.
- The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.
- Government agencies at overseas missions are satisfied with service provided in accordance with the Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements in place.
- The diplomatic and consular corps posted or accredited to Australia are satisfied

DFAT Budget Statements

with the level of service provided, including in terms of responsiveness and timeliness in meeting Australia's obligations under the Vienna Conventions.

Program 1.2: Payments to International Organisations
Program objective

- To advance Australia's foreign, trade and economic, and security interests through participation in international organisations.

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Payments to International Organisations	237,918	240,009	240,009	242,143	244,309
Total program expenses	237,918	240,009	240,009	242,143	244,309

Program 1.2 Deliverables

- Current membership of international organisations through payments of assessed and voluntary Australian Government contributions.

Program 1.2 Key Performance Indicators

- The department's payments to international organisations are timely and within budget.

Program 1.3: Public Information Services and Public Diplomacy

Program objective

- To project a positive and contemporary image of Australia and promote a clear understanding of government policies and objectives through the department's public diplomacy, cultural and media activities.

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
International Relations Grants Program	4,594	4,594	4,594	4,594	4,594
Australia Network	19,896	20,414	20,924	21,448	21,984
Bali Peace Park	-	450	-	-	-
Australia and New Zealand School of Government China Advanced Leadership Program	3,000	-	-	-	-
Special Account Expenses:					
Expositions Special Account	1,020	1,500	-	-	-
Expenses not requiring appropriation in the Budget year ¹	7,495	-	-	-	-
Total program expenses	36,005	26,958	25,518	26,042	26,578

¹ Reflecting surplus funds from previous expositions which were attributed to public diplomacy expenses in 2011-12.

Program 1.3 Deliverables

- An independent, credible and reliable voice and image in the region through effective management of the Australia Network.
- Promotion of people-to-people links and a contemporary and positive image of Australia and support for the government's international policy goals, including through grants and other support to bilateral foundations, councils and institutes.

Program 1.3 Key Performance Indicators

- An accurate and contemporary image of Australia, an understanding of the government's foreign and trade policies, and strengthened 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

With more Australians travelling overseas each year, the department will continue to give high priority to delivery of effective consular services. The department will help Australians make informed decisions about their security, safety and wellbeing by maintaining its comprehensive system of travel advisories. The department's consular outreach program will continue in 2012-13, promoting safe travel messages and delivering accurate and timely travel advice, including through the *Smarttraveller* campaign.

Practical planning for contingency and rapid crisis response will remain a focus through 2012-13. The department will work to enhance its ability to respond quickly to consular incidents, particularly in remote locations or where consular representation is less concentrated. It will also continue to lead whole-of-government responses to future consular crises and serious incidents overseas, activating the department's Crisis Centre as needed.

The department in 2012-13 will continue work on the detailed design and scheduling of the new 'P-series' passport to ensure the government can continue to deliver a contemporary, secure travel document. Increased funding flowing from the renewed three-year funding agreement for passport services will meet the costs of expected increasing demand and provide resources to mitigate the growing risks of identity fraud and child abduction. In addition, the department will take forward the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program, announced in 2010-11, to enable it to meet the projected increase in demand for passport services in forward years.

Outcome Expense Statement

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

Table 2.1.1: Budgeted Expenses 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	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 2.1: Consular Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No.1)	200	200
Departmental expenses		
Departmental appropriation ^{1 & 2}	69,685	66,570
Expenses not requiring appropriation in the Budget year ³	5,396	5,513
Total for Program 2.1	75,281	72,283
Program 2.2: Passport Services		
Administered expenses		
Special appropriations	860	860
Departmental expenses		
Departmental appropriation ^{1 & 2}	186,931	230,963
Expenses not requiring appropriation in the Budget year ³	14,418	16,034
Total for Program 2.2	202,209	247,857
Outcome 2 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No.1)	200	200
Special appropriations	860	860
Departmental expenses		
Departmental appropriation ^{1 & 2}	256,616	297,533
Expenses not requiring appropriation in the Budget year ³	19,814	21,547
Total expenses for Outcome 2	277,490	320,140
	2011-12	2012-13
Average Staffing Level (number)⁴	1,055	1,044

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No.1)" and "Revenue from independent sources (s31)".

² Expense includes a portion of an intra-entity amount of \$60.99 million (2011-12: \$68.99 million) rent paid by DFAT to the DFAT Overseas Property Office which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).

³ Expenses not requiring appropriation in the Budget year include depreciation and amortisation expenses, make good and audit fees.

⁴ ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 - Program 2.1 (Consular Services)

Contributions to Outcome 2

Program 2.1: Consular Services

Program objective

- To support and assist Australian travellers and Australians overseas through high-quality consular services, including accurate and timely travel advice, practical contingency planning and rapid crisis response.

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

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Consular Emergency Services ¹	200	200	200	200	200
Annual departmental expenses:					
Consular Services	69,685	66,570	67,858	69,379	69,329
Expenses not requiring appropriation in the Budget year ²	5,396	5,513	5,587	5,626	5,627
Total program expenses	75,281	72,283	73,645	75,205	75,156

¹ This expense does not include \$550,000 for the Travellers' Emergency Loans, as these are treated as receivables and form part of the receivable balance in Table 3.2.8

² Expenses not requiring appropriation in the Budget year include depreciation and amortisation expenses.

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 accurate and timely travel information on travel destinations, promoting this information through continuation of the *Smarttraveller* campaign and effectively managing 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 terrorist incidents.

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.
- Accurate and timely travel advisories which provide clear guidance to a broad audience of potential risks and the extent of Australian Government assistance, and continued growth of public use of the *Smartertraveller* website and the online registration service.
- Consular contingency planning accurately anticipates high-risk events and scenarios, necessary resources for response are readily available, procedures and networks remain valid and viable, and plans are tested and reviewed regularly.
- Timely and effective consular support to Australians through well-coordinated implementation of whole-of-government responses to large-scale crises.

Program 2.2: Passport Services**Program objective**

- To provide Australians access to secure international travel documentation through the delivery of high-quality passport services.

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

Program expenses

- The department's business forecasting model projects passports demand to grow by around 20 per cent over the next three years.

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual departmental expenses:					
Passport Services	186,931	230,963	242,056	252,142	264,528
Special Appropriations:					
Passport Refunds - <i>Financial Management Act s28</i>	860	860	860	860	860
Expenses not requiring appropriation in the Budget year ¹	14,418	16,034	16,196	15,672	15,674
Total program expenses	202,209	247,857	259,112	268,674	281,062

¹Expenses not requiring appropriation in the Budget year include depreciation and amortisation expenses.

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.
- Maintenance of security standards, promotion of web-enabled services, and adherence to the client service commitment of passport issue within ten working days, while effectively managing an increasing workload.
- Ongoing implementation of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program.
- Finalisation of the design and scheduling for the new 'P-series' Australian travel document.

Program 2.2 Key Performance Indicators

DFAT Budget Statements

- 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.
- Staged delivery of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program within budget and against timelines.
- Design approval and finalisation of production scheduling for the introduction of the new P-series Australian travel document in mid-2014.

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

The department continues to place priority on the safety of Australian Government personnel overseas, the security of its diplomatic and consular posts and the safeguarding of government information in line with an environment of increasing security risk. Its activities in this area will be underpinned by thorough assessments of security threats and the preparation and implementation of appropriate risk mitigation strategies and security measures.

The department will work to enhance information and communications technology (ICT) capabilities, at home and at Australia's overseas missions. It will continue to respond to emerging influences on its ICT operating environment, including the increasing use of the internet, a greater focus on whole-of-government programs and solutions, and a continuing increase in the number of staff from other agencies using departmental ICT systems and a challenging cyber-threat environment.

The department will again manage the Government's owned estate in an efficient and effective manner. The department's forward plan for maintaining, upgrading and refurbishing the overseas property estate will continue with the objective of meeting the Government's accommodation needs and enhancing the estate's value. In managing the estate, the department will remain focused on providing the best possible protective security, and capability to respond promptly when new or unforeseen security-related challenges arise.

Outcome Expense Statement

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

Table 2.1.2: Budgeted Expenses 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	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 3.1: Foreign Affairs and Trade Operations		
Departmental expenses		
Departmental appropriation ^{1 & 2}	170,492	175,421
Expenses not requiring appropriation in the Budget year ³	13,165	9,793
Total for Program 3.1	183,657	185,214
Program 3.2: Overseas Property		
Departmental expenses		
Special Accounts	72,077	72,707
Total for Program 3.2	72,077	72,707
Outcome 3 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ^{1 & 2}	170,492	175,421
Special Accounts	72,077	72,707
Expenses not requiring appropriation in the Budget year ³	13,165	9,793
Total expenses for Outcome 3	255,734	257,921
	2011-12	2012-13
Average Staffing Level (number) ⁴	702	707

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

² Expense includes a portion of an intra- entity amount of \$60.99 million (2011- 12: \$68.99 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).

³ Expenses not requiring appropriation in the Budget year include depreciation and amortisation expenses, make good and audit fees.

⁴ 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

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual departmental expenses:					
Foreign Affairs and Trade Operations	170,492	175,421	177,200	120,719	121,055
Expenses not requiring appropriation in the Budget year ¹	13,165	9,793	9,937	10,023	10,026
Total program expenses	183,657	185,214	187,137	130,742	131,081

¹Expenses not requiring appropriation in the Budget year include depreciation and amortisation expenses.

Program 3.1 Deliverables

- Enhanced protection through strengthened security measures in line with the evolving security environment, particularly in high-threat locations.
- Protection of classified information and ICT services through effective management of ICT systems and security vetting processes, as well as through staff security training to ensure high standards of awareness and vigilance.
- Continued progress in moving the department's ICT systems infrastructure to a common platform that can be more efficiently integrated and supported, and implementation of key elements of the Government's ICT Reform Program and ICT elements of the Government national security policy and objectives.
- High-quality overseas ICT services to other government agencies.

Program 3.1 Key Performance Indicators

- Security risks relating to classified information are minimised, as evidenced by a low number of sensitive security breaches.
- Effective risk-mitigation strategies appropriate to increased security risks.

DFAT Budget Statements

- Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network) and the global 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 and of the contracts for the leased estate.

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Special Account Expenses:					
Overseas Property Special Account - <i>Finance Determination 2002-01 (D)</i>	72,077	72,707	72,758	75,689	80,603
Total program expenses	72,077	72,707	72,758	75,689	80,603

Program 3.2 Deliverables

- Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate, including:
 - construction of a new chancery, residential accommodation and a Head of Mission residence in Jakarta; construction of a new chancery and Head of Mission residence in Bangkok; and a services upgrade of the chancery in Paris.
- Efficient and effective management of the overseas property estate, including contracts for the leased estate, to meet the Government's requirements and maintain conditions and service capabilities.
- Effective management of outsourced property contract arrangements.

Program 3.2 Key Performance Indicators

- Completion of construction and refurbishment projects within an agreed timeframe and budget.
- Effective and accountable management of the property services contract and construction project contracts.
- Achieve a portfolio condition and utility rating of good or better.
- The majority of tenants rate the performance of the service provider and the

DFAT Budget Statements

Overseas Property Office as good or better.

- Asset management plans are in place for all owned properties in the estate.
- Achieve a management expense ratio appropriate to the unique nature of the Commonwealth's overseas owned 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 2012-13 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 a specified period with the agreement of the Finance Minister may be moved to the future year.

The Department received \$0.45 million in administered funding for Australia's Contribution to the Bali Peace Park in 2011-12. The contribution is contingent on the land in Bali being offered for sale to the Bali Peace Park Association. Negotiations on this matter are progressing and it is anticipated that the funds will be spent in 2012-13.

Table 3.1.1: Movement of Administered Funds between years¹

	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Outcome 1:					
Public Information Services and Public Diplomacy	(450)	450			
Total Movement of Administered Funds	(450)	450			

¹ Figures displayed as a negative (-) represent a decrease in funds and a positive reflects an increase in funds.

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

		Opening balance 2012-13 2011-12	Receipts 2012-13 2011-12	Payments 2012-13 2011-12	Adjustments 2012-13 2011-12	Closing balance 2012-13 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Payments and Receipts for Other Entities Special Account - FMA Act 1997 s20 (A)	1	5,000	200,000	(200,000)	-	5,000
		5,000	200,000	(200,000)	-	5,000
Consular Services Special Account - FMA Act 1997 s20 (A)	2	44	100	(100)	-	44
		44	100	(100)	-	44
Expositions Special Accounts - FMA Act 1997 s20 (A)	1	-	1,500	(1,500)	-	-
		7,391	1,124	(8,515)	-	-
Services for Other Entities and Trust Moneys - Foreign Affairs and Trade Special Account (A)	1	1,070	2,000	(2,000)	-	1,070
		3,070	2,000	(4,000)	-	1,070
Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (D)	3	338,667	95,225	(168,220)	-	265,672
		393,250	107,910	(162,493)	-	338,667
Total Special Accounts 2011-12 Budget estimate		344,781	298,825	(371,820)	-	271,786
<i>Total Special Accounts 2010-11 estimate actual</i>		<i>408,755</i>	<i>311,134</i>	<i>(375,108)</i>	-	<i>344,781</i>

(A) = Administered

(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

Outcome	Appropriations				Other	Total	Program
	Bill	Bill	Special	Total			
	No. 1	No. 2	approp	approp			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Department of Foreign Affairs and Trade							
Outcome 1							
Departmental 2012-13	1,000	-	-	1,000	-	1,000	1.1
<i>Departmental 2011-12</i>	<i>852</i>	<i>-</i>	<i>-</i>	<i>852</i>	<i>-</i>	<i>852</i>	<i>1.1</i>
Total outcome 2012-13	1,000	-	-	1,000	-	1,000	
<i>Total outcome 2011-12</i>	<i>852</i>	<i>-</i>	<i>-</i>	<i>852</i>	<i>-</i>	<i>852</i>	
Total departmental 2012-13	1,000	-	-	1,000	-	1,000	
<i>Total departmental 2011-12</i>	<i>852</i>	<i>-</i>	<i>-</i>	<i>852</i>	<i>-</i>	<i>852</i>	
Total AGIE 2012-13	1,000	-	-	1,000	-	1,000	
<i>Total AGIE 2011-12</i>	<i>852</i>	<i>-</i>	<i>-</i>	<i>852</i>	<i>-</i>	<i>852</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Budgeted Departmental Income Statement

Total budgeted appropriation in 2012-13 is \$878.5 million, which represents an increase of \$54.2 million in appropriations from 2011-12 as shown in Table 3.2.1. The increase is primarily a result of:

- funding for new measures;
- parameter adjustments for overseas inflation; and
- additional funding for passports reflecting expected increase in demand.

This is partially offset by:

- the removal of amortisation funding arrangements relating to the Overseas Property Special Account;
- foreign exchange movements; and
- savings measures agreed in the 2011-12 Mid-Year Economic and Fiscal Outlook.

The Income Statement shows a budgeted deficit in 2012-13 of \$47.1 million, due to the removal of appropriation funding for depreciation and amortisation under the Net Cash funding arrangements. Adjusting for the changed funding arrangements, the operating result attributable to the Department is a surplus of \$22.4 million in 2012-13, all of which relates to the Overseas Property Special Account (OPSA). Surpluses are necessary in the OPSA to fund capital investment projects.

Budgeted Departmental Balance Sheet

The Department will receive an equity injection of \$56.8 million in 2012-13 for the purchase or construction of new assets. The Department will also receive \$63.3 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2012-13, the Department's non-financial asset position is budgeted to be \$2,331.6 million at year-end. The major asset component is \$1,785.9 million for Land and Buildings which includes \$1,630.7 million managed in the Overseas Property Special Account.

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

Administered income has been budgeted at \$643.8 million in 2012-13. The increase of \$221 million from 2011-12 is due primarily to an expected increase in passport revenue (\$29 million) resulting from an increase in the passport fee and the projected volume of passport issues and an increase in the Export Finance and Insurance Corporation

(EFIC) dividend (\$197.6 million). This increase is offset by a forecast decrease in expected other revenue (\$4.9 million) from EFIC.

Budgeted administered expenses are projected to decrease by \$10.3 million compared to 2011-12. This is primarily due to the 2012 Yeosu Expo ending in early August 2012.

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

Asset and liabilities administered on behalf of the Government are budgeted at \$467.4 million and \$49.6 million respectively for the year ending 30 June 2013. The assets mainly represent the investment in the government entity EFIC (\$408.1 million) and receivables (\$53.5 million) including appropriation receivable (\$51.0 million). Liabilities comprise primarily amounts relating to payables 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 administered revenue, with the exception of Australian Accounting Standards related fair value revenue which has no cash impact. All administered cash received is returned to the Consolidated Revenue Fund.

The 2012-13 forecast of administered cash receipts of \$671.4 million primarily comprises receipts from passport and consular services, and dividend payments from the administered investments in EFIC.

Administered cash used is estimated to decrease by \$7.5 million compared to 2011-12. This is primarily due to the forecast decrease in payments to suppliers and employees associated with the ending of the 2012 Yeosu Expo (\$7.9 million).

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	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	406,150	434,331	437,965	432,720	440,931
Suppliers	475,590	508,892	516,992	463,762	467,049
Grants	5,000	5,000	5,000	5,000	5,000
Depreciation and amortisation	91,834	93,414	94,593	96,491	99,941
Losses from asset sales	185	6	-	-	-
Other expenses	112	103	103	103	103
Total expenses	978,871	1,041,746	1,054,653	998,076	1,013,024
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	73,299	73,299	73,299	73,299	73,299
Rental income	35,639	34,134	32,813	35,436	36,878
Other	8,300	8,300	8,300	8,300	8,300
Total own-source revenue	117,238	115,733	114,412	117,035	118,477
Gains					
Other	411	411	411	411	411
Total gains	411	411	411	411	411
Total own-source income	117,649	116,144	114,823	117,446	118,888
Net cost of (contribution by)					
services	861,222	925,602	939,830	880,630	894,136
Revenue from Government	824,304	878,541	889,563	832,578	846,007
Surplus (Deficit) attributable to the Australian Government	(36,918)	(47,061)	(50,267)	(48,052)	(48,129)
Total comprehensive income (loss) attributable to the Australian Government	(36,918)	(47,061)	(50,267)	(48,052)	(48,129)
Note: Impact of Net Cash Appropriation Arrangements					
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	32,562	22,417	19,211	21,428	21,348
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	(69,480)	(69,478)	(69,478)	(69,480)	(69,477)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(36,918)	(47,061)	(50,267)	(48,052)	(48,129)

¹ From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	64,316	67,172	68,782	68,782	68,782
Trade and other receivables	798,415	704,311	538,813	428,347	347,471
Total financial assets	862,731	771,483	607,595	497,129	416,253
Non-financial assets					
Land and buildings	1,772,531	1,785,958	1,873,822	1,948,758	2,225,925
Property, plant and equipment	200,297	260,675	318,404	351,357	390,636
Intangibles	29,797	29,031	26,735	28,312	31,760
Inventories	40,238	40,238	40,238	40,238	40,238
Other non-financial assets	121,905	215,734	339,217	409,602	233,366
Total non-financial assets	2,164,768	2,331,636	2,598,416	2,778,267	2,921,925
Total assets	3,027,499	3,103,119	3,206,011	3,275,396	3,338,178
LIABILITIES					
Payables					
Suppliers	80,184	80,184	80,184	80,184	80,184
Other payables	22,989	22,989	22,989	22,989	22,989
Total payables	103,173	103,173	103,173	103,173	103,173
Provisions					
Employee Provisions	132,260	132,260	132,260	132,260	132,260
Other	23,841	23,841	23,841	23,841	23,841
Total Provisions	156,101	156,101	156,101	156,101	156,101
Total liabilities	259,274	259,274	259,274	259,274	259,274
Net assets	2,768,225	2,843,845	2,946,737	3,016,122	3,078,904
EQUITY*					
Parent entity interest					
Contributed equity	1,844,690	1,964,760	2,128,901	2,229,432	2,299,199
Reserves	326,889	329,592	318,610	335,516	376,660
Retained surplus (accumulated deficit)	596,646	549,493	499,226	451,174	403,045
Total parent entity interest	2,768,225	2,843,845	2,946,737	3,016,122	3,078,904
Total Equity	2,768,225	2,843,845	2,946,737	3,016,122	3,078,904

* '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 2012-13)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2012					
Balance carried forward from previous period	596,646	326,889	-	1,844,690	2,768,225
Adjusted opening balance	596,646	326,889	-	1,844,690	2,768,225
Comprehensive income					
Other comprehensive income	-	2,703	-	-	2,703
Surplus (deficit) for the period	(47,061)	-	-	-	(47,061)
Total comprehensive income	(47,061)	2,703	-	-	(44,358)
Transactions with owners					
Distributions to owners					
Cash transfers to the OPA	(92)				(92)
Contributions by owners					
Equity Injection - Appropriation	-	-	-	56,814	56,814
Departmental Capital Budget (DCBs)	-	-	-	63,256	63,256
Sub-total transactions with owners	(92)	-	-	120,070	119,978
Estimated closing balance as at 30 June 2013	549,493	329,592	-	1,964,760	2,843,845

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	906,672	972,645	1,055,061	943,044	926,883
Sale of goods and rendering of services	108,938	107,433	106,112	108,735	110,177
Other	8,300	8,300	8,300	8,300	8,300
Total cash received	1,023,910	1,088,378	1,169,473	1,060,079	1,045,360
Cash used					
Employees	406,150	434,331	437,965	432,720	440,931
Suppliers	475,179	508,481	516,581	463,351	466,638
Other	20,993	5,201	5,103	5,103	5,103
Total cash used	902,322	948,013	959,649	901,174	912,672
Net cash from (used by) operating activities	121,588	140,365	209,824	158,905	132,688
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	3,285	98	-	-	-
Total cash received	3,285	98	-	-	-
Cash used					
Purchase of property, plant and equipment	259,670	257,677	372,355	259,436	202,455
Total cash used	259,670	257,677	372,355	259,436	202,455
Net cash from (used by) investing activities	(256,385)	(257,579)	(372,355)	(259,436)	(202,455)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	145,451	120,070	164,141	100,531	69,767
Total cash received	145,451	120,070	164,141	100,531	69,767
Net cash from (used by) financing activities	145,451	120,070	164,141	100,531	69,767
Net increase (decrease) in cash held	10,654	2,856	1,610	-	-
Cash and cash equivalents at the beginning of the reporting period	58,160	64,316	67,172	68,782	68,782
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period	(4,498)				
Cash and cash equivalents at the end of the reporting period	64,316	67,172	68,782	68,782	68,782

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	73,446	63,256	94,673	68,145	68,948
Equity injections - Bill 2	72,005	56,814	69,468	32,386	819
Total new capital appropriations	145,451	120,070	164,141	100,531	69,767
Provided for:					
Purchase of non-financial assets	145,451	120,070	164,141	100,531	69,767
Total Items	145,451	120,070	164,141	100,531	69,767
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	74,250	66,892	103,210	66,187	34,189
Funded by capital appropriation - DCB ²	78,437	68,200	94,673	68,145	68,948
Funded internally from departmental resources ³	105,979	28,756	50,989	54,719	275,554
TOTAL	258,666	163,848	248,872	189,051	378,691
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	258,666	163,848	248,872	189,051	378,691
Total cash used to acquire assets	258,666	163,848	248,872	189,051	378,691

¹ Includes both current and prior Bill 2/4/6 appropriations and special capital appropriations

² Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budgets (DCBs).

³ Includes the following sources of funding:

- current and prior year Bill 1/3/5 appropriations (excluding amounts from the DCB).
- donations and contributions
- gifts
- internally developed assets
- s31 relevant agency receipts (for FMA agencies only)
- proceeds from the sale of assets

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2012-13)

	Asset Category (as appropriate)				Total
	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2012					
Gross book value	953,931	972,462	291,078	70,258	2,287,729
Accumulated depreciation/amortisation and impairment	-	(153,862)	(90,781)	(40,461)	(285,104)
Opening net book balance	953,931	818,600	200,297	29,797	2,002,625
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity ¹	-	64,253	95,605	3,990	163,848
By purchase - appropriation ordinary annual services ²					
By purchase - other					
Total additions	-	64,253	95,605	3,990	163,848
Other movements					
Depreciation/amortisation expense	-	(30,264)	(35,227)	(4,756)	(70,247)
Disposals ³	(98)	-	-	-	(98)
Other	3,143	(23,607)	-	-	
Total other movements	3,045	(53,871)	(35,227)	(4,756)	(70,345)
As at 30 June 2013					
Gross book value	956,976	1,013,108	386,683	74,248	2,431,015
Accumulated depreciation/amortisation and impairment	-	(184,126)	(126,008)	(45,217)	(355,351)
Closing net book balance	956,976	828,982	260,675	29,031	2,075,664

¹ "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2012-13, including CDABs.

² "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2012-13 for depreciation / amortisation expenses, DCBs or other operational expenses.

³ Net 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 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation revenue					
Sale of goods and rendering of services	360,916	390,044	423,258	460,555	498,627
Interest	4,713	3,859	3,048	2,100	1,016
Dividends	30,194	227,800	23,300	26,800	20,000
Other	26,968	22,111	22,861	24,411	25,611
Total non-taxation revenue	422,791	643,814	472,467	513,866	545,254
Total revenues administered on behalf of Government	422,791	643,814	472,467	513,866	545,254
Total income administered on behalf of Government	422,791	643,814	472,467	513,866	545,254
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	855	230	-	-	-
Supplier expenses	40,786	32,635	32,786	34,318	35,772
Personal benefits	2,014	1,995	2,008	2,074	2,111
Grants	245,712	245,253	244,803	246,937	249,103
Finance costs	4,307	3,226	2,411	1,672	770
Total expenses administered on behalf of Government	293,674	283,339	282,008	285,001	287,756

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	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	3,005	3,005	3,005	3,005	3,005
Receivables	91,029	53,485	45,235	35,885	25,535
Investments accounted for using the equity method	0	0	0	0	0
Other	408,082	408,082	408,082	408,082	408,082
Total financial assets	503,344	465,800	457,550	448,200	437,850
Non-financial assets					
Other	1,613	1,613	1,613	1,613	1,613
Total non-financial assets	1,613	1,613	1,613	1,613	1,613
Total assets administered on behalf of Government	504,957	467,413	459,163	449,813	439,463
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	332	332	332	332	332
Other Payables	22,886	16,509	10,500	6,745	6,110
Total payables	23,218	16,841	10,832	7,077	6,442
Provisions					
Other	32,742	32,742	32,742	32,742	32,742
Total provisions	32,742	32,742	32,742	32,742	32,742
Total liabilities administered on behalf of Government	55,960	49,583	43,574	39,819	39,184

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	360,916	390,044	423,258	460,555	498,627
Interest	94	92	92	92	92
Dividends	-	258,000	23,300	26,800	20,000
Net GST received	2,847	2,217	2,093	2,145	2,199
Other	18,024	21,052	21,002	23,557	25,881
Total cash received	381,881	671,405	469,745	513,149	546,799
Cash used					
Grant payments	246,262	245,803	245,353	247,487	249,653
Personal benefits	2,014	1,995	2,008	2,074	2,111
Suppliers	30,281	23,035	22,286	22,818	23,372
Net GST paid	2,847	2,217	2,093	2,145	2,199
Borrowing costs	4,454	3,666	2,654	1,752	751
Employees	855	230	-	-	-
Other	10,505	9,700	10,600	11,500	12,400
Total cash used	297,218	286,646	284,994	287,776	290,486
Net cash from (used by) operating activities	84,663	384,759	184,751	225,373	256,313
Net increase (decrease) in cash held					
Cash and cash equivalents at beginning of reporting period	2,528	3,005	3,005	3,005	3,005
Cash from Official Public Account for:					
- Appropriations	294,075	284,077	282,642	284,125	288,287
	294,075	284,077	282,642	284,125	288,287
Cash to Official Public Account for:					
- Appropriations	378,261	668,836	467,393	509,498	544,600
	378,261	668,836	467,393	509,498	544,600
Cash and cash equivalents at end of reporting period	3,005	3,005	3,005	3,005	3,005

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.

Administered investments in controlled entities

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

DFAT Budget Statements

This investment is revalued once each financial year based on the net asset position of EFIC as at 30 June.

Asset Valuation

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

Australian Trade Commission (Austrade)

Agency resources and planned performance

AUSTRALIAN TRADE COMMISSION (AUSTRADE)

Section 1: Agency overview and resources	61
1.1 Strategic Direction Statement	61
1.2 Agency Resource Statement	63
1.3 Budget Measures.....	64
Section 2: Outcomes and planned performance	65
2.1 Outcomes and performance information	65
Section 3: Explanatory tables and budgeted financial statements	73
3.1 Explanatory tables	73
3.2 Budgeted Financial Statements.....	76

AUSTRALIAN TRADE COMMISSION (AUSTRADE)

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

Austrade's outcomes are:

- to advance Australia's trade, investment and education promotion interests through information, advice and services to business, the education sector and governments; and
- the protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.

A comprehensive review of Austrade was completed in 2010 with the results announced by the Minister for Trade in May 2011. The resulting changes in Austrade's structure and operations have been progressively implemented, and 2012-13 will see the full implementation of Austrade's new operating model.

In 2012-13, Austrade's international trade activities will be clearly directed towards growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability (including education), and where there is a clear role for government through Austrade. In established markets, Austrade will focus predominantly on opportunities for inward investment and education services. The additional budget savings to be delivered by Austrade in 2012-13, as part of whole of Government savings requirements, will be made within this overall strategic context.

Austrade will deliver practical in-market support, advice and insights to Australian businesses and institutions. These activities provide the most value in markets where language and business culture can be a barrier; where there is less openness of regulatory frameworks and transparency of business processes; where there are difficulties accessing distribution channels and commercial connections; and where the value of the 'badge of government' is highest.

Austrade's network of offices across 50 countries is now weighted towards growth and emerging markets that have high growth potential, including a new Post in Mongolia and a proposed new Post in Colombia. Austrade's activities in these markets will have a strong focus on trade development, as well as marketing of education services.

Austrade Budget Statements

Through its international network, Austrade will draw on its relationships and connections with international customers, investors and decision makers to identify commercial opportunities of value and relevance to Australia.

In established markets such as North America and Europe, Austrade's focus will be predominantly on inward investment and education services, with greater use of partners, referrals and online information and services to support Australia's exporters in these markets.

Austrade's support for inward investment activity will include the proactive attraction of foreign direct investment aligned to agreed government priorities, supported by the promotion in target markets of Australia's attractiveness as a destination for investment. Where international businesses have indicated an interest in Australia as a potential destination for investing, Austrade will work in partnership with state and territory governments to facilitate such investments.

Austrade will continue to promote the growth and sustainable development of Australia's international education and training services, and support the international standing of Australia's education system as world class and globally connected. Austrade will assist the sector in the repositioning of Australian education through the Future Unlimited branding.

Austrade will lead the use and activation of the *Australia Unlimited* nation brand on behalf of the Government. The broad objective of the Building Brand Australia Program, expressed through the brand *Australia Unlimited* is to enrich Australia's global reputation by enhancing awareness of contemporary Australian credentials in business, science, education, technology, creativity and not-for-profit activity. As part of this work, Austrade will develop and promote contemporary examples of Australian capability. Throughout the fourth and final year of the current funding for the Building Brand Australia Program, Austrade will work with industry to encourage use of *Australia Unlimited* and support activities with the potential to showcase Australia's credentials to influential international audiences.

Within Australia, Austrade staff are in 12 locations and Austrade manages the TradeStart network of export advisers across 31 locations in metropolitan and regional Australia. TradeStart extends the international trade, investment and education services provided to Australian firms and institutions through partnering with state, territory and local governments and industry bodies in delivery of these services.

The Export Market Development Grants (EMDG) scheme, which assists small and medium-sized Australian businesses to address the challenges associated with undertaking promotion in export markets and achieve international business growth, will continue to be delivered by Austrade.

Austrade will support Australians in specific locations overseas through the delivery of timely consular and passport services.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Austrade Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012

	Estimate of prior + year amounts available in 2012-13 \$'000	Proposed at Budget = 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	38,618 ⁵	-	38,618	41,826
Departmental appropriation ³	-	176,537	176,537	183,048
s31 Relevant agency receipts ⁴	-	23,842	23,842	23,842
Total	38,618	200,379	238,997	248,716
Administered expenses				
Outcome 1	-	150,400	150,400	150,400
Total	-	150,400	150,400	150,400
Total ordinary annual services	A 38,618	350,779	389,397	399,116
Other services				
Departmental non- operating				
Equity injections	5,563	-	5,563	5,990
Total	5,563	-	5,563	5,990
Total other services	B 5,563	-	5,563	5,990
Total available annual appropriations	44,181	350,779	394,960	405,106
Total net resourcing for Austrade	44,181	350,779	394,960	405,106

1. Appropriation Bill (No.1) 2012-13.

2. Estimated adjusted balance carried forward from previous year.

3. Includes an amount of \$18.5 m in 2012-13 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4. s31 Relevant Agency receipts — estimate.

5. Estimated adjusted balance carried from previous year for Annual Appropriations. Funds are required for Austrade to meet obligations, employee entitlement liabilities and other commitments.

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

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

Table 1.2: Agency 2012-13 Budget measures

Measures announced between 2011-12 Budget and 2012-13 Budget but not yet reported in a subsequent portfolio statement

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Expense Measures						
Reducing the cost of Government administration – one-off efficiency dividend	1.1					
Departmental expenses		-	-3,838	(3,751)	-3,841	(3,813)
Reducing the cost of Government administration – one-off efficiency dividend	2.1					
Departmental expenses		-	-230	(225)	-230	(228)
Total		-	-4,068	(3,976)	-4,071	(4,041)
Capital Measures						
Departmental Capital Budgets – Savings	1.1					
Departmental capital		-	-4,632	(2,825)	-3,675	(3,704)
Total		-	-4,632	(2,825)	-3,675	(3,704)
Total measures						
Departmental		-	-8,700	(6,801)	-7,746	(7,745)
Total		-	-8,700	(6,801)	-7,746	(7,745)

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

Outcome 1: Advance Australia's trade, investment and education promotion interests through information, advice and services to business, the education sector and governments

Outcome 1 Strategy

Austrade will apply its knowledge of and connections in international markets, and its status as a Government organisation, to identify and present international opportunities to Australian businesses and education institutions and provide them with in-market advice and support. Austrade's full range of trade services will be delivered in growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability (including education).

In established markets Austrade will focus on inward investment and education. Austrade partners with other Commonwealth Government agencies and state, territory and local governments, and public and private sector organisations, in delivering its trade, investment and international education strategies.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Advance Australia's trade, investment and education promotion interests through information, advice and services to business, the education sector and governments.	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 1.1: Trade, education and investment development		
Departmental expenses		
Departmental appropriation ¹	178,528	169,669
Expenses not requiring appropriation in the Budget year ²	19,578	18,520
Total for Program 1.1	198,106	188,189
Program 1.2: Export Market Development Grants Scheme		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	150,400	150,400
Total for Program 1.2	150,400	150,400
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	150,400	150,400
Departmental expenses		
Departmental appropriation ¹	178,528	169,669
Expenses not requiring appropriation in the Budget year ²	19,578	18,520
Total expenses for Outcome 1	348,506	338,589
	2011-12	2012-13
Average Staffing Level (number)	957	932

1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

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

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

Contributions to Outcome 1

Program 1.1: Trade, education and investment promotion

Program 1.1 Objective

Austrade will advance Australian trade, investment and international education interests by identifying and presenting international opportunities and delivering practical in-market support, advice and insights to Australian businesses and education institutions.

Program Expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
(('000))					
Annual departmental expenses:					
Departmental item	178,528	169,669	166,244	169,830	169,107
Expenses not requiring appropriation in the Budget year ¹	19,578	18,520	18,944	18,050	17,328
Total program expenses	198,106	188,189	185,188	187,880	186,435

1. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense and Audit Fees.

Program 1.1 Deliverables

- Identify foreign business opportunities for Australian firms, particularly in growth and emerging markets that offer commercial potential and align with Australian capability; where there are difficulties accessing distribution channels and commercial connections; and where the value of the 'badge of government' is highest.
- Deliver market-related services, advice and information to assist Australian firms in international business.
- Work with Commonwealth Government agencies, state and territory government agencies, to assist in achieving Commonwealth policy objectives as they relate to the promotion and attraction of productive foreign direct investment.
- Contribute to the growth of a sustainable international education sector through marketing and branding (Future Unlimited) of Australian education and training services in all markets in which Austrade is represented.
- Build linkages and networks with key decision-makers, buyers, investors and institutions and facilitate access to senior officials and business executives in international markets, and assist Australian firms and education institutions with 'behind the border' barriers to trade and investment, consistent with legal obligations including anti-bribery laws both in Australia and overseas.
- Promote Australia's nation brand, *Australia Unlimited* in target markets to advance Australia's image and reputation across a wide range of fields

- including business, technology, science, education and creative industries.
- Strengthen online information and service delivery and build stronger, more targeted partnerships to achieve a more contemporary approach to service delivery.
- Assess applications for the income tax exemption available under Section 23AF of the *Income Tax Assessment Act 1936*, to assist the international competitiveness of Australian companies and government organisations competing to win international tenders.
- Draw on Austrade's global, commercial perspective to provide advice to Government.

Program 1.1 Key Performance Indicators

- High-potential international trade opportunities identified and presented to Australian businesses and education institutions.
- Number of Australian businesses and institutions provided with practical in-market services and advice.
- Australian business community and education institutions' satisfaction with Austrade's services.
- Achievement of agreed objectives in regards to the promotion and attraction of inwards investment in Commonwealth Government priority areas and in target markets, working in conjunction with commonwealth, state and territory government agencies.
- Strong international awareness of Australia as a destination for productive foreign direct investment and as a source of competitive, high quality goods and services, and a world class international education system.
- Effective international marketing of Australia's education services, in cooperation with relevant education institutions and stakeholders.
- Increased promotion of contemporary Australia's commercial, intellectual and creative credentials through *Australia Unlimited* and of Australia's high quality education services to international students through Future Unlimited.
- Effective contribution to whole-of-government policy development utilising Austrade's global, commercial perspective on export, investment and international education.

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

Program 1.2 Objective

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

Program Expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
(‘000)					
Annual administered expenses:					
Administered item	150,400	150,400	150,400	150,400	150,400
Total program expenses	150,400	150,400	150,400	150,400	150,400

Program 1.2 Deliverables

Administration of the Export Market Development Grants scheme, providing partial reimbursement for expenditure on eligible export promotion activities.

Program 1.2 Key Performance Indicators

Key Performance Indicators	2011-12 Revised budget	2012-13 Budget target
Number of grant applications	3,277	3,000-3,500
Number of grant recipients	3,150	2,800-3,300

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

Outcome 2 Strategy

Austrade supports Australians travelling and working overseas through the delivery of timely consular and passport services, travel advice, practical contingency planning and rapid crisis response in locations overseas where Austrade has consular management responsibilities.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 2

Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 2.1: Consular and passport services		
Departmental expenses		
Departmental appropriation ¹	13,050	12,218
Total for Program 2.1	13,050	12,218
Outcome 2 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	13,050	12,218
Total expenses for Outcome 2	13,050	12,218
Average Staffing Level (number)	45	43

1. Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

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

Contributions to Outcome 2

Program 2.1: Consular and passport services

Program 2.1 Objective

Support Australians in specific locations overseas through effective consular and passports services, accurate and timely travel advice, practical contingency planning and rapid crisis response.

Program Expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
('000)					
Annual departmental expenses:					
Departmental item	13,050	12,218	12,041	12,209	12,211
Total program expenses	13,050	12,218	12,041	12,209	12,211

Program 2.1 Deliverables

In specific locations overseas:

- Deliver comprehensive, responsive, high quality consular services to an increasing number of Australian travelers and citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters and medical emergencies.
- Provide high-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.
- Undertake 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.

Program 2.1 Key Performance Indicators

In specific locations overseas:

- The delivery of consular services is effective, efficient, timely and responsive.
- Clients are satisfied with the 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.
- Consular contingency planning accurately anticipates high-risk events and scenarios. Procedures and networks remain valid and viable, and plans are tested and reviewed regularly.

Key Performance Indicators	2011-12 Revised budget	2012-13 Budget target
Passport applications received	12,645	13,324
Number of notarial acts	9,798	12,224

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 2012-13 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 funds between years for Austrade since the 2011-12 Additional Estimates.

3.1.2 Special Accounts

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

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2012-13 2011-12	Receipts 2012-13 2011-12	Payments 2012-13 2011-12	Adjustments 2012-13 2011-12	Closing balance 2012-13 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Admin Payments and Receipts for Other Entities Special Account ¹ (A)	1	100 100	9,200 9,200	(9,200) (9,200)	- -	100 100
Other Trust Moneys Special Account ² (D)	1	63 63	640 640	(640) (640)	- -	63 63
Total Special Accounts						
2012-13 Budget estimate		163	9,840	(9,840)	-	163
<i>Total Special Accounts</i>						
<i>2011-12 estimate actual</i>		163	9,840	(9,840)	-	163

1. s20 *Financial Management Accountability Act*, 1997 Determination 2006/15.

2. s20 *Financial Management Accountability Act*, 1997 Determination 2006/16.

(A) = Administered

(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure

Outcome	Appropriations		Other	Total	Program
	Bill	Total			
	No. 1	approp			
	\$'000	\$'000	\$'000	\$'000	
Austrade					
Outcome 1					
Departmental 2012-13	60	60	0	120	1.1
<i>Departmental 2011-12</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1.1</i>
Total outcome 1 2012-13	60	60	0	120	1.1
<i>Total outcome 1 2011-12</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Total AGIE 2012-13	60	60	0	120	1.1
<i>Total AGIE 2011-12</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

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

Departmental financial statements

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

Budgeted departmental comprehensive income statement

This statement provides estimated actual financial results for 2011-12 and the estimated revenue and expenses for 2012-13 and forward years.

Total income in 2012-13 is estimated to be \$182 million, which represents a decrease of \$9.7 million in appropriations from the 2011-12 estimated actual, comprising of:

- terminating programs – Automotive Market Access Program (AMAP) and Clean Energy Programs (CEP) – a decrease of \$6.2 million;
- one-off additional 2.5% efficiency dividend – a decrease of \$4.1 million; and
- foreign exchange and parameter adjustments – a net increase of \$0.6 million.

Austrade is receiving funding of \$18.5 million to fund the Departmental Capital Budget which is treated as an equity injection.

Total estimated expenses for 2012-13 have decreased by \$10.7 million to reflect the reduction in income and a \$1.0 million reduction in depreciation expense.

Budgeted departmental balance sheet

This statement discloses the estimated end of year financial position for Austrade. Austrade's budgeted net asset position at the end of 2012-13 of \$50.3 million represents an increase of \$0.1 million from the 2011-12 estimated actual in table 3.2.2 due to the variation between capital program funding (\$18.5 million) and estimated depreciation expense (\$18.4 million).

Departmental statement of changes in equity — summary of movement

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

Total equity at the end of 2012-13 is estimated to be \$50.3 million, an increase of \$0.1 million due to the variation between capital funding (\$18.5 million) and depreciation expense (\$18.4 million).

Budgeted departmental statement of cash flows

This statement shows the extent and nature of cash flows as a result of Austrade's operating, investing and financing activities. Austrade's cash balance at the end of 2012-13 is estimated to be \$5.5 million.

Departmental capital budget statement

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

Departmental statement of asset movements

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

Schedule of administered activity

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

Schedule of budgeted income and expenses administered on behalf of Government

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

Administered expenses of \$150.4 million for 2012-13 relate to the EMDG scheme. This is comprised of \$142.9 million in grant expenditure and \$7.5 million in expenditure for the costs of administering the EMDG scheme on behalf of the Government.

Schedule of budgeted assets and liabilities administered on behalf of Government

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

Total administered assets and liabilities for 2011-12 are estimated at \$0.1 million and \$9.2 million respectively.

Schedule of budgeted administered cash flows

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

3.2.3 Budgeted financial statements tables

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	103,774	95,958	92,337	95,697	92,961
Suppliers	87,962	86,087	86,106	86,500	88,357
Depreciation and amortisation	19,420	18,362	18,786	17,892	17,328
Total expenses	211,156	200,407	197,229	200,089	198,646
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	21,592	21,592	21,592	21,592	21,750
Rental income	500	500	500	500	500
Other	1,500	1,500	1,500	1,500	1,500
Total own-source revenue	23,592	23,592	23,592	23,592	23,750
Gains					
Sale of assets	250	250	250	250	250
Other	158	158	158	158	-
Total gains	408	408	408	408	250
Total own-source income	24,000	24,000	24,000	24,000	24,000
Net cost of (contribution by) services	187,156	176,407	173,229	176,089	174,646
Revenue from Government	167,736	158,045	154,443	158,197	157,318
Surplus (Deficit) attributable to the Australian Government	(19,420)	(18,362)	(18,786)	(17,892)	(17,328)
Total comprehensive income (loss)	(19,420)	(18,362)	(18,786)	(17,892)	(17,328)
Total comprehensive income (loss) attributable to the Australian Government	(19,420)	(18,362)	(18,786)	(17,892)	(17,328)

Note: Impact of Net Cash Appropriation Arrangements

	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	(19,420)	(18,362)	(18,786)	(17,892)	(17,328)
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	-	-	-	-	-
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(19,420)	(18,362)	(18,786)	(17,892)	(17,328)

¹ From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	44,247	45,747	47,247	47,247	47,247
Total financial assets	49,747	51,247	52,747	52,747	52,747
Non-financial assets					
Land and buildings	9,850	11,896	11,473	10,097	10,182
Property, plant and equipment	18,750	15,514	10,930	9,744	6,315
Intangibles	19,612	20,932	18,421	17,750	18,538
Other non-financial assets	3,478	3,478	3,478	3,478	3,478
Total non-financial assets	51,690	51,820	44,302	41,069	38,513
Total assets	101,437	103,067	97,049	93,816	91,260
LIABILITIES					
Payables					
Suppliers	9,813	9,813	9,813	9,813	9,813
Other payables	6,200	6,200	6,200	6,200	6,200
Total payables	16,013	16,013	16,013	16,013	16,013
Provisions					
Employee provisions	33,929	35,429	36,929	36,929	36,929
Other provisions	1,323	1,323	1,323	1,323	1,323
Total provisions	35,252	36,752	38,252	38,252	38,252
Total liabilities	51,265	52,765	54,265	54,265	54,265
Net assets	50,172	50,302	42,784	39,551	36,995
EQUITY*					
Attributed to Non-Controlling Interest					
Contributed equity	44,118	62,610	73,878	88,537	103,309
Reserves	57,595	57,595	57,595	57,595	57,595
Retained surplus (accumulated deficit)	(51,541)	(69,903)	(88,689)	(106,581)	(123,909)
Total Equity	50,172	50,302	42,784	39,551	36,995

* '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 2012-13)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2012					
Balance carried forward from previous period	(51,541)	18,870	38,725	44,118	50,172
Adjusted opening balance	(51,541)	18,870	38,725	44,118	50,172
Surplus (deficit) for the period	(18,362)				(18,362)
Total comprehensive income	(69,903)	18,870	38,725	44,118	31,810
Transactions with owners					
Departmental Capital Budget (DCBs)	-	-	-	18,492	18,492
Sub-total transactions with owners	-	-	-	18,492	18,492
Estimated closing balance as at 30 June 2013	(69,903)	18,870	38,725	62,610	50,302
Closing balance attributable to the Australian Government	(69,903)	18,870	38,725	62,610	50,302

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	170,829	156,545	152,943	158,197	157,318
Sale of goods and rendering of services	22,092	22,092	22,092	22,092	22,250
Net GST received	5,714	5,714	5,714	5,714	5,714
Other	1,500	1,500	1,500	1,500	1,500
Total cash received	200,135	185,851	182,249	187,503	186,782
Cash used					
Employees	102,274	94,458	90,837	95,697	92,961
Suppliers	87,804	85,929	85,948	86,342	88,357
Net GST paid	5,714	5,714	5,714	5,714	5,714
Total cash used	195,792	186,101	182,499	187,753	187,032
Net cash from (used by) operating activities	4,343	(250)	(250)	(250)	(250)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	250	250	250	250	250
Total cash received	250	250	250	250	250
Cash used					
Purchase of property, plant and equipment	20,485	18,492	11,268	14,659	14,772
Total cash used	20,485	18,492	11,268	14,659	14,772
Net cash from (used by) investing activities	(20,235)	(18,242)	(11,018)	(14,409)	(14,522)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	16,212	18,492	11,268	14,659	14,772
Total cash received	16,212	18,492	11,268	14,659	14,772
Net cash from (used by) financing activities	16,212	18,492	11,268	14,659	14,772
Net increase (decrease) in cash held	320	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	5,180	5,500	5,500	5,500	5,500
Cash and cash equivalents at the end of the reporting period	5,500	5,500	5,500	5,500	5,500

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	15,350	18,492	11,268	14,659	14,772
Total new capital appropriations	15,350	18,492	11,268	14,659	14,772
Provided for:					
Purchase of non-financial assets	15,350	18,492	11,268	14,659	14,772
Total Items	15,350	18,492	11,268	14,659	14,772
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	862	-	-	-	-
Funded by capital appropriation - DCB ²	19,623	18,492	11,268	14,659	14,772
TOTAL	20,485	18,492	11,268	14,659	14,772
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	20,485	18,492	11,268	14,659	14,772
Total cash used to acquire assets	20,485	18,492	11,268	14,659	14,772

1. Does not include annual finance lease costs. Includes purchase from current and previous years Departmental Capital Budgets.

2. Does not include annual finance lease costs. Include purchases from current and previous years Departmental Capital Budgets.

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2012-13)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2012				
Gross book value	17,036	32,966	53,644	103,646
Accumulated depreciation/amortisation and impairment	(7,186)	(14,216)	(34,032)	(55,434)
Opening net book balance	9,850	18,750	19,612	48,212
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ¹	6,896	4,738	6,858	18,492
Total additions	6,896	4,738	6,858	18,492
Other movements				
Depreciation/amortisation expense	(4,850)	(7,974)	(5,538)	(18,362)
Total other movements	(4,850)	(7,974)	(5,538)	(18,362)
As at 30 June 2013				
Gross book value	23,932	37,704	60,502	122,138
Accumulated depreciation/amortisation and impairment	(12,036)	(22,190)	(39,570)	(73,796)
Closing net book balance	11,896	15,514	20,932	48,342

1. "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2012-13 for depreciation / amortisation expenses, DCBs / ACBs or other operational expenses.
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	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	5,850	5,850	5,850	5,850	5,850
Suppliers	1,670	1,670	1,670	1,670	1,670
Grants	142,880	142,880	142,880	142,880	142,880
Total expenses administered on behalf of Government	150,400	150,400	150,400	150,400	150,400
LESS:					
Total own-source revenues administered on behalf of Government					
Total own-sourced income administered on behalf of Government	-	-	-	-	-

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	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and equivalent	-	-	-	-	-
Other financial assets	48	48	48	48	48
Total financial assets	48	48	48	48	48
Total assets administered on behalf of Government	48	48	48	48	48
LIABILITIES					
Payables					
Suppliers	80	80	80	80	80
Other payables	132	132	132	132	132
Total payables	212	212	212	212	212
Provisions					
Employee provisions	2,218	2,218	2,218	2,218	2,218
Other provisions	6,742	6,742	6,742	6,742	6,742
Total provisions	8,960	8,960	8,960	8,960	8,960
Total liabilities administered on behalf of Government	9,172	9,172	9,172	9,172	9,172
Net assets/(liabilities)	(9,124)	(9,124)	(9,124)	(9,124)	(9,124)

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	195	195	195	195	195
Total cash received	195	195	195	195	195
Cash used					
Grant	142,880	142,880	142,880	142,880	142,880
Suppliers	2,170	2,170	2,170	2,170	1,670
Net GST paid	195	195	195	195	195
Employees	5,350	5,350	5,350	5,350	5,850
Other	1	-	-	-	-
Total cash used	150,596	150,595	150,595	150,595	150,595
Net cash from (used by) operating activities	(1)	-	-	-	-
Net increase (decrease) in cash held					
Cash and cash equivalents at beginning of reporting period	1	-	-	-	-
Cash from Official Public Account for: - Appropriations	150,400	150,400	150,400	150,400	150,400
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

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

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

Departmental

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

Administered

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

Australian Agency for International Development (AusAID)

Agency resources and planned performance

AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AUSAID)

Section 1: Agency overview and resources	93
1.1 Strategic Direction Statement	93
1.2 Agency Resource Statement	95
1.3 Budget Measures.....	98
Section 2: Outcomes and planned performance	102
2.1 Outcomes and performance information	102
Section 3: Explanatory tables and budgeted financial statements	115
3.1 Explanatory tables	115
3.2 Budgeted Financial Statements.....	118

AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AUSAID)

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

AusAID advances the Government's objective of assisting developing countries to reduce poverty in line with Australia's national interest and where we have the capacity to make a difference.

The 2012-13 Budget implements the Government's new aid policy "*An effective Aid Program for Australia – Making a real difference – Delivering on real results*" and will achieve widespread results for the world's poor. This aid spending will emphasise our focus on our neighbours in Asia and the Pacific, where 900 million people still live in poverty. Over 70 per cent of Australian aid will be delivered in this region.

This year's budget includes new aid initiatives for Asia and the Pacific, investments in our global and humanitarian programs, strengthening our engagement with the Asian Development Bank and continuation of our aid program in Afghanistan.

Australian interests are inextricably linked to a stable and prosperous East Asia. Through AusAID, the Government will increase assistance to the poorest countries of East Asia, with additional funds being invested to improve agricultural productivity and boost health and education services in Burma, Cambodia, and Laos.

Through AusAID, the Government will extend Australia's efforts to overcome poverty and build stability in the Pacific by investing in health, higher education and the particular needs of the micro-states of Kiribati, Nauru and Tuvalu.

The Government will invest additional funding to strengthen developing countries' preparedness for natural disasters, enhance Australia's ability to respond to disasters, and build our partnerships with the World Food Programme, the International Committee of the Red Cross, the UN Office for the Coordination of Humanitarian Affairs and the UN High Commissioner for Refugees. This is a critical investment in the stability and prosperity of our region, which has suffered 85 per cent of global deaths from natural disasters over the last three decades.

The Government will also expand Australia's engagement with six important UN partners: UNICEF, UN Women, the UN Development Program, World Health Organisation, UN Population Fund and UNAIDS. All multilateral organisations being supported under new funding initiatives were rated in the highest two categories of effectiveness in the recently completed Australian Multilateral Assessment.

AusAID Budget Statements

This funding will multiply the reach and influence of Australia's aid program, enhance our standing as a good international citizen, and help these organisations focus on the needs of poor people in our region.

During 2012-13 Australia will strengthen its engagement with the Asian Development Bank – one of our most important partners in the Asia Pacific Region. The Government will also pursue membership of the African Development Bank, signalling Australia's commitment as a long term development partner to Africa, and of the International Fund for Agricultural Development to reduce rural poverty and hunger.

The Government through AusAID will continue its investment in Afghanistan and will support state stability by building the capacity of the Afghan Government to deliver basic services and promote livelihood opportunities. AusAID's program will promote opportunities for all, through greater access to and quality of basic education and invest in food security and sustainable economic growth through new agriculture and mining activities.

Following the release of the Government's new aid policy statement *"An effective Aid Program for Australia – Making a real difference – Delivering on real results"* on 6 July 2011, the Government has prepared *"Helping the world's poor through Effective Aid: Comprehensive Aid Policy Framework"* which includes a four year budget strategy to 2015-16.

The budget strategy forecasts aid allocations for the recipients of Australian aid in 2015-16, based on an assessment of four criteria – poverty, national interest, our capacity to make a difference and the scale and effectiveness of our current program.

The budget strategy is linked to a set of headline results to be achieved by 2015-16 and new benchmarks for the efficient and effective delivery of Australian aid. The Framework has been released concurrently with the 2012-13 Budget.

The Government is committed to further enhance the effectiveness of the aid program. In *"An effective Aid Program for Australia – Making a real difference – Delivering on real results"*, the Government outlined a range of strategies to this end. Following almost a year of reform, key foundations to maximise the effectiveness and accountability of the aid program have been put in place and efficiencies have been delivered which includes the Adviser Remuneration Framework, the release of a Transparency Charter and the establishment of an Independent Evaluation Committee.

For detail in regards to official development assistance flows, the Comprehensive Aid Policy Framework and further detail on the implementation of the new measures designed to take forward the Government's development assistance priorities, please refer to the associated budget papers *"Australia's International Development Assistance Program 2012-13 – Statement by Minister for Foreign Affairs"* and *"Helping the world's poor through Effective Aid: Australia's Comprehensive Aid Policy Framework to 2015-16"*.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: AusAID Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012

	Estimate of prior year amounts available in 2012-13 \$'000	Proposed at Budget 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	63,519	-	63,519	-
Departmental appropriation ³	-	319,675	319,675	278,475
Relevant agency receipts ⁴	-	231	231	231
Total	63,519	319,906	383,425	278,706
Administered expenses				
Outcome ⁵	1,811,608	4,207,198	6,018,806	3,818,175
Total	1,811,608	4,207,198	6,018,806	3,818,175
Total ordinary annual services	A 1,875,127	4,527,104	6,402,231	4,096,881
Departmental non-operating				
Equity injections ⁶	-	15,123	15,123	15,780
Total	-	15,123	15,123	15,780
Administered non-operating				
Administered assets and liabilities ⁶	-	507,384	507,384	47,903
Total	-	507,384	507,384	47,903
Total other services	B -	522,507	522,507	63,683
Total available annual appropriations		5,049,611	6,924,738	4,160,564
Special appropriations	-	-	-	-
Total special appropriations	C -	-	-	-
Total appropriations excluding Special Accounts	1,875,127	5,049,611	6,924,738	4,160,564

**Table 1.1: AusAID Resource Statement — Budget
Estimates for 2012-13 as at Budget May 2012 (continued)**

	Estimate of prior + year amounts available in 2012-13 \$'000	Proposed at Budget = 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
Special Accounts				
Opening balance ⁷	174,974	-	174,974	-
Non-appropriation receipts to Special Accounts	-	5,000	5,000	-
Total Special Account	D 174,974	5,000	179,974	-
Total resourcing				
A+B+C+D				
Total net resourcing for AusAID	2,050,101	5,054,611	7,104,712	4,160,564

1 Appropriation Bill (No.1) 2012-13.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$7.390m in 2012-13 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency receipts — estimate.

5 Includes an amount of \$2.461m in 2012-13 for the Administered Capital Budget (refer to table 3.2.10 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

6 Appropriation Bill (No.2) 2012-13.

7 Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Moneys Special accounts (SOETM)). For further information on special accounts see Table 3.1.2.

Note: Estimated adjusted balance carried forward from previous years for Administered Annual Appropriation and Administered Assets and liabilities relates to amounts appropriated in a previous year for multilateral replenishments. The full amount of these replenishments are appropriated in the year the commitment is entered into, with cash payments usually made over a nine to ten year period.

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

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

Table 1.2: Agency 2012-13 Budget measures

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Expense measures						
Official development assistance - overcoming poverty and building stability in the Pacific ¹						
Administered expenses	1.1	-	-	-	93,200	238,100
Departmental expenses	DS	-	-	-	5,126	5,152
Total		-	-	-	98,326	243,252
Official development assistance - closing development gaps in East Asia ²						
Administered expenses	1.2	-	-	-	-	104,200
Departmental expenses	DS	-	-	-	-	4,714
Total		-	-	-	-	108,914
Official development assistance - strengthening preparedness and response to humanitarian crises ³						
Administered expenses	1.4	-	-	-	101,000	255,000
Departmental expenses	DS	-	-	-	13,596	14,956
Total		-	-	-	114,596	269,956
Official development assistance - Australia's development partnerships with the United Nations ⁴						
Administered expenses	1.6	-	-	-	-	99,600
Departmental expenses	DS	-	-	-	-	2,742
Total		-	-	-	-	102,342
Official development assistance - Government Partnerships for Development ⁵						
Administered expenses	1.3	-	-	-	20,000	20,000
Departmental expenses	DS	-	-	708	714	721
Total		-	-	708	20,714	20,721
Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach - continuation ⁶						
Administered expenses	1.3	-	-	-	-	-
Departmental expenses	DS	-	-	-	-	-
Total		-	-	-	-	-
Official development assistance - Asian Development Fund replenishment ⁷						
Administered expenses	1.5	-	46,471	-	-	-
Departmental expenses	DS	-	416	1,489	1,462	1,486
Total		-	46,887	1,489	1,462	1,486

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2012-13 Budget measures (cont)

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Expense measures (cont.)						
Official development assistance - African Development Bank Group membership ⁸						
Departmental expenses	DS	-	-	-	-	-
Total		-	-	-	-	-
Official development assistance - rejoining the United Nations International Fund for Agricultural Development						
Administered expenses	1.5	-	-	120,000	-	-
Departmental expenses	DS	-	936	1,553	1,424	1,436
Total		-	936	121,553	1,424	1,436
Official development assistance - An effective aid program for Australia ⁹						
Departmental expenses	DS	-	-	-	-	-
Total		-	-	-	-	-
Official development assistance - Fiji increased assistance ¹⁰						
Administered expenses	1.3	-	-	-	-	-
Total		-	-	-	-	-
Official development assistance - Queen Elizabeth Diamond Jubilee Trust ¹¹						
Administered expenses	1.3	-	-	-	-	-
Total		-	-	-	-	-
Official development assistance - extension of AFP commitment to the UN Mission in Timor-Leste ¹²						
Administered expenses	1.2	-	(3,476)	-	-	-
Total		-	(3,476)	-	-	-
Official development assistance - Pacific Police Development Program - continuation ¹²						
Administered expenses	1.1	-	(13,543)	(7,306)	-	-
Total		-	(13,543)	(7,306)	-	-
Australia's civilian engagement in Afghanistan - an integrated w hole-of-government approach - continuation ¹²						
Administered expenses	1.3	-	(27,730)	(25,676)	-	-
Total		-	(27,730)	(25,676)	-	-
Australia's civilian engagement in Afghanistan - an integrated w hole-of-government approach - continuation ¹³						
Administered expenses	1.3	-	(3,000)	(3,054)	-	-
Total		-	(3,000)	(3,054)	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2012-13 Budget measures (cont)

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Expense measures (cont.)						
Official development assistance - deferring Australia's growth target						
Administered expenses	1.3, 1.6	-	(184,558)	(28,167)	-	-
Total		-	(184,558)	(28,167)	-	-
Total expense measures						
Administered		-	(185,836)	55,797	214,200	716,900
Departmental		-	1,352	3,750	22,322	31,207
Capital measures						
Official development assistance - overcoming poverty and building stability in the Pacific						
Departmental	DS	-	-	-	350	-
Total		-	-	-	350	-
Official development assistance - closing development gaps in East Asia ¹⁴						
Departmental	DS	-	-	-	-	-
Total		-	-	-	-	-
Official development assistance - strengthening preparedness and response to humanitarian crises ¹⁵						
Departmental	DS	-	-	-	700	-
Total		-	-	-	700	-
Official development assistance - Australia's development partnerships with the United Nations ¹⁶						
Departmental	DS	-	-	-	-	-
Total		-	-	-	-	-
Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach - continuation ¹⁷						
Departmental	DS	-	-	-	-	-
Total		-	-	-	-	-
Official development assistance - Asian Development Fund replenishment ⁷						
Administered	1.5	-	-	-	-	-
Departmental	DS	-	350	350	-	-
Total		-	350	350	-	-
Official development assistance - African Development Bank Group membership ¹⁸						
Departmental	DS	-	-	-	-	-
Total		-	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2012-13 Budget measures (cont)

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Capital measures (cont.)						
Official development assistance - rejoining the United Nations International Fund for Agricultural Development						
Departmental	DS	-	-	1,035	-	-
Total		-	-	1,035	-	-
Official development assistance - An effective aid program for Australia ¹⁹						
Departmental	DS	-	-	-	-	-
Total		-	-	-	-	-
Total capital measures						
Administered		-	-	-	-	-
Departmental		-	350	1,385	1,050	-
Total		-	350	1,385	1,050	-

Prepared on a Government Finance Statistics (fiscal) basis.

- 1 This measure includes \$42.619 million absorbed from within existing AusAID resources.
 - 2 This measure includes \$98.975 million absorbed from within existing AusAID resources.
 - 3 This measure includes \$47.588 million absorbed from within existing AusAID resources.
 - 4 This measure includes \$51.227 million absorbed from within existing AusAID resources.
 - 5 This measure includes \$10.702 million absorbed from within existing AusAID resources.
 - 6 This measure includes \$121.872 million absorbed from within existing AusAID resources. The lead department for this measure is the Department of Foreign Affairs and Trade.
 - 7 The Government will provide an additional \$311.739 million for this measure (comprised of \$46.471 million in expenses and \$265.268 million in capital). An additional \$317.530 million has been met from within existing AusAID resources. The total contribution is expected to include both a loan and a grant component. The estimated effect on the fiscal balance (\$46.471 million) reflects an assumption on the relative proportion of the grant component of the additional funding. The balance reflecting the loan component (\$265.268 million) does not impact on the fiscal or underlying cash balances as the provision of a loan only affects the composition of the Australian Government investment in financial assets. Further detail of this accounting treatment is available in section 3.2.1.
 - 8 This measure includes \$7.410 million absorbed from within existing AusAID resources.
 - 9 This measure includes \$47.339 million absorbed from within existing AusAID resources.
 - 10 This measure includes \$61.000 million absorbed from within existing AusAID resources.
 - 11 This measure includes \$5.000 million absorbed from within existing AusAID resources.
 - 12 The funding for this measure has been transferred to the AFP to implement.
 - 13 The funding for the measure has been transferred to DIAC to implement.
 - 14 This measure includes \$0.700 million absorbed from within existing AusAID resources.
 - 15 This measure includes \$2.800 million absorbed from within existing AusAID resources.
 - 16 This measure includes \$0.700 million absorbed from within existing AusAID resources.
 - 17 This measure includes \$8.976 million absorbed from within existing AusAID resources. The lead department for this measure is the Department of Foreign Affairs and Trade.
 - 18 This measure includes \$0.700 million absorbed from within existing AusAID resources.
 - 19 This measure includes \$2.350 million absorbed from within existing AusAID resources.
- Refer to 2012-13 Budget Paper 2 for further detail on the above measures.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

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

Outcome 1 Strategy

As highlighted in the Strategic Direction Statement for the Agency, AusAID will, in 2012-13, advance the Government's objective of assisting developing countries to reduce poverty in line with Australia's national interest where we have the capacity to make a difference.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 1.1: Official Development Assistance - PNG & Pacific		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	931,053	962,929
Other services (Appropriation Bill No. 2)	3,893	3,970
Total for Program 1.1	934,946	966,899
Program 1.2: Official Development Assistance - East Asia		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	884,992	1,018,715
Total for Program 1.2	884,992	1,018,715
Program 1.3: Official Development Assistance - Africa, South and Central Asia, Middle East and Other		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,143,136	1,130,354
Expenses not requiring appropriation in the Budget year	1,703	2,413
Special Accounts	5,000	5,000
Total for Program 1.3	1,149,839	1,137,767
Program 1.4: Official Development Assistance - Emergency, Humanitarian and Refugee Program		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	331,654	401,514
Total for Program 1.4	331,654	401,514
Program 1.5: Official Development Assistance - Multilateral Replenishments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	9,538	125,854
Expenses not requiring appropriation in the Budget year	-	443,415
Other services (Appropriation Bill No. 2)	44,010	503,414
Total for Program 1.5	53,548	1,072,683
Program 1.6: Official Development Assistance - UN Commonwealth and Other International Organisations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	341,712	368,020
Total for Program 1.6	341,712	368,020
Program 1.7: Official Development Assistance - NGO, Volunteer and Community Programs		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	167,715	193,450
Total for Program 1.7	167,715	193,450

Table 2.1: Budgeted Expenses for Outcome 1

	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program Support		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	274,727	312,285
Revenues from independent sources (s31)	231	231
Expenses not requiring appropriation in the Budget year	11,870	13,669
Total for Program Support	286,828	326,185
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,809,800	4,200,836
Other services (Appropriation Bill No. 2)	47,903	507,384
Special Accounts	5,000	5,000
Expenses not requiring appropriation in the Budget year	1,703	445,828
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	274,727	312,285
Revenues from independent sources (s31)	231	231
Expenses not requiring appropriation in the Budget year	11,870	13,669
Total expenses for Outcome 1	4,151,234	5,485,233
	2011-12	2012-13
Average Staffing Level (number)	1,849	1,887

1. Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

2. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense and Audit fees.

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

Contributions to Outcome 1

The performance of the aid program, and of AusAID, is measured by the effective delivery of tangible results. The purpose of the aid program is to help people overcome poverty. Consistent with the Millennium Development Goals, investments are guided by five strategic goals which are:

- saving lives;
- promoting opportunities for all;
- sustainable economic development;
- effective governance; and
- humanitarian and disaster preparedness and response.

Helping the World's Poor through Effective Aid: Australia's Comprehensive Aid Policy Framework to 2015-16, contains a four-year budget strategy aligned to a set of key results to be achieved by 2015-16. These results provide a snapshot against which the performance of the aid program will be judged over the next four years. The Comprehensive Aid Policy Framework contains three tiers outlined below (further detail is available on the AusAID website).

Tier 1 Results: Progress against the Millennium Development Goals (MDGs)

- Tier 1 results encompass high level development outcomes, such as reduced global poverty and universal primary education. Reporting at this level is focused on global progress towards the achievement of the MDGs.

Tier 2 Results: The contribution of Australian aid

- Tier 2 results articulate the contribution of Australian aid to development outcomes over the next four years to 2015-16. These results are aligned with the strategic goals of the aid program, and include the following targets:
 - 10 million children vaccinated;
 - 8.5 million people with access to safe water;
 - 4 million children enrolled in school and 20 million children obtaining a better quality education; and
 - 30 million people assisted during times of crises and emergencies

Tier 3 Results: Operational and organisational effectiveness

- Tier 3 results measure performance against key operational and organisational effectiveness criteria that were outlined in *"An Effective Aid Program for Australia: Making a real difference - Delivering real results."* These results are designed to enhance value for money and to promote a higher standard of aid delivery.

This results framework is operationalised through performance monitoring and reporting at the whole-of-government, strategy and activity level.

Whole-of-Government level

One of the key reforms flowing from the Government's new aid policy is an Annual Review of Aid Effectiveness ('the Annual Review'). Each year, there will be a report to the Cabinet on the performance of the aid program and will encompass the aid spending of all government agencies, not just AusAID. The Annual Review will judge the performance of our aid program against the results framework described above, and will recommend any changes to the rolling four-year budget strategy as a result of performance and/or changing circumstances. The first Annual Review is due by the end of October 2012, and will be made publicly available soon after.

Strategy level

Performance is also assessed against the objectives set at the individual country, regional and global program level. This considers the extent to which Australia's broader aid engagement, i.e. the sum of its activities, partnerships with stakeholders, analysis and policy dialogue, is contributing to achieving higher level development outcomes at the sector or country level.

Progress against strategy level objectives is assessed by program managers annually and reported in Annual Program Performance Reports which are subject to external peer review. Strategy objectives are rated in terms of their likelihood to be achieved within the timeframe.

Activity level

Performance is also assessed at the activity level. The Australian development assistance program is made up of over 1,000 individual aid activities. These include aid projects, training and scholarships, funding to multilateral organisations and NGOs, technical advice and funding for partner country programs through their own budget. Activity quality is assessed through a quality reporting system (QRS). QRS ratings are based on self-assessments by activity managers and subjected to peer review.

The QRS provides activity-level reporting at all stages of the activity cycle: at entry, during implementation and at completion. The QRS rates several quality principles, notably the extent to which objectives are met; sustainability; and the adequacy of monitoring and evaluation systems.

The QRS rates activities on a six-point scale from very poor (one) to very high (six) quality. Activities rated four or higher are considered satisfactory. This includes activities that are of adequate quality but need improvement. Activities rated below three or less are considered unsatisfactory.

The QRS also generates information that can be used to assess activity quality by sector and country.

The Government has also established an Independent Evaluation Committee to strengthen the independence and credibility of the work of the Office of Development Effectiveness (ODE). Under the oversight of the Independent Evaluation Committee, ODE will expand its role in assessing the effectiveness and evaluating the impact of the aid program.

Further detail on AusAID's approach to performance reporting is contained in the aid program's Performance Management and Evaluation Policy, available on www.ausaid.gov.au.

Program 1.1 Official Development Assistance – PNG & Pacific

Program 1.1 objective and deliverables

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

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	931,053	962,929	1,092,692	1,225,599	1,388,801
Administered item (Bill 2)	3,893	3,970	4,054	-	-
Total program expenses	934,946	966,899	1,096,746	1,225,599	1,388,801

Key Performance Indicators

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

Program 1.2 Official Development Assistance – East Asia

Program 1.2 objective and deliverables

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

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	884,992	1,018,715	1,203,258	1,424,807	1,565,701
Total program expenses	884,992	1,018,715	1,203,258	1,424,807	1,565,701

Program 1.2 Key Performance Indicators

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

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

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

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	1,143,136	1,130,354	1,272,114	1,522,158	1,589,652
Expenses not requiring appropriation in the budget year	1,703	2,413	1,907	1,907	1,907
Special Account Expenses:					
Services for other Governments and non agency bodies	5,000	5,000	5,000	5,000	5,000
Total program expenses	1,149,839	1,137,767	1,279,021	1,529,065	1,596,559

Program 1.3 Key Performance Indicators

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

Program 1.4 Official Development Assistance – Emergency, Humanitarian and Refugee Program
Program 1.4 objective and deliverables

To assist developing countries respond to emergencies and assist refugees.

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	331,654	401,514	415,900	519,795	684,484
Total program expenses	331,654	401,514	415,900	519,795	684,484

Program 1.4 Key Performance Indicators

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

Program 1.5 Official Development Assistance – Multilateral Replenishments

Program 1.5 objective and deliverables

To assist developing countries through contributions to multilateral organisations.

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	9,538	125,854	293,364	12,622	-
Expenses not requiring appropriation in the budget year	-	443,415	275,003	-	-
Administered item (Bill 2)	44,010	503,414	315,003	-	-
Total program expenses	53,548	1,072,683	883,370	12,622	-

Program 1.5 Key Performance Indicators

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

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

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

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	341,712	368,020	410,794	382,602	456,835
Total program expenses	341,712	368,020	410,794	382,602	456,835

Program 1.6 Key Performance Indicators

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

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

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

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	167,715	193,450	233,950	266,950	281,982
Total program expenses	167,715	193,450	233,950	266,950	281,982

Program 1.7 Key Performance Indicators

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

Departmental Support: Outcome 1

Program objective

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

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item (Bill 1)	274,727	312,285	336,441	311,588	317,917
Revenues from independent sources (s31)	231	231	300	300	300
Expenses not requiring appropriation in the Budget year	11,870	13,669	14,791	14,799	14,803
Total program expenses	286,828	326,185	351,532	326,687	333,020

Departmental Support Key Performance Indicators

High level of satisfaction of Ministers and other stakeholders with the quality and timeliness of advice, briefing and support in relation to Australia's International Development Assistance Program.

Implementation of the Comprehensive Aid Policy Framework, including achievement of results under Tier 3 of the CAPF Results Framework, and production of the Annual Review of Aid Effectiveness.

Implementation of the Performance Management and Evaluation Policy.

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

Outcome 2 Strategy

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

The AIPRD is funded through \$500 million in grants and \$500 million in highly concessional loan funds held in two special accounts. All AIPRD funds have been committed to high priority reconstruction and development activities currently being implemented in Indonesia.

Outcome Expense Statement

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

Outcome 2: Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 2.1: East Asia		
AIPRD grant special account ¹	4,141	-
AIPRD loans special account ¹	40,000	30,000
Total for Program 2.1	44,141	30,000
Outcome 2 Totals by appropriation type		
AIPRD grant special account ¹	4,141	-
AIPRD loans special account ¹	40,000	30,000
Total expenses for Outcome 2	44,141	30,000
Average Staffing Level (number)	2011-12 -	2012-13 -

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

Contributions to Outcome 2

Program 2.1 Official Development Assistance – East Asia
Program 2.1 objective and deliverables To continue to assist Indonesia in reconstruction and development post the 2004 Tsunami.

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Special Account Expenses:					
AIPRD grants special account ¹	4,141	-	-	-	-
AIPRD loans special account ¹	40,000	30,000	30,000	68,697	-
Total program expenses	44,141	30,000	30,000	68,697	-

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

Program 2.1 Key Performance Indicators
Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results. Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

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 2012-13 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

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

Table 3.1.1 is not included here as there has been no movement of administered funds between years for AusAID.

3.1.2 Special Accounts

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

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2012-13 2011-12	Receipts 2012-13 2011-12	Payments 2012-13 2011-12	Adjustments 2012-13 2011-12	Closing balance 2012-13 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other entities and Trust Moneys - AusAID Special Account	1					
		2,134	5,000	5,000	-	2,134
<i>Financial Management and Accountability Act 1997 s20 FMA Act Det 2011/05</i>		2,134	5,000	5,000	-	2,134
Australia-Indonesia Partnership for Reconstruction and Development (Grants) Special Account (A)	2	-	-	-	-	-
<i>Financial Management and Accountability Act 1997 s20 FMA Act Det 2005/02</i>		4,141	-	4,141	-	-
Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account (A)	2	128,696	-	30,000	-	98,696
<i>Financial Management and Accountability Act 1997 s20 FMA Act Det 2005/03</i>		168,696	-	40,000	-	128,696
Total Special Accounts 2012-13 Budget estimate		130,830	5,000	35,000	-	100,830
<i>Total Special Accounts 2011-12 estimate actual</i>		174,971	5,000	49,141	-	130,830

(A) = Administered
(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
AusAID							
Outcome 1							
Departmental 2012-13	200	-	-	200	-	200	DS
Departmental 2011-12	90	-	-	90	-	90	DS
Total outcome 2012-13	200	-	-	200	-	200	DS
Total outcome 2011-12	90	-	-	90	-	90	DS
Total AGIE 2012-13	200	-	-	200	-	200	DS
Total AGIE 2011-12	90	-	-	90	-	90	DS

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

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

Asian Development Fund replenishments – investment component;

International Development Association replenishments – investment component.

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

3.2.2 Analysis of budgeted financial statements

Budgeted departmental income statement

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

Total income in 2012–13 is estimated to be \$312.3 million, an increase of \$37.6 million from the 2011–12 estimated actual.

Total expenses in 2012–13 are estimated to be \$325.3 million.

Budgeted departmental balance sheet

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

AusAID's most significant liability continues to be accrued employee entitlements, as a result of accruing leave entitlements. In 2012–13 this is estimated at \$41.2 million.

Budgeted departmental statement of cash flows

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

Departmental statement of changes in equity – summary of movement

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

Total equity in 2012-13 is estimated to be \$84.4 million, an increase of \$9.9 million from the 2011-12 estimated actual.

Schedule of Administered Activity

Schedule of budgeted income and expenses administered on behalf of government

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

In 2012-13 AusAID will receive administered appropriation of \$4,204.7 million (excluding capital funding) for programs administered on behalf of the Government, representing an increase of \$389.0 million from the 2011-12 estimated actual.

Administered expenses for 'International Development Assistance' are budgeted at \$3,706.0 million, an increase of \$248.4 million from the 2011-12 estimated actual.

Administered expenses for 'Other - International Development Assistance program' are budgeted at \$368.0 million, an increase of \$16.8 million from the 2011-12 estimated actual.

The expenses 'Concessional loan discount' relates to the discounting of the Australia Indonesia Partnerships for Reconstruction and Development (AIPRD) loans.

The expenses 'Concessional investment discount' relate to the discounting of the investment components of the replenishments for the International Development Association (IDA) and the Asian Development Fund (ADF).

Schedule of budgeted assets and liabilities administered on behalf of Government

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

Administered assets are budgeted to total \$3,436.4 million by 30 June 2013, up from \$3,025.7 million estimated actual. This is mainly due to new multilateral replenishments being entered into.

Administered liabilities are estimated to total \$2,192.0 million by 30 June 2013, up from \$1,843.2 million estimated actual. This is primarily due to new multilateral replenishments being entered into.

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	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	164,758	187,799	201,319	187,300	191,190
Suppliers	108,890	123,941	135,417	124,587	127,030
Depreciation and amortisation	10,850	13,404	14,520	14,520	14,520
Write-down and impairment of assets	895	136	138	140	140
Total expenses	285,393	325,280	351,394	326,547	332,880
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	231	231	300	300	300
Total own-source revenue	231	231	300	300	300
Gains					
Other	125	129	133	139	143
Total gains	125	129	133	139	143
Total own-source income	356	360	433	439	443
Net cost of (contribution by) services	285,037	324,920	350,961	326,108	332,437
Revenue from Government	274,727	312,285	336,441	311,588	317,917
Surplus (Deficit) attributable to the Australian Government	(10,310)	(12,635)	(14,520)	(14,520)	(14,520)
Total comprehensive income (loss)	(10,310)	(12,635)	(14,520)	(14,520)	(14,520)
Total comprehensive income (loss) attributable to the Australian Government	(10,310)	(12,635)	(14,520)	(14,520)	(14,520)
Note: Impact of Net Cash Appropriation Arrangements					
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	(10,310)	(12,635)	(14,520)	(14,520)	(14,520)
plus depreciation/amortisation expenses previously funded through revenue appropriations	10,850	13,404	14,520	14,520	14,520
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	540	769	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	583	583	583	583	583
Trade and other receivables	63,385	62,805	63,052	63,307	59,569
Total financial assets	63,968	63,388	63,635	63,890	60,152
Non-financial assets					
Leasehold improvements	18,477	20,294	24,802	23,799	26,836
Infrastructure, plant and equipment	37,825	42,936	42,910	38,986	34,058
Intangibles	3,623	7,623	5,743	6,823	7,903
Other non-financial assets	7,645	7,645	7,645	7,645	7,645
Total non-financial assets	67,570	78,498	81,100	77,253	76,442
Total assets	131,538	141,886	144,735	141,143	136,594
LIABILITIES					
Payables					
Other payables	9,623	9,815	10,012	10,212	10,416
Total payables	9,623	9,815	10,012	10,212	10,416
Provisions					
Employee provisions	40,826	41,234	41,275	41,317	41,358
Other provisions	6,557	6,426	6,297	6,171	6,048
Total provisions	47,383	47,660	47,573	47,488	47,406
Total liabilities	57,006	57,476	57,585	57,700	57,822
Net assets	74,532	84,410	87,150	83,443	78,772
EQUITY*					
Parent entity interest					
Contributed equity	73,366	95,879	113,139	123,952	133,801
Reserves	626	626	626	626	626
Retained surplus (accumulated deficit)	540	(12,095)	(26,615)	(41,135)	(55,655)
Total parent entity interest	74,532	84,410	87,150	83,443	78,772
Total Equity	74,532	84,410	87,150	83,443	78,772

* '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 2012-13)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2012					
Balance carried forward from previous period	540	626	-	73,366	74,532
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	540	626	-	73,366	74,532
Comprehensive income					
Other comprehensive income	(12,635)	-	-	-	(12,635)
Surplus (deficit) for the period	-	-	-	-	-
Total comprehensive income	(12,635)	-	-	-	(12,635)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	15,123	15,123
Departmental Capital Budget (DCBs)	-	-	-	7,390	7,390
Sub-total transactions with owners	-	-	-	22,513	22,513
Estimated closing balance as at 30 June 2013	(12,095)	626	-	95,879	84,410
Closing balance attributable to the Australian Government	(12,095)	626	-	95,879	84,410

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	273,387	310,721	335,681	310,896	317,917
Sale of goods and rendering of services	231	231	300	300	300
Net GST received	3,514	3,514	3,514	3,514	3,514
Total cash received	277,132	314,466	339,495	314,710	321,731
Cash used					
Employees	164,667	187,410	200,645	186,608	191,190
Suppliers	112,465	127,056	138,850	128,102	130,541
Total cash used	277,132	314,466	339,495	314,710	321,731
Net cash from (used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of infrastructure, plant and equipment	26,524	2,300	8,733	3,837	3,837
Purchase of leasehold improvements	1,141	16,013	7,407	5,896	4,932
Purchase of intangibles	530	4,200	1,120	1,080	1,080
Total cash used	28,195	22,513	17,260	10,813	9,849
Net cash from (used by) investing activities	(28,195)	(22,513)	(17,260)	(10,813)	(9,849)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	15,780	15,123	5,018	1,090	40
Departmental Capital Budget	3,748	7,390	12,242	9,723	9,809
Total cash received	19,528	22,513	17,260	10,813	9,849
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) financing activities	19,528	22,513	17,260	10,813	9,849
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	583	583	583	583	583
Cash and cash equivalents at the end of the reporting period	583	583	583	583	583

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	3,748	15,123	5,018	1,090	40
Equity injections - Bill 2	15,780	7,390	12,242	9,723	9,809
Total new capital appropriations	19,528	22,513	17,260	10,813	9,849
Provided for:					
Purchase of non-financial assets	19,528	22,513	17,260	10,813	9,849
Total Items	19,558	22,513	17,260	10,813	9,849
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	15,780	15,123	5,018	1,090	40
Funded by capital appropriation - DCB ²	3,748	7,390	12,242	9,723	9,809
Funded internally from departmental resources	8,667	-	-	-	-
TOTAL	28,195	22,513	17,260	10,813	9,849
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	28,195	22,513	17,260	10,813	9,849
Total cash used to acquire assets	28,195	22,513	17,260	10,813	9,849

Prepared on Australian Accounting Standards basis.

¹ Includes both current and prior Bill 2/4/6 appropriations and special capital appropriations

² Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.2.6: Statement of Asset Movements (2012-13)

	Other property, plant and equipment \$'000	L&B, IP&E \$'000	Other \$'000	Total \$'000
As at 1 July 2012				
Gross book value	26,891	50,075	13,225	90,191
Accumulated depreciation/amortisation and impairment	(6,459)	(12,250)	(9,602)	(28,311)
Opening net book balance	20,432	37,825	3,623	61,880
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ¹	-	11,923	3,200	15,123
By purchase - appropriation ordinary annual services ²	2,300	4,090	1,000	7,390
Total additions	2,300	16,013	4,200	22,513
Other movements				
Depreciation/amortisation expense	(2,438)	(10,766)	(200)	(13,404)
Other	-	-	-	-
Total other movements	(2,438)	(10,766)	(200)	(13,404)
As at 30 June 2013				
Gross book value	29,191	66,088	17,425	112,704
Accumulated depreciation/amortisation and impairment	(8,897)	(23,016)	(9,802)	(41,715)
Closing net book balance	20,294	42,936	7,623	70,853

Prepared on Australian Accounting Standards basis.

1 "Appropriation equity" refers to equity injections provided through Appropriation Bill (No.2) 2012-13.

2 "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2012-13 for DCBs.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Non-taxation revenue					
Interest	5,369	5,880	6,263	6,646	7,523
Return of prior year administered expenses	9,465	10,412	11,453	12,140	12,869
Total non-taxation revenue	14,834	16,292	17,716	18,786	20,392
Total revenues administered on behalf of Government	14,834	16,292	17,716	18,786	20,392
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
International Development Assistance	3,458,550	3,706,962	4,217,914	4,959,309	5,510,620
Other - International Development Assistance	351,250	368,020	625,407	395,224	456,835
IDA/ADF grants	-	125,854	78,751	-	-
Concessional loan discount	34,000	25,500	25,500	58,392	-
Concessional Investment discount	-	443,415	275,003	-	-
Depreciation and amortisation	1,703	2,413	1,907	1,907	1,907
Other expenses	-	-	-	-	-
Total expenses administered on behalf of Government	3,845,503	4,672,164	5,224,482	5,414,832	5,969,362

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 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	21,038	21,038	21,038	21,038	21,038
Loans and Receivables	69,097	73,597	78,097	88,402	88,402
Investments	991,054	1,051,054	1,091,054	1,091,054	1,091,054
Appropriation receivable - other	1,789,708	2,167,242	2,466,855	2,198,353	1,872,660
Appropriation receivable - special accounts	130,830	100,830	70,830	2,134	2,134
GST input credit receivable	12,840	12,840	12,840	12,804	12,840
Other receivables	-	-	-	-	-
Total financial assets	3,014,567	3,426,601	3,740,714	3,413,785	3,088,128
Non-financial assets					
Leasehold improvements	2,789	2,368	3,214	4,025	4,846
Infrastructure, plant and equipment	381	99	765	758	773
Intangibles	6,446	6,897	6,384	6,366	6,348
Other non-financial assets	700	700	700	700	700
Total non-financial assets	10,316	10,064	11,063	11,849	12,667
Total assets administered on behalf of Government	3,024,883	3,436,665	3,751,777	3,425,634	3,100,795
LIABILITIES					
Payables					
IDA/ADF grant component	348,077	416,097	432,867	359,266	283,960
IDA/ADF concessional component	985,361	1,275,206	1,351,132	1,121,553	884,927
Aid program payable	190,121	144,451	308,039	257,765	180,909
Other payables	319,618	356,269	394,317	478,303	486,999
Total payables	1,843,177	2,192,023	2,486,355	2,216,887	1,836,795
Total liabilities administered on behalf of Government	1,843,177	2,192,023	2,486,355	2,216,887	1,836,795
Net assets/(liabilities)	1,181,706	1,244,642	1,265,422	1,208,747	1,264,000

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Return of prior year administered expenses	9,465	10,412	11,453	12,140	12,869
Net GST received	112,161	119,178	145,346	168,440	189,262
Total cash received	121,626	129,590	156,799	180,580	202,131
Cash used					
International Development Assistance	4,119,270	4,360,743	4,972,258	5,691,284	6,291,136
Total cash used	4,119,270	4,360,743	4,972,258	5,691,284	6,291,136
Net cash from (used by) operating activities	(4,240,896)	(4,490,333)	(5,129,057)	(5,871,864)	(6,493,267)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,441	2,461	2,506	2,293	2,325
Other	-	-	-	-	-
Total cash used	2,441	2,461	2,506	2,293	2,325
Net cash from (used by) investing activities	(2,441)	(2,461)	(2,506)	(2,293)	(2,325)
Net increase (decrease) in cash held	(4,148,329)	(4,385,451)	(4,385,270)	(4,423,967)	(4,355,271)
Cash and cash equivalents at beginning of reporting period	21,038	21,038	21,038	21,038	21,038
Cash from Official Public Account for:					
- Appropriations	4,029,974	3,821,849	4,010,176	4,329,233	4,329,233
- Appropriations ACB	2,441	2,641	2,505	2,293	2,325
- Capital Appropriations	47,903	507,384	319,057	-	-
- Special Accounts	49,414	35,000	35,000	73,696	5,000
	4,150,770	4,387,912	4,387,776	4,426,260	4,357,596
Cash to Official Public Account for:					
- GST to the OPA	112,161	119,178	145,346	168,440	189,262
Cash and cash equivalents at end of reporting period	21,038	21,038	21,038	21,038	21,038

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of Administered Capital Budget

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (ACB)	2,441	2,461	2,505	2,293	2,325
Administered Assets and Liabilities - Bill 2	47,903	507,384	319,057	-	-
Total new capital appropriations	50,344	509,845	321,562	2,293	2,325
<i>Provided for:</i>					
Purchase of non-financial assets	2,441	2,461	2,505	2,293	2,325
Other Items	47,903	507,384	319,057	-	-
Total Items	50,344	509,845	321,562	2,293	2,325
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	-	-	-	-	-
Funded by capital appropriation - ACB ²	2,441	2,461	2,505	2,293	2,325
TOTAL AMOUNT SPENT	2,441	2,461	2,505	2,293	2,325
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	2,441	2,461	2,505	2,293	2,325
Total cash used to acquire assets	2,441	2,461	2,505	2,293	2,325

Prepared on Australian Accounting Standards basis.

¹ Includes both current and prior Bill 2/4/6 appropriations.² Includes purchase from current and previous years' Administered Capital Budgets (ACBs).

Table 3.2.11: Schedule of Asset Movements — Administered

	Buildings	Other property, plant and equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2012				
Gross book value	4,417	5,041	8,211	17,669
Accumulated depreciation/amortisation and impairment	(1,628)	(4,660)	(1,765)	(8,053)
Opening net book balance	2,789	381	6,446	9,616
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ¹	-	-	-	-
By purchase - appropriation ordinary annual services ²	466	1,500	495	2,461
Total additions	466	1,500	495	2,461
Other movements				
Depreciation/amortisation expense	(887)	(1,782)	(44)	(2,713)
Other				
Total other movements	(887)	(1,782)	(44)	(2,713)
As at 30 June 2013				
Gross book value	4,883	6,541	8,706	20,130
Accumulated depreciation/amortisation and impairment	(2,515)	(6,442)	(1,809)	(10,766)
Closing net book balance	2,368	99	6,897	9,364

Prepared on Australian Accounting Standards basis.

1 "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2012-13.

2 "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2012-13 for ACBs.

3.2.4 Notes to the financial statements

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

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

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

Appropriations in the accrual budgeting framework

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

- departmental revenue: representing the Government's funding for programs 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.

Asset valuation

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

Australian Centre for International Agricultural Research (ACIAR)

Agency resources and planned performance

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

Section 1: Agency overview and resources	137
1.1 Strategic Direction Statement	137
1.2 Agency Resource Statement	139
1.3 Budget Measures.....	140
Section 2: Outcomes and planned performance	141
2.1 Outcomes and performance information	141
Section 3: Explanatory tables and budgeted financial statements	147
3.1 Explanatory tables	147
3.2 Budgeted Financial Statements.....	148

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2012–13 the Australian Centre for International Agricultural Research (ACIAR) will continue to enhance bilateral and multilateral agricultural research for development to underpin the Australian Government's ongoing food security policy priorities through the following thematic areas:

- Agricultural productivity growth in smallholder systems;
- Developing market integration for smallholder livelihoods to enable market participation; and
- Human and institutional capacity building for developing country national research institutions.

In 2012–13 ACIAR will continue to support Australia's commitment to the United Nation's Millennium Development Goals, with particular focus on ending poverty and hunger.

ACIAR's strategic plan is designed to fit within the provisions of the Comprehensive Aid Policy Framework (CAPF), with particular emphasis on the core strategic goal of sustainable economic development, as announced in the Australian Government's response to the review of aid effectiveness (policy statement as described in '*An Effective Aid Program for Australia*', 2011). Consistent with this strategic goal, ACIAR's program will focus on the key development objective: improving food security by investing in agricultural productivity, infrastructure, social protection and the opening of markets.

ACIAR's research and development investment also complements and, where applicable, operates under the umbrella of a number of AusAID programs.

The overarching themes will be implemented through agreed programs and projects with partners in the Asia-Pacific region and Africa. In the case of Africa the current programs will be enhanced and complemented by the commencement of the Australian International Food Security Centre (AIFSC). In the Asia-Pacific region a continuing focus on productivity, climate-change, crop intensification and value-adding systems will be progressed.

As a new initiative in the Asia-Pacific region, ACIAR will scope and implement new approaches to assist Burma to improve food security and livelihoods for smallholders. The new program is targeting the immediate needs of the generally vulnerable rural

ACIAR Budget Statements

people. There will also be a focus on capacity building as many of Burma's agricultural scientists have been isolated from international cooperation in recent years.

In the case of Indonesia, ACIAR will be expanding and diversifying the strong existing research partnerships to include a greater emphasis on institutional capacity building and new initiatives to assist smallholder beef producers to enhance productivity and marketability in the future. These initiatives are currently being assessed for commencement in 2012-13, and will be additional to the other multidisciplinary research undertakings with Indonesia.

Regional allocations for ACIAR's total research and development (R&D) project budget in 2012-13 are:

- Papua New Guinea and Pacific island countries – 15 per cent;
- Indonesia, East Timor and Philippines – 18 per cent;
- Mekong countries and China – 24 per cent;
- South and West Asia – 22 per cent; and
- Africa – 21 per cent.

Strategies for each partner country are developed in close collaboration with partner country government policy makers, research institutions and agricultural and natural resource systems managers. Research partnerships may involve Australian universities, the CSIRO, state departments of agriculture and in many cases also involve the International Agricultural Research Centres (IARCs) that are supported by many donors, including the Australian Government.

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

ACIAR develops the skills of partner country research scientists involved in Centre programs through its training program. Expenditure on training is budgeted at \$7 million in 2012-13, the majority on two fellowship schemes. Through the ATSE Crawford Fund, ACIAR also supports training activities that complement the Centre's projects.

ACIAR will also continue to administer Australia's increasing contributions to and involvement with the reformed Consultative Group on International Agricultural Research. Additional unrestricted funding has been earmarked to underpin Australia's commitment and influence in this important multilateral research-for-development system.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: ACIAR Resource Statement — Budget Estimates for 2011-12 as at Budget May 2011

	Estimate of prior ⁺ year amounts available in 2012-13 \$'000	Proposed at Budget ⁼ 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	1,505	-	1,505	1,320
Departmental appropriation ³	-	10,731	10,731	10,229
s31 Relevant agency receipts ⁴	-	10	10	10
Total	1,505	10,741	12,246	11,559
Administered expenses				
Outcome 1	-	89,932	89,932	78,881
Total	-	89,932	89,932	78,881
Total ordinary annual services	A 1,505	100,673	102,178	90,440
Other services⁵				
Departmental non-operating				
Equity injections	-	304	304	200
Total other services	B -	304	304	200
Total available annual appropriations	1,505	100,977	102,482	90,640
Total appropriations excluding Special Accounts	1,505	100,977	102,482	90,640
Special Accounts				
Opening balance ⁶	9,871	-	9,871	10,866
Non-appropriation receipts to Special Accounts	-	34,572	34,572	31,179
Total Special Account	C 9,871	34,572	44,443	42,045
Total resourcing				
A+B+C	11,376	135,549	146,925	132,685
Total net resourcing for ACIAR	11,376	135,549	146,925	132,685

1 Appropriation Bill (No.1) 2012-13.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$0.254m in 2012-13 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency receipts — estimate.

5 Appropriation Bill (No.2) 2012-13.

6 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

ACIAR has no new budget measures.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

ACIAR's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of ACIAR in achieving Government outcomes.

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

Outcome 1 Strategy

ACIAR will deliver against its single outcome, by developing, implementing and managing project and program partnerships between Australian agricultural researchers and their counterparts in the Asia-Pacific region and Africa. This is achieved through a single administered program: Program 1: International agricultural research for development for more productive and sustainable agriculture. The key strategic directions ACIAR will adopt in 2012–13 are described in greater detail in the Centre's Annual Operational Plan 2012–13 (aciarc.gov.au).

Increased focus in Africa has resulted from the announcement by the Australian Prime Minister, the Hon. Julia Gillard MP, at the October 2011 Commonwealth Heads of Government Meeting that the government had committed program funding of \$33 million over 4 years to establish a new Australian International Food Security Centre (AIFSC).

ACIAR will continue to manage and administer Australia's increasing contribution to the centres of the Consultative Group on International Agricultural Research, through funding of projects, untied funding directed to the core activities of those centres and support for emerging programs.

ACIAR will also administer and manage, on behalf of AusAID, strategic and special initiatives and project activities where the Centre's expertise offers a comparative advantage.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships	2011-12	2012-13
	Estimated actual expenses	Estimated expenses
	\$'000	\$'000
Program 1: International Agricultural Research and Development		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	78,881	89,932
Special Accounts	30,950	34,572
Departmental expenses		
Departmental appropriation ¹	9,924	10,487
Expenses not requiring appropriation in the Budget year ²	354	338
Total for Program 1	120,109	135,329
	2011-12	2012-13
Average Staffing Level (number)	70	74

1 Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and "Revenue from Independent sources [s31]".

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

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

Contributions to Outcome 1

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

Program objective

Administered program

ACIAR has the single administered program of International agricultural research for development for more productive and sustainable agriculture, delivered through a number of initiatives aligning closely with the Australian Aid policy statement as described in '*An Effective Aid Program for Australia*', 2011:

- Agricultural productivity growth in smallholder systems;
- Developing market integration for smallholder livelihoods to enable market participation;
- Human and institutional capacity building for developing country national research institutions;
- Safeguarding food security and facilitating adaptation to climate change in rice-based farming systems of Mekong countries and South Asia;
- Developing high-value agriculture, forestry and fishery products in the Pacific;
- Advancing food security in Africa by establishing new research partnerships and projects; and
- Increasing financial support to the Consultative Group on International Agricultural Research (CGIAR).

Departmental Program

ACIAR has the single departmental program of Portfolio management:

- Sound administration that underpins ACIAR's collaborative, international project partnerships, and requires liaison with a diverse range of research providers and government instrumentalities and other stakeholders.

ACIAR Budget Statements

Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Administered item	78,881	89,932	92,872	97,703	99,852
Special Account Expenses:					
ACIAR Special Account	30,950	34,572	28,871	27,347	13,987
Annual departmental expenses:					
Departmental items	9,924	10,477	10,452	10,334	10,432
Expenses not requiring appropriation in the Budget year ¹	354	338	340	338	342
Total program expenses	120,109	135,319	132,535	135,722	124,613

¹ Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Audit Fees.

Program 1. Deliverables

Administered Program

- Enhanced productivity and profitability of cattle and pigs through improved practices, and policy environments in Indonesia;
- Mango and citrus production and marketing, and improving livelihoods of dairy farmers in Pakistan;
- Improving the livelihoods of Papua New Guinea (PNG) women in agriculture by developing their business acumen;
- Improving on-farm productivity and enhancing supply chains for a range of fruit and vegetable products in the southern Philippines;
- Better integration of smallholders into profitable markets for high-value crops and agroforestry in the north-western highlands of Vietnam;
- Capacity building in Indonesian research institutions;
- Introduction, management and evaluation of improved crop varieties to East Timor;
- Productivity of rice-based lowland systems in southern Laos, particularly extension, marketing and policy;
- A new program of research to assist adaptation to climate change at the farm scale, developing capacity for more-efficient use of soil and water resources in Cambodia;
- Sustainable agricultural intensification pathways for improving food security in maize systems in eastern and southern Africa: socioeconomic dynamics, drivers of change and policy options for inclusive growth;
- Identification, development and adoption of new, market-driven opportunities for improving the quality, accessibility, diversity and quantity of food and other agricultural crops in the Pacific; and
- Continued funding allocated to the CGIAR system primarily on an unrestricted basis through the relevant Windows.

Departmental Program

- Departmental costs are maintained within agreed budget parameters.

Program 1 Key Performance Indicators**Administered Program**

- Trilateral collaboration between Indonesia, East Timor and Australia developed, initially through livestock and horticulture research, and subsequently expanded into other sectors;
- Capacity of lead farmers, researches and extension staff in the horticulture and dairy sectors increased in Pakistan;
- Social, economic and environmental constraints to industry development by smallholder farmers identified in PNG women's business acumen project;
- Postharvest constraints and issues for selected Philippines fruit and vegetable crops identified and documented;
- Approaches tested to improve smallholder farmer livelihoods in Vietnam's north western highlands for improved productivity and market engagement;
- At least 12 postgraduate thesis projects, and two postgraduate scholarships in five research programs;
- Capacity of Indonesian national and regional R&D agencies strengthened through formal and on-the-job capacity building of at least 100 individuals;
- A new program established to improve productivity in the crop, fisheries and livestock sectors in Burma;
- Diversification options for rice-based farming systems within countries of the Mekong basin;
- Australian International Food Security Centre launched and operational;
- CGIAR funding allocations match funding Windows and fall within ACIAR Annual Operational Plan parameters.

Departmental Program

- Departmental costs are maintained within agreed budget parameters.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2012-13 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 and special accounts.

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 ACIAR since the 2011-12 Budget.

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) on ACIAR's Special Account.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2012-13 2011-12	Receipts 2012-13 2011-12	Payments 2012-13 2011-12	Adjustments 2012-13 2011-12	Closing balance 2012-13 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Centre for International Agricultural Research Account (A)	1	9,871	34,572	34,572	-	9,871
Total Special Accounts 2012-13 Budget estimate		9,871	34,572	34,572	-	9,871
<i>Total Special Accounts 2011-12 estimate actual</i>		10,866	31,179	32,174	-	9,871

(A) = Administered

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Budgeted financial statements tables

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	6,583	7,174	7,317	7,463	7,538
Suppliers	3,365	3,337	3,169	2,905	2,928
Depreciation and amortisation	330*	314*	316*	314*	318*
Total expenses	9,948	10,825	10,802	10,682	10,784
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	10	10	10	10	10
Total own-source revenue	10	10	10	10	10
Gains					
Other	24	24	24	24	24
Total gains	24	24	24	24	24
Total own-source income	34	34	34	34	34
Net cost of (contribution by) services	9,914	10,791	10,768	10,648	10,750
Revenue from Government	9,914	10,477	10,452	10,334	10,432
Surplus (deficit) attributable to the Australian Government	(330)*	(314)*	(316)*	(314)*	(318)*
Total comprehensive income (loss) attributable to the Australian Government	(330)*	(314)*	(316)*	(314)*	(318)*
*Note: Impact of Net Cash Appropriation Arrangements					
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	330	314	316	314	318
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(330)	(314)	(316)	(314)	(318)

¹ From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	53	52	52	52	52
Trade and other receivables	3,070	3,171	3,221	3,296	3,376
Total financial assets	3,123	3,223	3,273	3,348	3,428
Non-financial assets					
Land and buildings	478	632	482	332	182
Property, plant and equipment	623	673	722	792	841
Intangibles	59	99	139	159	169
Other non-financial assets	200	200	200	200	200
Total non-financial assets	1,360	1,604	1,543	1,483	1,392
Total assets	4,483	4,827	4,816	4,831	4,820
LIABILITIES					
Payables					
Suppliers	450	475	475	475	475
Other payables	350	375	375	400	400
Total payables	800	850	850	875	875
Provisions					
Employee provisions	1,470	1,520	1,570	1,620	1,670
Total provisions	1,470	1,520	1,570	1,620	1,670
Total liabilities	2,270	2,370	2,420	2,495	2,545
Net assets	2,213	2,457	2,396	2,336	2,275
EQUITY*					
Parent entity interest					
Contributed equity	830	1,388	1,643	1,897	2,154
Reserves	708	708	708	708	708
Retained surplus (accumulated deficit)	675	361	45	(269)	(587)
Total Equity	2,213	2,457	2,396	2,336	2,275

* '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 2012-13)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2012				
Balance carried forward from previous period	675	708	830	2,213
Adjusted opening balance	675	708	830	2,213
Comprehensive income				
Surplus (deficit) for the period	(314)	-	-	(314)
Total comprehensive income	(314)	-	-	(314)
of which:				
Attributable to the Australian Government	(314)	-	-	(314)
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriation	-	-	304	304
Departmental Capital Budget (DCBs)	-	-	254	254
Sub-total transactions with owners	-	-	558	558
Closing balance attributable to the Australian Government	361	708	1,388	2,457

Prepared on Australian Accounting Standards basis.

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

	Estimated Actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	10	10	10	10	10
Appropriations	9,865	10,376	10,402	10,259	10,352
Net GST received	230	230	225	220	220
Total cash received	10,105	10,616	10,637	10,489	10,582
Cash used					
Employees	6,537	7,099	7,267	7,388	7,463
Suppliers	3,567	3,518	3,370	3,101	3,119
Total cash used	10,104	10,617	10,637	10,489	10,582
Net cash from (used by) operating activities	1	(1)	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of land and buildings	167	304	-	-	-
Purchase of property, plant and equipment	348	200	201	200	200
Purchase of intangibles	-	54	54	54	57
Total cash used	515	558	255	254	257
Net cash from (used by) investing activities	(515)	(558)	(255)	(254)	(257)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	515	558	255	254	257
Total cash received	515	558	255	254	257
Net cash from (used by) financing activities	515	558	255	254	257
Net increase (decrease) in cash held	1	(1)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	52	53	52	52	52
Cash and cash equivalents at the end of the reporting period	53	52	52	52	52

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	315	254	255	254	257
Equity injections - Bill 2	200	304	-	-	-
Total new capital appropriations	515	558	255	254	257
Provided for:					
Purchase of non-financial assets	515	515	255	254	257
Total Items	515	515	255	254	257
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	200	304	-	-	-
Funded by capital appropriation - DCB ²	315	254	255	254	257
TOTAL	515	558	255	254	257
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	515	558	255	254	257
Total cash used to acquire assets	515	558	255	254	257

1 Includes both current and prior Bill 2/4/6 appropriations and special capital appropriations.

2 Does not include annual finance lease costs.

Prepared on Australian Accounting Standards basis.

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

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2012				
Gross book value	638	768	458	1,864
Accumulated depreciation/amortisation and impairment	(160)	(145)	(399)	(704)
Opening net book balance	478	623	59	1,160
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ¹	304	-	-	304
By purchase - appropriation ordinary annual services ²	-	200	54	254
Total additions	304	200	54	558
Other movements				
Depreciation/amortisation expense	(150)	(150)	(14)	(314)
Total other movements	(150)	(150)	(14)	(314)
As at 30 June 2013				
Gross book value	942	968	512	2,422
Accumulated depreciation/amortisation and impairment	(310)	(295)	(413)	(1,018)
Closing net book balance	632	673	99	1,404

1 "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2012-13.

2 "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2012-13 for depreciation / amortisation expenses, DCBs / ACBs or other operational expenses.

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	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
International Development Assistance					
Employee benefits	60	60	60	60	60
Suppliers	109,771	124,444	121,683	124,990	113,779
Total expenses administered on behalf of Government	109,831	124,504	121,743	125,050	113,839
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Sale of goods and rendering of services	30,950	34,572	28,871	27,347	13,987
Total non-taxation revenue	30,950	34,572	28,871	27,347	13,987
Total own-sourced income administered on behalf of Government	30,950	34,572	28,871	27,347	13,987
Net Cost of (contribution by) services	78,881	89,932	92,872	97,703	99,852
Surplus (Deficit)	(78,881)	(89,932)	(92,872)	(97,703)	(99,852)
Total comprehensive income (loss)	(78,881)	(89,932)	(92,872)	(97,703)	(99,852)

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	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	9,871	9,871	9,871	9,871	9,871
Taxation receivables	829	829	829	829	829
Trade and other receivables	500	500	500	500	500
Total financial assets	11,200	11,200	11,200	11,200	11,200
Non-financial assets					
Other non-financial assets	125	125	125	125	125
Total non-financial assets	125	125	125	125	125
Total assets administered on behalf of Government	11,325	11,325	11,325	11,325	11,325
LIABILITIES					
Payables					
Suppliers	1,711	2,000	2,050	2,100	2,150
Unearned income	10,000	10,000	10,000	10,000	10,000
Personal benefits	5	5	5	5	5
Other payables	698	698	698	698	698
Total payables	12,414	12,703	12,753	12,803	12,853
Provisions					
Employee provisions	5	7	10	10	10
Total provisions	5	7	10	10	10
Total liabilities administered on behalf of Government	12,419	12,710	12,763	12,813	12,863
Net assets/(liabilities)	(1,094)	(1,385)	(1,438)	(1,488)	(1,538)

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
External Funds	31,179	34,572	28,871	27,347	13,987
Net GST received	4,350	4,500	4,550	4,600	4,500
Total cash received	35,529	39,072	33,421	31,947	18,487
Cash used					
International development assistance					
Suppliers	115,349	128,655	126,183	129,540	118,229
Employees	56	58	57	60	60
Total cash used	115,405	128,713	126,240	129,600	118,289
Net cash from (used by) operating activities	(79,876)	(89,641)	(92,819)	(97,653)	(99,802)
Net increase (decrease) in cash held					
Cash and cash equivalents at beginning of reporting period	10,866	9,871	9,871	9,871	9,871
Cash from Official Public Account for:					
- Appropriations	83,231	94,141	97,369	102,253	104,302
	83,231	94,141	97,369	102,253	104,302
Cash to Official Public Account for:					
- Appropriations	(4,350)	(4,500)	(4,550)	(4,600)	(4,500)
	89,747	99,512	102,690	107,524	109,673
Cash and cash equivalents at end of reporting period	9,871	9,871	9,871	9,871	9,871

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; and
- Administered expense appropriations: for the estimated administered expenses relating to specific programs.

Asset valuation

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

Australian Secret Intelligence Service (ASIS)

Agency resources and planned performance

AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

Section 1: Agency overview and resources	163
1.1 Strategic Direction Statement	163
1.2 Agency Resource Statement	164
1.3 Budget Measures.....	165
Section 2: Outcomes and planned performance	166
2.1 Outcomes and performance information	166
Section 3: Explanatory tables and budgeted financial statements	170
3.2 Budgeted Financial Statements.....	171

AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2012-13 the Australian Secret Intelligence Service (ASIS) will continue to enhance government understanding of the overseas environment affecting Australia's vital interests. ASIS will take appropriate action, consistent with applicable legislation, to protect and promote Australia's vital interests through the provision of unique foreign intelligence services as directed by the Government.

The primary functions of ASIS are:

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

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: ASIS Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012

	Estimate of prior + year amounts available in 2012-13 \$'000	Proposed at Budget = 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	67,132	-	67,132	70,185
Departmental appropriation ³	-	205,379	205,379	192,858
s31 Relevant agency receipts ⁴	-	37,465	37,465	52,465
Total	67,132	242,844	309,976	315,508
Total ordinary annual services	67,132	242,844	309,976	315,508
Other services⁵				
Departmental non-operating				
Equity injections	-	6,080	6,080	219
Total	-	6,080	6,080	219
Total other services	-	6,080	6,080	219
Total resourcing	67,132	248,924	316,056	315,727
Total net resourcing for ASIS	67,132	248,924	316,056	315,727

1 Appropriation Bill (No.1) 2012-13.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount for the Departmental Capital Budget.

For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency receipts — estimate.

5 Appropriation Bill (No.2) 2012-13.

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

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

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

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

Outcome 1 Strategy

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia		
	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 1.1: Secret Intelligence		
Departmental expenses		
Departmental appropriation ¹	173,688	168,961
Expenses not requiring appropriation in the Budget year ²	17,030	19,046
Total for Program 1.1	190,718	188,007
Program 1.2: Other Services		
Departmental expenses		
Departmental appropriation ¹	57,896	56,320
Expenses not requiring appropriation in the Budget year ²	5,677	6,349
Total for Program 1.2	63,573	62,669
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	231,584	225,282
Expenses not requiring appropriation in the Budget year ²	22,707	25,394
Total expenses for Outcome 1	254,291	250,676

¹ Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

² Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense.

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

Contributions to Outcome 1

Program 1.1: Secret Intelligence

Program objective

- Secret Intelligence

Program expenses

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

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
('000)					
Annual departmental expenses	173,688	168,961	177,785	181,624	183,050
Expenses not requiring appropriation in the Budget year ¹	17,030	19,046	16,988	17,165	14,302
Total program expenses	190,718	188,007	194,773	198,789	197,352

¹ Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense.

Program 1.1 Deliverables

- Secret Intelligence

Program 1.1 Key Performance Indicators

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

Program 1.2: Other Services

Program objective

- Other Services

Program expenses

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

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
(('000)					
Annual departmental expenses	57,896	56,320	59,262	60,541	61,017
Expenses not requiring appropriation in the Budget year ¹	5,677	6,349	5,663	5,722	4,767
Total program expenses	63,573	62,669	64,924	66,263	65,784

¹ Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense.

Program 1.2 Deliverables

- Other Services

Program 1.2 Key Performance Indicators

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

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2012-13 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.

3.2 BUDGETED FINANCIAL STATEMENTS

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	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Total expenses	254,291	250,676	259,697	265,052	263,136
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	52,465	37,465	37,465	37,465	37,465
Total own-source revenue	52,465	37,465	37,465	37,465	37,465
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	52,465	37,465	37,465	37,465	37,465
Net cost of (contribution by) services	201,826	213,211*	222,232	227,587	225,671
Revenue from Government	179,119	187,817	199,581	204,700	206,602
Surplus (Deficit) attributable to the Australian Government	(22,707)	(25,394)*	(22,651)*	(22,887)*	(19,069)*
Total comprehensive income (loss) attributable to the Australian Government	(22,707)	(25,394)	(22,651)	(22,887)	(19,069)

Note: Impact of Net Cash Appropriation Arrangements

	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	(22,707)	(25,394)	(22,651)	(22,887)	(19,069)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(22,707)	(25,394)	(22,651)	(22,887)	(19,069)

* From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations.

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets	93,561	93,559	93,757	97,008	100,259
Non-financial assets	123,120	121,712	119,914	113,048	109,753
Total assets	216,681	215,271	213,671	210,056	210,012
LIABILITIES					
Payables	47,668	47,986	48,304	48,622	48,940
Interest bearing liabilities	-	-	-	-	-
Provisions	29,716	32,649	35,582	38,515	41,448
Total liabilities	77,384	80,635	83,886	87,137	90,388
Net assets	139,297	134,636	129,785	122,919	119,624
EQUITY					
Parent entity interest					
Contributed equity	87,425	108,158	125,958	141,979	157,753
Reserves	55,318	55,318	55,318	55,318	55,318
Retained surplus (accumulated deficit)	(3,446)	(28,840)	(51,491)	(74,378)	(93,447)
Total parent entity interest	139,297	134,636	129,785	122,919	119,624

* '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 2012-13)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2012					
Balance carried forward from previous period	(3,446)	-	55,318	87,425	139,297
Adjusted opening balance	(3,446)	-	55,318	87,425	139,297
Comprehensive income					
Other comprehensive income					
Surplus (deficit) for the period	(25,394)	-	-	-	(25,394)
Total comprehensive income	(25,394)	-	-	-	(25,394)
of which:					
Attributable to the Australian Government	(25,394)	-	-	-	(25,394)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	6,080	6,080
Departmental Capital Budget (DCBs)	-	-	-	14,653	14,653
Sub-total transactions with owners	-	-	-	20,733	20,733
Estimated closing balance as at 30 June 2013	(28,840)	-	55,318	108,158	134,636
Closing balance attributable to the Australian Government	(28,840)	-	55,318	108,158	134,636

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	176,210	190,726	199,581	204,700	206,602
Other	58,518	43,718	43,518	40,465	40,465
Total cash received	234,728	234,444	243,099	245,165	247,067
Cash used					
Other	234,584	228,282	240,046	245,165	247,067
Total cash used	234,584	228,282	240,046	245,165	247,067
Net cash from (used by) operating activities	144	6,162	3,053	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	19,920	23,986	20,853	16,021	15,774
Total cash used	19,920	23,986	20,853	16,021	15,774
Net cash from (used by) investing activities					
FINANCING ACTIVITIES					
Cash received					
Contributed equity	16,867	20,733	17,800	16,021	15,774
Other	-	-	-	-	-
Total cash received	16,867	20,733	17,800	16,021	15,774
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) financing activities	16,867	20,733	17,800	16,021	15,774
Net increase (decrease) in cash held	(2,909)	2,909	-	-	-
Cash and cash equivalents at the beginning of the reporting period	17,485	14,576	17,485	17,485	17,485
Cash and cash equivalents at the end of the reporting period	14,576	17,485	17,485	17,485	17,485

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

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

PORTFOLIO GLOSSARY

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

Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Measure the joint or independent contribution of programs to the achievement of their specified outcome.
Efficiency indicators	Measure the adequacy of an agency's management of its programs. Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one program should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Operating result	Equals revenue less expense.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end results or impacts actually achieved.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of programs.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality

Glossary

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